SENATE—*Thursday, February 1, 1996*

The Senate met at 10:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

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

Dear God, our Father, we thank You for the blessings You release when Your people pray. The President and Vice President and their families, the Justices of the Supreme Court, the Members of the House of Representatives, and the men and women of this Senate, along with those of us who are privileged to work with them, are recipients of the impact of the prayers of intercession prayed by millions of Americans around the clock. Help us to remember that You are seeking to answer these prayers as we receive Your wisdom and guidance. May we never feel alone or only dependent on our own strength. Your mighty power is impinging on us here as a result of people's prayers. An unlimited supply of supernatural strength, wisdom, and vision from You is ready to be released.

Also, remind us that our ability to receive is dependent on our willingness to pray for each other here as we work together in the Senate. We recommit ourselves to be channels of prayer power not only to our friends and those with whom we agree, but also for those with whom we disagree, those we consider our political adversaries, and especially those who test our patience, or those we need to forgive. So, lift our life together from a battle zone of combative words to a caring community of leaders who pray for and communicate esteem for one another. Thank You for giving us unity in spirit as we deal with diversity of ideas. In our Lord's name. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader, Senator LOTT, is recognized.

Mr. LOTT. I thank the Chair.

THANKING THE SENATE CHAPLAIN

Mr. LOTT. Mr. President, we thank our Chaplain for his assistance and his daily prayers and for his efforts this very morning with the Congressional Prayer Breakfast. We assure him of our prayers for him and his loved ones. We know it is a difficult circumstance he is dealing with at this time.

SCHEDULE

Mr. LOTT. Mr. President, today, the Senate will resume consideration of S. 1541, the farm bill. Under the previous order, all Senators should be aware that there will be two cloture votes today beginning at 1:30 p.m. Additional rollcall votes can be expected in order to complete action on the farm bill today.

Also as a reminder, Senators have until 12 noon today to file first-degree amendments to the pending substitute and until 1 p.m. to file second-degree amendments.

Today, there will be a joint meeting of Congress at 11:45 a.m. to hear an address by the President of France, President Chirac. Members should be in the Chamber at 11:25 in order to proceed to the House of Representatives for the address.

Mr. President, I would like to also this morning make some brief remarks with regard to the need for truth in packaging on welfare reform. I observe the Senator from Indiana, the chairman of the Agriculture Committee is here. There may be a need for the others that are involved in the agriculture bill to come to the floor. So, if the Senator will indulge me just a couple minutes, I would like to talk with regard to what is happening with welfare reform.

WELFARE REFORM

Mr. LOTT. Mr. President, someday, perhaps a year from now, we will finally achieve genuine welfare reform to change welfare from the way we have known it, but it will not happen today. Indeed, it may not happen this year, not while President Clinton continues to brandish his veto pen against all efforts to clean up the welfare mess, to encourage work, and to help people who need assistance to get off welfare and get a job.

His first veto of welfare reform received little notice because it was part of our larger Balanced Budget Act. That legislation was long and complicated, touching upon many different programs. So the President was able to block welfare reform in the process of opposing other provisions in the bill.

His second veto of welfare reform likewise received scant attention because much of the country was distracted by the blizzard of 1996. It was vetoed late at night, and there was not much press coverage because most of official Washington was not paying attention. They were still concentrating on the overall budget agreement.

Now the President has promised a third veto of welfare reform, and he has done so in a way that blatantly violates his previous pledges on this issue. In an interview that appeared in yesterday's, that is Wednesday's, Washington Post, the President made clear that his earlier endorsement of the welfare reform bill that passed the Senate last fall is no longer operative.

The bill that passed the Senate was H.R. 4, which this body approved on September 19, 1995, by a strongly bipartisan vote of 87 to 12. It sailed through the Senate with the strong personal support of the President. But that was then, and now I guess his position has changed, based on this interview in the Washington Post. This is what Ann Devroy and John Harris reported in the Post interview:

> On welfare reform, Clinton said he has not given up hope that a compromise bill acceptable to him will be approved this year. But he set a new price for his signature on a welfare system overhaul, asserting that the Senate proposal he indicated he would support last fall will have to be changed for him to support it now. He called on Republicans to send him a revised bill that would contain fewer cuts in funding for food stamps, provide child care for welfare recipients who work and preserve current protections for disabled children.

This is another example of the President's acknowledged skill at packaging and repackaging his positions, but it is a far cry from what was actually involved in the legislation that we considered.

The truth, as every Member of the Senate knows, is that the bill we passed last September was a compromise. A lot of work was put into that legislation by members of the committees involved, including the Senator from Connecticut, Senator DODD. That is why it gathered 87 votes on the Senate floor. It is why few Senators on both sides of the aisle opposed it.

The truth is that the Senate-passed bill did provide additional funding for child care for welfare recipients. It earmarked $1 billion per year for child care assistance, and it provided another $3 billion over the next 4 fiscal years for child care in certain States. In sum, that was a few billion more than what President Clinton had called for in his budget.

The truth is that the Senate-passed bill provided a base amount of $16.8 billion in welfare funding in each of the next 5 years; an additional $879 million for States with higher growth; a $1.7 billion revolving fund for special borrowing; additional funds as incentive grants to States which make the most progress in getting persons off the welfare rolls; a $800 million emergency assistance fund; a contingency fund of up

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

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to $1 billion; $150 million for second chance homes for unwed mothers and more.

The truth is that by returning control of public assistance to the States, the Senate-passed bill did not weaken protections for disabled children. On the contrary, 87 Members of the Senate, from both sides of the political aisle, voted to give flexibility to States in meeting the needs of those children.

The truth is that the Senate-passed bill required an 80-percent maintenance of effort—80-percent maintenance of effort—by the States to allay any fears that benefits to the needy might be recklessly reduced.

In fact, we made so many changes, we put in so much more money, that it was just marginally possible for this Senator to even vote for the bill. But it was a compromise; it was a step in the right direction, and, like a lot of others on both sides, I went along with it.

But, based on what we are hearing from the administration, all that goes down the memory hole. The President is now upping the ante, demanding that the Congress give him a version of welfare reform not worthy of the name. His goal in doing so is obvious. Having campaigned on a promise to end welfare as we know it, he has done his utmost to end welfare reform as we know it, substituting in its place a gutted, toothless, costly sham.

As far as this Senator is concerned—and I am certain I speak for a number of other Members of Congress—that just cannot happen. We are not going to betray our promise to the American people in order to get the President's signature on a welfare bill.

There is nothing worse than for Congress to say, as we have too many times in the past, that we have accomplished something with a bill, giving it a glorious sounding title, when there is no substance to it—and when there will be no glorious results when it is actually implemented.

There are some things worse than no welfare reform. Phony reform is the main one. A welfare bill that leaves AFDC as an entitlement is phony reform. A welfare bill that keeps control of welfare in Washington in the Federal bureaucracy, in my opinion, is phony reform. A welfare bill that makes dependency more attractive by providing more benefits to more people is not genuine reform.

The President's latest comments on this subject present us with a stark choice between false reforms, misleading action, and nothing at all. He is probably hoping that, rather than return to the voters empty-handed, we will collude with him to give the public the appearance of reform, that we all declare victory, and it will be years before the taxpayers figure out they have been duped by what is called welfare reform.

I do not believe the majority in Congress is going to play that game. We are not going to break faith with the American people on this issue. If welfare reform has to wait until next year, I guess it will be worth the wait. If welfare reform must wait until the veto pen has been removed from the President, then so be it. But that delay is not necessary.

We can get genuine welfare reform. It can be one that will be supported in a bipartisan way, and it can be one that will be good for the people who now depend on the system and are looking for a way out. But that will take real cooperation. We must make sure that whatever we do is genuine reform that will produce the results we promised. Mr. President, I yield the floor.

AGRICULTURAL MARKET TRANSITION ACT OF 1996

The PRESIDING OFFICER (Mr. DEWINE). Under the previous order, the Senate will now resume consideration of S. 1541, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1541) to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Craig (for Leahy-Lugar) amendment No. 3184, in the nature of a substitute.

The PRESIDING OFFICER. The time for debate is equally divided between now and 11:25.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

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

The PRESIDING OFFICER. The Senator is recognized.

Mr. LUGAR. Mr. President, in beginning debate on S. 1541, the farm bill, let me just say that it is very important to farmers all over the country who have been notifying Senators and Members of the House that they want, certainly, a degree of certainty before they get into the fields to plant.

They would like, as a matter of fact, to see the Congress at work on this vital legislation. In response to that, the distinguished majority leader has, in fact, called us to that cause today, as Senators are aware.

This is a very important day. It is extraordinarily important legislation for all of America. Farmers want to know what is going to happen now. Hopefully, the Senate will provide that guidance through constructive action to completion and passage of this legislation today.

Over a year ago, at the beginning of the 1995—and now 1996—farm bill debate, I posed 53 questions about future agricultural policy in this country. The answers to those questions made it clear that a status quo farm policy was not a good idea. S. 1541, the legislation before us today, represents a bold new direction. It answers the 53 questions that I asked and that other Senators posed in a broad review of farm policy in this country.

There were five basic reasons to support Senate bill 1541.

First of all, a good reason to support it is its simplicity of approach. Traditional farm policy is so arcane that even many U.S. Department of Agriculture officials can barely comprehend all of its complexity. The bill we consider today offers a straightforward, commonsense policy.

Second, the bill offers certainty. Farmers who sign contracts will know their future payments for the next 7 years. Taxpayers, importantly, will know precisely what money is going to be spent during the next 7 years and that the budget savings we have already debated in this Chamber are certain.

That is especially important, Mr. President, because as you will recall, we debated a farm bill that has just expired, estimating that the taxpayers' expense would be about $41 billion. In fact, the final cost to the bill was close to $57 billion due to all the contingencies, including the weather and foreign trade and demand. In this particular instance it was important for those of us who favor a balanced budget approach to know precisely how much was for agriculture, and for farmers to know precisely the payments that would come to them.

Third, the bill does provide very substantial savings for taxpayers. With this bill, agriculture has done its part to help balance the Federal budget in 7 years. Senate bill 1541 will reduce Federal spending by about $4.6 billion over the 7 years from a new baseline which reflects actual market prices in this country.

I might add, Mr. President, that baseline recognizes that outlays, as expenditures by taxpayers, to the farm community will be $7 to $8 billion less than earlier anticipated largely because market prices for many of the farm programs are very high this year and, therefore, the normal deficiency payments do not kick in under those formulas.

The fourth reason for supporting this legislation is its market orientation. Farmers' payments will be the same even if they plant alternate crops. As a matter of fact, they will make planting decisions based on market forces, on the signs of prices in the market. Today planting decisions affect eligibility for Government payments, and subsidies have driven much of the business planning of many farmers.

Under Senate bill 1541, farmers will have full planting freedom, thus, the label given to this act, the "freedom to farm," the ability to manage your land, to make decisions for the market.

We will end, in fact, Federal Government production controls. That is an important step forward all by itself.

A fifth reason for support is that farmers support Senate bill 1541. This long-term plan for U.S. agriculture has been endorsed by a wide range of farm groups. National groups such as the American Farm Bureau and the National Corn Growers and State groups such as the Kansas Wheat Growers and the North Dakota Grain Growers have given strong endorsement to this legislation.

Mr. President, the Senate has approved this bill once already as a part of the Balanced Budget Act. Unfortunately for our Nation, the President vetoed that act and thus vetoed the farm bill. That veto creates a problem for U.S. agriculture. Since commodity support programs were a part of the Balanced Budget Act, we are left with no workable farm program for many crops, except for the outdated 1949 and 1938 laws, which could cause price supports. For wheat, for example, for those farmers who had allotments in that period of time almost 50 years ago, those price supports could triple.

Now the Clinton administration confirms that implementing these old statutes, the 1949 and the 1938 acts, could add $10 to $12 billion to the cost of running farm programs for the 1996 crops alone. That is clearly intolerable. We have talked, Mr. President, about savings as a part of the Balanced Budget Act. Failure to enact this legislation could mean that $10 to $12 billion in only 1 year alone would be added to the deficit.

It is clear, Mr. President, that the Congress and the President will be ridiculed by the public for gridlock, for inactivity, for myopia, given the apparent crisis that lies immediately ahead of us. The new bill must be fiscally responsible.

Proposals to raise loan rates, as some of our colleagues want to do, potentially is a very expensive option. And some of our colleagues have charged, in fact, that we have delayed writing a farm bill and that the Senate bill 1541 was written without full participation, without hearings.

Mr. President, Congress did produce a farm bill. It passed two Houses and went as a part of the Balanced Budget Act to the President. President Clinton vetoed it, and only that veto has prevented timely passage of new farm laws.

Second, the Senate Agriculture Committee held thorough hearings. The committee held 15 farm bill hearings in 1995 involving 157 witnesses from all over our country. Additional and lengthy hearings were held on farm legislation in the Budget Committee. Every conceivable approach to farm policy was discussed in those hearings.

Much of the farm bill has, in fact, been developed in a bipartisan way. In July 1995, the Agriculture Committee of the Senate gave preliminary, but unanimous, approval to four titles of the farm bill. They cover trade, farm credit, research, and rural development. Since then, there have been further bipartisan efforts on a miscellaneous title and a conservation title.

Some of our colleagues have declined to be involved in the balanced budget amendment consideration. They informed us in the Agriculture Committee that they would not vote for the cuts required by the Balanced Budget Act. We were told that we would have to pass that act with Republican votes alone in the committee, and we did so. If some colleagues feel left out at this point, it is because they chose to be left out. They were within their rights to take that option, but it is strange now to hear complaints about a process that included 15 full hearings and very thorough debate before passage of the farm bill from the Senate Agriculture Committee.

I suspect the real complaint is with the substance of the bill. It calls for the end of Government planting controls. It calls for freedom to farm. It provides an entirely new outlook for American agriculture, which I find very exciting as a farmer, as somebody who has walked through this legislation not only as a legislator but as one who is subject to it.

I will say, Mr. President, parenthetically, with the exception of the distinguished Senator from Iowa, Senator GRASSLEY, I am the only farmer on the committee, the only one that might be visibly affected by this legislation and have some idea of how it actually works. So from that standpoint, I have a sense of liberation about the process, which is shared, I might say, by farmers in the State of Ohio, the State of the distinguished Chair, and Indiana, and, in large number, farmers in Iowa, whom I have been visiting the last 2 days. They want action, and that is why I am here as opposed to staying another day with friends in Iowa with whom I have been visiting.

Fundamentally, a few of our colleagues do not want to reduce spending on farm programs. That is their privilege, but most of us believe they are mistaken. Most farmers know that they, as well as other Americans, will benefit from a balanced budget. They know as well that our Nation will be stronger for that, and they know that S. 1541 defines exactly what the farm commitment is, and it is an acceptable commitment to farm groups.

Therefore, Mr. President, S. 1541 is a bold departure from the past. It is clearly a new direction. It will reduce Federal spending and Federal deficits with certainty. It will reform farm programs and give them both certainty and much greater simplicity, and it will prepare U.S. agriculture for what promises to be a very exciting new century.

One of the great ironies of consideration of farm legislation during the past year is that initially we talked in terms of Federal programs very similar to the ones which we now have. As the Chair knows, for the large program crops—corn, wheat, cotton, and rice—target prices are established. If the market prices are below those target prices, farmers may receive deficiency payments, the difference between the two, the target price and the market price, for the crop history on the covered acreage they have in the plan for which they have signed. These are the so-called deficiency payments. Others would call them subsidies. They have mounted up to very large totals in some years.

In this particular year of the farm bill, suddenly, export demand took off in a very dynamic way. The Chinese changed from becoming exporters to very strong importers. That provided new opportunities for the United States in Southeast Asia, but our traditional customers in Europe and in Japan come in for much stronger orders really across the border. Cattle feeders and hog producers throughout this country have continued to feed large herds of livestock and, despite the rising price of feed, have continued the size of those herds.

Mr. President, we have a situation unlike any that I have seen in agriculture in the last generation in which clearly the price in the market went way above the target price and remains there. If a farmer were to go into the futures market this morning and he was bold enough to know exactly what his crop was going to be for this year, the planting of 1996 or 1997, a farmer could sell both crops for prices higher than the target price for corn, for example. I addressed this issue, as I mentioned to the Chair a moment ago, in Iowa in the last few days, with farmers saying, "What should we do? How much fertilizer should we buy, or other inputs, for our crop?"

My advice has been to take a look at the markets, take a look at the futures prices. Note that we are going to have strong demand for corn, for wheat, for soybeans, and at least it would appear for cotton for some time to come. Freedom to farm means that, that you plant for the market. I would advise farmers to do that.

Farmers, being prudent people, say, "That is clearly the decision we are going to make anyway, but at the same time, we want to know what you legislators are going to do sort of postmortem, after those decisions. If you come back then and say, 'We really didn't mean freedom to farm. As a matter of fact, we wanted the same old status quo legislation with all of the controls, the set-asides, the planting decisions made in Washington,' if, in fact, that is what happens weeks, months, years down the trail after gridlock finally is gone and polarization is less

intense, what would be the penalties for us if, in fact, we made sound decisions for our farms and for our country, for the general export thrust of a country that exports a great deal more in agriculture than it imports and with a balance of payments that grows stronger every year?''

That is the fundamental question. It is not that farmers need market signals. They are there and abundantly clear what we ought to be doing. They are worried about being undercut by legislators who are not farmers, who really do not understand what is going on out there but purport to do so in behalf of farmers, and by a President who has apparently, through the Secretary of Agriculture, threatened to veto almost all legislation that bears some idea of freedom to farm.

So this is why we are having this debate today to bring some certainty to the field. We are having it in the context, as the Chair knows, as the distinguished Senator from Mississippi has already announced, that we are going to have a cloture vote at 1:30 p.m. Why would we already understand we are going to have a cloture vote? It is because the distinguished Democratic leader, in conversations with Senators, has indicated that there is strong opposition on his side of many Senators to this legislation, such strong opposition that it might lead to extended debate, and, therefore, the cloture vote at 1:30 is very important.

If cloture is established, we are going to have farm legislation, probably today, but whenever the cloture procedure runs out. If we are not successful, as the Chair knows, another cloture vote will be held on freedom to farm, plus additional amendments that have been offered by the distinguished ranking member of the Agriculture Committee, Senator LEAHY. And, hopefully, we will bring debate to a conclusion in some orderly way on that proposition, in the event my legislation that I have introduced and am debating this morning should not pass.

In any event, this is a very important day for agriculture and for America. It is a privilege to lay before the Senate, I believe, remarkable legislation that I hope will find favor with the Senate today.

Mr. President, I yield the floor to the Senator from Mississippi, such a valued and important member of our committee and, in his own right, chairman of the Agriculture Subcommittee on Appropriations.

The PRESIDING OFFICER. The Chair advises the Senator he has 3 minutes, 30 seconds remaining.

Mr. LUGAR. I yield the remaining time to my distinguished colleague.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I thank my distinguished friend, the chairman of the Agriculture Committee, for yielding to me. I urge the Senate to approve this Agricultural Market Transition Act. We are confronted with an emergency. It is essential that farmers know immediately what the farm programs for this crop year will be. Farmers are unable to make the decisions that must be made about what to plant or how much to plant, with the current uncertainty of this year's farm law.

If we fail to pass a new farm bill, wheat and feed grain farmers will be operating under the provisions of the 1938 and 1949 agricultural acts. There will be no rice program. This forces the Secretary of Agriculture to announce a new rice program under the authority he has under the 1948 Commodity Credit Corporation. And while cotton, peanut, and sugar titles of the previous farm bill would continue for the 1996 crop-year, a great deal of confusion and possible economic hardship for many of our Nation's farmers could result.

The Department of Agriculture has even suggested that this chaos could add $10 to $12 billion to the cost of farm programs this year. This is just not acceptable for either farmers or the taxpayers.

So I urge the Senate to act favorably on this cloture vote so we can have a vote on the bill, S. 1541, to continue the commitment to protecting public and private investments in production agriculture and in rural America.

I am pleased that the bill includes, with the support of the chairman, the Marketing Loan Program that has proved so workable and helpful in the rice and cotton areas. There are also other provisions that have been tried and tested and proven to be helpful to your effort to compete effectively in the international marketplace with our strong agriculture sector.

Our farmers are ready to go to work, but they need to know what the programs are going to be so they can make rational and thoughtful decisions. The Government's role in providing stability and an orderly transition to a market economy in agriculture is very important and will be carried forward and implemented in this bill. It does it fairly and with a clear-cut commitment to curb spending.

I urge my colleagues to vote for cloture so we can get a vote on this bill.

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

The PRESIDING OFFICER (Mr. INHOFE). The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. BOND. Mr. President, I understand we are technically out of time on the farm bill, but I see no other Senators seeking the floor.

I ask unanimous consent that I be allotted the remaining time before the recess in order to make remarks about S. 1541, the farm legislation.

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

Mr. BOND. Mr. President, I believe S. 1541, the underlying legislation, which is the subject of discussion in the cloture motions today, presents a very important opportunity for the Senate to move forward in a bipartisan way to shape policy in behalf of our Nation's farmers and consumers. This modified freedom-to-farm legislation offers reform, opportunity, flexibility and predictability in a fiscally responsible way and with the growing support of Members on both sides of the aisle and, I would say most important, growing support from the people in America who are looking to the Congress to tell them what the Federal farm policy will be.

All of us, as Senators, should understand that farmers need to know what the Federal policy will be. For better or worse, the Federal Government has been a very large part of decisions made by farmers in deciding what to plant, where to plant, and how to plant. We know that a new, long-term plan is far better than an extension of the current law. We know that if we do not move this legislation, the alternative is delay, confusion, frustration, continuation of current law, or perhaps even the reinstitution of long-outdated policies still on the books.

We also should know, based on the discussions that have gone on here, that there is only one vehicle that has been under the light, has been scrutinized, has met the test, and can bring a legislative bipartisan consensus. Simply put, I find no constituency for continuing the status quo. We cannot leave the Federal farm programs in the quandary in which they now find themselves. Farmers do not want it. Fiscal conservatives do not want it. Reformers do not want it. Urban Members who have been critical of the current farm programs, certainly they should not want it.

This process is terribly difficult under normal circumstances, but it is especially difficult when working under balanced budget constraints. It is even more difficult when the comprehensive proposal which has survived this legislative marathon represents significant change because change produces political anxiety. There is no question that this will be a very difficult measure, but it has been through the process and it has reached a consensus that I believe is absolutely essential.

I offer my thanks and congratulations, on behalf of farmers in my State and all those of us who want to put this country on a path towards a balanced budget, to the distinguished majority leader, Senator DOLE, to Chairman

LUGAR, to Senator GRASSLEY, particularly to Senator LEAHY, the ranking member on the agriculture authorizing committee, and the others who have worked under difficult circumstances to find a bipartisan consensus for which the Senate now has an opportunity to move, to a post-cloture scenario that can get a bill to the President's desk.

I know the majority leader and Chairman LUGAR and their staffs have labored tirelessly to find a bipartisan solution and I applaud them for taking decisive action to answer the pressing need to produce a farm bill for the future.

I regret that some remain opposed to this legislation. I believe that the stage was set during consideration of the budget resolution when Congress voted cuts—not disproportionate cuts—but real cuts nonetheless. At that time, I think some on the other side decided that the cuts were too great and that any program that carried these cuts would be opposed.

I want to warn anyone listening, if you find yourself confused, there may be ample reason. You may hear from some that this legislation cuts farming too much and that it simultaneously pays farmers too much under the fixed market transition payments. We may also hear from some who have historically opposed existing law that this reform legislation should be defeated to preserve existing law.

Mr. President, I am hearing from my farmers that they want modified freedom to farm, and they do not want an extension of current law. Let me address this notion that we are cutting agriculture too much and paying farmers too much. In my State, farm prices may be better than they were last year, but to them, there is no way these prices are high. These prices are the same as they were 13 years ago while the cost of a pickup truck has doubled over that same period. "High prices" is a relative term. If you ask a rancher feeding steers corn—corn is high. If you ask a corn farmer, prices are not high—hardly enough to cover the costs of production. I read a wire story where Secretary Glickman observed from China that he was concerned that farmers will get a tremendous windfall.

I know the Secretary is doing marvelous work promoting trade and he should be applauded for that, but he would not want to sit down with farmers in my State and explain to them how this slimmed down program, combined with moderate prices is going to give them a windfall.

Additionally, prices may be higher than they were several years ago, but after this past year's flood, drought, and frost, many farmers had nothing or significantly less to sell. The existing program does not address that problem and this is a critically important point. You cannot tell my farmers who have little to sell while facing a refund of their advanced deficiency payments that the current program is a safety net and the modified freedom to farm is not.

I might also suggest to Members who are worried that farmers might get a payment when prices are higher than normal that farmers can allocate the money to prepare for the bad years—they do not need the Government to do it for them. I believe farmers can manage a predictable 7-year income stream to mitigate economic risk just as well or better than Washington can do it on their behalf. They can sock it away for the bad year, they can buy down their debt, they might buy a new used 15-year-old tractor to improve their efficiency.

Mr. President, I urge Members to take a look at this bill and recognize that it is an exciting new approach to the challenge of maintaining a healthy food-producing sector, promoting important environment practices, and doing so within the budget constraints that we are imposing on ourselves on behalf of future farmers who want our Nation to afford farm programs.

The first feature of this package is that it is responsible. As the other side has testified again and again, farmers were not exempt from the difficult choices necessary to balance a budget. Farmers have always been supportive of a balanced Federal budget and have proven their willingness to share in the sacrifice necessary to get there. Farmers are highly sensitive to the cost of capital and, according to FAPRI at the University of Missouri, stand to save over $15 billion over the next 7 years if we achieve a balanced budget.

This package provides predictability. Farmers, bankers, and the taxpayers know how much this program will cost over the next 7 years. It locks in spending to protect agriculture from the next round of budget cuts while simultaneously preventing the fluctuations that have shocked budgets in the past.

This package dramatically reduces burdensome paperwork and the perverse antimarket incentives that frustrate farmers who are aggressively competing for and securing growing international markets. Farmers would rather compete to feed Asia than protect their crop base necessary to maximize deficiency payments.

Simplicity, flexibility, predictability, and budgetary soundness are features—any one of which is a step forward in this debate—but together, they mark an historic effort to make the transition to the future.

Mr. President, I do not blame Members for being hesitant to embrace changes to a program that has lasted my lifetime. It was only after multiple meetings with farmers in my State that I was prepared to make this change. In this town, if one is in doubt, she or he is expected to stick with the status quo. But there are two things that have changed.

There is a recognition that the deficit must be addressed and farmers are ready to free themselves from the regulations of the current program.

There is one other observation I wish to share from my experience traveling in Missouri. As Senators know, the number of farmers is decreasing and the age of the average farmer is increasing. Most talented young rural people are moving to town. Of the young people who are endeavoring to be our next generation of farmers, there is a great optimism despite the difficulties in agriculture. These young farmers will tell you they want to farm for the market. They think the current system is old, outdated, complicated, frustrating, inflexible, bureaucratic, and costly. Our next generation of farmers tell me they want to turn the corner as we move into the next century and I think we owe these young farmers that opportunity.

Mr. President, this legislation has been out there since last summer and it was included in the Balanced Budget Act passed by Congress in November and vetoed by the President on December 6, 1995. It was carefully crafted after months of negotiations between House and Senate conferees. As all Members know, this was a difficult process and many delicate regional issues were addressed.

Since the veto, I know there have been bipartisan negotiations led by the distinguished majority leader, Chairman LUGAR, and Members on the other side. I must tell Senators, until the most recent bipartisan negotiations with Senator LEAHY, one of the more difficult press inquiries I have fielded is, "Who are the Republicans negotiating with?" I know that the distinguished minority leader introduced a bill on marketing loans and the House has a blue dog plan. The administration once hinted at 21 percent unpaid flex but I see in a report off the wire that they now support a 2-year freedom to farm experiment and, here is the kicker, with dramatically reduced transition payments. I raise this point because there is simply no consensus alternative. There is, however, consensus in the agricultural community on this legislation and I believe it is time for us to join together to reflect that consensus.

Mr. President, we all share the goal of continuing to provide the safest, most abundant, and the most affordable supply of food and fiber in the world. I know there are some who may call this welfare. As farm State Senators know, we have argued until we are blue in the face that the current system is not welfare but people are not listening.

Farmers know it is not welfare and most Senators do not consider the existing program welfare, but try to pass

that off on an editorial board or local chamber of commerce. You cannot argue that the reform program will be accused of welfare when the existing system is accused of welfare.

In my State, farmers are supportive. Over time, more and more of the commodity groups representing farmers have weighed in. Missouri's corngrowers were in this week to request that freedom to farm be adopted and a continuation of current law be rejected. Farm Bureau is asking us to move this legislation. The underlying bill represents serious reform, it moves us in the right direction and is fiscally responsible. This is why it has been endorsed by: the U.S. Chamber of Commerce; Citizens Against Government Waste; representatives of the Heritage Foundation; Citizens for a Sound Economy; National Taxpayers Union, Americans for Tax Reform, Consumer Alert; the Cato Institute; and the Competitive Enterprise Institute.

I understand that change is not easy and I congratulate again the efforts of the majority leader, Chairman LUGAR, and the bipartisan negotiators who have been searching for a way to move this legislation forward and get farmers a program that moves them into the next century. I think the President will see that farmers and citizens will be best served if he adopts this legislation and I am hopeful that Congress can continue to work on sensible regulatory reform, capital gains and estate tax relief and other measures that will help our farmers compete in the next century. I urge adoption of the bipartisan compromise.

I urge my colleagues to invoke cloture. The farmers of America deserve better than to be filibustered into uncertainty for the rest of the spring. We need to move forward on this bill.

JOINT MEETING OF THE TWO HOUSES—ADDRESS BY THE PRESIDENT OF THE FRENCH REPUBLIC

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess and proceed to the House of Representatives for a joint meeting.

Thereupon, the Senate, at 11:27 a.m., recessed until 12:45 p.m., and the Senate, preceded by the Secretary of the Senate, Kelly D. Johnston; the Deputy Sergeant at Arms, Joyce McCluney; the Vice President of the United States; and the President pro tempore of the Senate, Mr. STROM THURMOND, proceeded to the Hall of the House of Representatives to hear the address by His Excellency Jacques Chirac, President of the French Republic.

(The address delivered by the President of the French Republic to the joint meeting of the two Houses of Congress is printed in the Proceedings of the House of Representatives in today's RECORD.)

Thereupon, at 12:45 p.m., the Senate reassembled and was called to order by the Presiding Officer (Mr. COATS).

The PRESIDING OFFICER. The Presiding Officer, in his capacity as a Senator from Indiana, suggests the absence of a quorum. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. BROWN). Is there objection? Without objection, it is so ordered.

AGRICULTURAL MARKET TRANSITION ACT OF 1996

The Senate continued with the consideration of the bill.

Mr. GRASSLEY. Mr. President, how many minutes are left on our side of the aisle on debate of the farm bill at this time?

The PRESIDING OFFICER. There are 18 minutes 45 seconds remaining on the Republican side.

Mr. GRASSLEY. I yield myself 10 minutes. Before speaking, I ask unanimous consent that George Stickels, a fellow in my office, have access to the floor during the debate on the farm bill.

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

Mr. GRASSLEY. Mr. President, the issue before us is one of the utmost importance, the farm bill. We have to debate this now because, as everybody knows, the commodity provisions of the new farm bill were part of the Balanced Budget Act of 1995. That Budget Act was vetoed by the President. The farm bill provisions went down with that. We did not have the votes to overturn the President's veto on the Balanced Budget Act.

Consequently, the farmers of America do not know for the first time in 5 years, since we passed the 1990 farm bill, what the Government policy is toward agriculture. This is necessary information that must be factored in to a lot of business decisions that are made by farmers.

The legislation that is before us will guarantee an investment of $6 billion in rural America this crop year, an investment in rural America at a time when there is a tremendous transition from the agriculture of the last half of the 20th century to the more free market, international-trade-oriented agriculture of the 21st century. When this transition is going on, this is when we need to bring some certainty to the business decisions of agriculture as best we can.

There has been some fault found, particularly on the other side of the aisle, with the fact that we might be spending $6 billion in rural America as an investment when grain prices are high, even though there is not a profit in cattle, there is not a profit in livestock generally, particularly cattle and pigs, but right now there is some profit in grain.

Some people have said on the floor of this body that we are giving welfare to farmers at a time when there are high prices. The inclination is to say that there is too much money in this farm bill for agriculture. I have heard some of those same Members say that they could not vote for farm bills in the past because they did not do enough for agriculture. How ironic that we have the same people today suggesting that we might be passing a farm bill that is too good for agriculture. It just does not add up.

Not only does it guarantee an investment in agriculture of about $43.5 billion over the next 7 years in this transition from a Government-controlled agriculture to a free market agriculture, but it goes from an agriculture system inclined toward domestic production for domestic consumption to a farm program for production to meet the competition and the demand of international trade. There is no more important time to do that.

Also, this legislation locks in the agricultural baseline and guarantees an investment in rural America of this $43 billion. It is important to have that baseline out there because this legislation, like most legislation, does not provide for a farm program beyond the sunset year of 2002.

There will be plenty of time for Congress to enact legislation beyond that period of time. But if we are not careful, what we do today will preclude agriculture having a baseline, and then when we come up with a farm program beyond the year 2002, it may be impossible to raise the money for that baseline.

This bill before us locks in that baseline, guarantees payments to farmers and for other programs such as conservation programs and export programs. It provides a real safety net by making sure that there are payments even when we have low yields that push prices higher.

Again, we have an ironic situation here where some people on the other side of the aisle are suggesting that because grain prices are high, there should not be any Government program. Do not forget about those farmers in west central Illinois, the northern third of Missouri, the southern third of Iowa, plus a lot of other places—I only mention those because they are close to the Midwest where I am from—who do have high prices but because of the wet spring and the flooding conditions could not plant their grains last year. They do not have grain to sell at a high price.

This program will help those people as well.

So it guarantees a 7-year payment. It will help a farmer in his cash flow situation have a steady, predictable cashflow. At least a portion of that would come in Government payments that will allow the farmers and their bankers to make long-term business decisions that are so important to the success of agriculture.

This legislation also maximizes farmers' profit potential. The Food and Agriculture Policy Research Institute—this is a combination research institute of the University of Missouri and Iowa State University—estimates that even though payments from the Treasury will decline 21 percent under this bill from the previous 5 years, gross farm income will increase by 13 percent and net farm income by 27 percent over the next 10 years.

We eliminate this process by which people in the urban areas can say farmers are getting paid for not tilling the soil. This eliminates the set-aside authority so that farmers can send a clear signal to our international competition that we are going to produce on every productive acre what we can to meet international trade demands, to meet the humanitarian demands of a growing population throughout the world that otherwise, without the productivity of the American farmer, could have more instances of famine.

We give increased flexibility to the farmers to make planting decisions. We take that decisionmaking out of the hands of Washington bureaucrats and public servants.

It will be in the mind and office of every farmer to decide how many acres of corn or how many acres of soybeans to plant. Presently, those decisions are made, to the greatest extent, by people in Washington, far removed from the reality of farming, ignoring the marketplace and trying to insert their judgment upon the people on the spot. Full flexibility means plant what you want to plant, not what some Washington bureaucrat says.

This legislation significantly reduces Government regulation and bureaucratic redtape, thus enabling our farmers to compete in the world marketplace. It increases flexibility, or the increased flexibility allows farmers to plant specifically beyond what they would normally plant, moving to other crops, particularly the emphasis in American agriculture today to have value-added products instead of simply the traditional commodities.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. GRASSLEY. I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. I thank the Chair for yielding to me. I ask if the Chair will remind me when I reach the 4-minute mark. At that point, I will yield the floor.

The PRESIDING OFFICER. That is 4 minutes remaining on your time or 4 minutes——

Mr. PRYOR. No, I want to speak only 4 minutes, Mr. President, and then I will yield to the distinguished minority leader.

Mr. President, I was standing here listening a moment ago to my good friend from Iowa, Senator GRASSLEY. He talked about regulations and bureaucrats and freedom to farm and all of those things that we talk about generally when we have an agriculture bill on the floor. For us to have an agriculture bill on the floor for a 1996 program, I might say, is somewhat unique, because the normal process for the first time in 60 years did not work.

We did not draft this legislation in the Agriculture Committee. This legislation, basically, was born and drafted, passed from the Budget Committees of the House and the Senate. But when we talk about regulations and bureaucrats and freedom to farm and all of the constraints placed on farmers today in our country, let us also remember something else: That we today are the envy of the world with the production of food and fiber in our country for the rest of the world. We have the opportunity to feed the rest of the world. In many instances, had it not been for the American farmer and the American farm system, which we are about to annihilate, we would see that many areas of the world would have gone hungry.

I say this in all respect to those advocates for the freedom to farm legislation. If we pass this legislation, we will be going on a cheap drunk. We will be sorry, and we will rue the day that we totally dismantled the farm programs that have served this country and served this world so well.

The two people and the two groups of persons and the two entities, I think, who should be supporting the freedom to farm bill are those competitors of ours in the international market. They should be supporting the freedom to farm bill, because it is going to be a total disruption of farm ownership ultimately in our country. We are going to see the small fail and the large and the powerful prevail.

Second, the big landowners should love the freedom-to-farm bill. They should love the freedom to farm bill because their farms are going to get bigger, their farms are going to become richer, their farms are going to produce more and more, and the small family farmers are going to be there with less and less.

The other aspect of this legislation—and I hope my friend from Iowa will address this, or some other proponent of freedom to farm—does anyone in this Chamber feel that we can in this calendar year implement, have the regulations and administer a totally new farm program for all of America's farmers? This is not a 7-year farm bill. This is a bill that is going to last until the first show on "60 Minutes" embarrasses us, embarrasses farmers by showing that the farmer no longer has to produce in order to get a big paycheck from the Federal Government. It is a 7-year welfare program.

It is wrong, Mr. President, and we should be no part of it. We should defeat the motion for cloture. We should enact a farm bill only after we, in this Senate, and in the Senate Agriculture Committee, perhaps the House committee, have the opportunity to shape a farm bill that will look beyond 7 years and then to the next seven generations.

Mr. President, today we are considering what will prove to be one of the most important and most disastrous pieces of legislation affecting the State of Arkansas and family farms across this Nation. Agriculture has been and continues to be an integral part of the fabric that makes up rural America and is responsible, directly or indirectly, for about 1 out of every 5 jobs throughout America.

In Arkansas, from Texarkana to Blytheville, from Gentry to Eudora, families all across our State make enormous contributions to the world's food and fiber supply. In 1994 alone, Arkansas farmers harvested over 8 million acres of agricultural products: rice: 1.42 million acres produced over 175 million bushels of rice; cotton: 970,000 acres produced over 1.7 million bales of cotton; soybeans: 3.4 million acres produced 115.6 million bushels of soybeans; wheat: 880,000 acres produced 40.5 million bushels of wheat; and corn: 90,000 acres produced 10.8 million bushels of corn.

With crops, poultry, and livestock combined, Arkansas' farmers and ranchers were responsible for over $5 billion in economic activity for our State. So why am I concerned? Because, the legislation under consideration before the U.S. Senate is the beginning of the end for farm programs and the safety net function they perform. We can argue over whether it will happen in 2 years or in 7, but the undisputable fact is that the safety net will disappear.

Perhaps some of my colleagues favor this approach. Perhaps some Senators feel that farm programs are not a good deal. I would simply point out that for roughly one-half cent out of every Federal dollar, our farm programs provide the safest, most affordable, and abundant supply of food and fiber in the world. Americans spend about 10 percent of their disposable income on food—compared to the French who spend 16 percent, the Japanese who spend 18 percent, Chinese who spend 48 percent, and Indians who spend 53 percent—it is hard to imagine a better deal.

My good friends may be wondering—how did this come to be, how could we pay so little and get so much? The answer, in large part, is due to just how productive our farmers and ranchers have become. The U.S. agriculture represents some 3 percent of the world's agriculture labor force, yet it produces about 40 percent of the world's corn, about 15 percent of the world's cotton, about 50 percent of the world's soybeans, about 10 percent of the world's wheat, about 25 percent of the world's beef, and about 11 percent of the world's pork.

Now, I can hear someone suggesting that if agriculture is so productive and costs so little, why do they need any support at all? Why should we help agriculture over other industries? Mr. President, agriculture is unique. It is like no other industry in our economy. Farmers are almost entirely at the mercy of Mother Nature, as well as the actions of foreign governments, both of which are entirely out of their control. But even worse, unlike most businesses, farmers and ranchers have no control over the prices they receive. They are price takers, not price setters. The weather and policy in China could, and usually does, have more control over how well an Arkansas cotton farmer does from one year to the next than anything the farmer could do.

Perhaps, there are other colleagues who are under illusions that agriculture spending has been like most other Federal programs that have grown ever larger. Perhaps they believe agriculture must be one of those programs where we debate what is a true cut or what is just a cut in the rate of increase.

Among many other points, a bipartisan group of Senators pointed out to the Budget Committee that agriculture spending has come down by about 60 percent in the last decade, from $26 billion in fiscal year 1986 to less than $11 billion in fiscal year 1994.

Mr. President, I wanted to point out all of this information for one simple reason. It makes absolutely no sense to abandon these successes—and successes they are—for a policy that is irresponsible, irrational and, most importantly, indefensible.

The freedom-to-farm bill under consideration would pay farmers whether the market warranted it or not—despite the other side calling this a market-oriented bill. Under freedom to farm, it makes absolutely no difference what the market conditions are. The farmer gets his or her payment regardless. According to economists, prices are supposed to be good for the next couple of years, but as we all know, few years of high prices are most commonly followed by a few years of low prices as farmers around the world create an oversupply of a commodity chasing that higher price. The tragedy, in this scenario, is as follows: Suppose in 2 years farmers receive payments despite high market prices. The media and the public become outraged by the waste and the 105th Congress responds to the outcry by removing the remaining payments from the farmer. This could happen because the so-called contract doesn't bind a future Congress. The next time commodity prices plummet and farmers need a safety net, it will be gone.

Some proponents have called this a contract modeled after the popular CRP contract which paid farmers to remove land from production. They point out that over the 10-year life of these contracts, Congress always honored them. The difference, Mr. President, is that in return for funding a CRP contract the taxpayers receive a specific public benefit such as conservation, wildlife habitat, or water quality. The freedom-to-farm contract has nothing in it for the public or taxpayer. The taxpayer simply transfers money to the farmer for no other reason than that the farmer was in some sort of agriculture program in at least 1 out of the last 5 years.

The bill we are considering is a perfect script for a "60 Minutes" or a "Prime Time Live" show called the "Fleecing of America," when it's discovered that under this bill a farmer can receive the freedom-to-farm payment and not do anything at all. That's right, Mr. President, under this legislation, a farmer can receive thousands upon thousands of tax dollars and spend the entire growing season in the Caribbean or Bahamas. In fact, the only restriction is that if they grow something it can't be fruits or vegetables. Other than that, sand and sun would be the only worries on the minds of farmers as the taxpayer would foot the bill.

But, a word of warning. For all those that would take this approach, may I suggest they invest your payments wisely. Find a good money manager or investment banker because they're going to need them. If what many predict will happen when word gets out about this program, you will have to make a couple of years worth of promised payments last a very long time.

Mr. President, supporters of this bill tout endorsements by agribusiness companies and big processors. This should not come as a surprise to my colleagues. It is very simple; this freedom-to-farm bill will ultimately drive the price of commodities down. Whether a big company is purchasing feed for livestock or grain to process and mill, they want to pay the family farmer as little as possible. They want to buy low and sell high like Wall Street speculators, with no concern for the future of farming.

The freedom-to-farm bill gets worse. By capping the programs based on economic projections and theoretically locking those in, we give no room for error. I would defy anyone to find an economist anywhere in the world who has accurately predicted the price of a commodity with any accuracy for a full 7-year stretch. It simply cannot be done. Yet, that is the logic embodied in this bill. We are entrusting the future of the farmers of this country with some guess by economists down at the Congressional Budget Office [CBO]. And, if they guess wrong about, for instance, the price of rice in the year 2001, the farmers in my State will be left with little recourse and less help.

The proponents of this legislation have said that it is important because of the baseline problem. Baselines in agriculture only matter in two circumstances: First, if you require ag to come up with unfair and unreasonable cuts, as the Republicans have; or second, if you cap the programs so the baseline can never adjust upward, which the Republicans also have done. So, there is a budget baseline problem, but only if you buy into the rest of the flawed Republican policy.

Although the Republicans did indeed manage to capture the baseline, I am at a loss to understand why they would want to capture it after a decade of reduction—over 60 percent. Conversely, why not wait until this bill forces a decline in market prices that will automatically raise the baseline again before we try to capture anything.

We will rue the day we pass a freedom-to-farm bill. What we must all realize is this ends farm programs. It unilaterally disarms our farmers against the rest of the world. In fact, the only farmers this bill is good for are those in France, Thailand, Argentina, and any other foreign country.

In the first years, this bill will prove to be a taxpayer ripoff. In the later years, it will prove to be false hope and empty promises as the safety net for American agriculture is destroyed. Let us at least change the name to reflect accuracy. Maybe we should call it the bait and switch act of 1995, or as others have suggested, the freedom-from-farming bill or the farmers death assistance act.

For all the reasons I have mentioned today and many more I have not had the opportunity to make, I cannot and will not be associated with ending the necessary safety net our farmers and our consumers depend on. Therefore, I will vote against the freedom-to-farm bill.

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

Mr. PRYOR. Mr. President, I ask unanimous consent that a letter sent to Senator DOMENICI be printed in the RECORD.

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

U.S. SENATE,
Washington, DC, February 6, 1995.

Hon. PETE DOMENICI,
Chairman, Senate Budget Committee, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: As the Senate Budget Committee begins consideration of the FY 1996 budget resolution, we understand it has under review a number of options, including possible reductions in agriculture-related spending. Difficult challenges are facing your committee as well as Congress as a whole. However, we believe it is important for a number of reasons that agriculture not be unfairly singled out to bear a disproportionate share of any required spending reduction as part of any budget proposal.

First, agriculture spending has already been reduced substantially in recent years as a result of the 1990 Omnibus Budget Reconciliation Act and subsequent legislation which reduced income and price supports; limited eligibility and participation; imposed new or higher fees and other assessments related to certain programs; and reduced the availability of funds for certain export and market promotion programs. As a result, Commodity Credit Corporation (CCC) outlays for farm commodity programs have declined from a high of $26 billion in FY 1986 to less than $11 billion in FY 1994, a reduction of almost 60 percent. Outlays are projected to remain below this level for FY 1995–2000. By contrast, total federal spending during this same period increased by approximately 50 percent, and entitlement programs nearly doubled. Such spending is projected to continue to increase significantly in the future.

Second, as a result of legislation relating to USDA reorganization, future agriculture outlays are further expected to decline by as much as $3.6 billion through FY 1999 with the closing of over 1,200 field offices, eliminating approximately 11,000 employees, and consolidating 43 separate agencies into 29. No other Department or federal agency has undergone such an extensive reorganization.

Third, while there may be opportunities for additional savings, it is important before any further reductions are required to ensure that such action does not jeopardize the continued ability of U.S. agriculture to meet the food and fiber needs of consumers at home and abroad. U.S. farmers are the most efficient and competitive in the world, and our government policies and programs should help maintain the technological advantages that will enable them to stay that way.

Under the recent Uruguay Round GATT agreement, the U.S. along with other countries, is required to reduce its support for domestic farm programs by 20 percent by the year 2000 from the 1986–88 base period. However, the U.S. has already more than achieved such reductions. To make further reductions in such programs without requiring similar corresponding reductions by the European Union and other foreign competitors would be unfair to U.S. farmers.

History has shown that our foreign competitors will utilize every possible resource to maintain and expand their share of the world market. The European Union (EU), for example, continues to significantly outspend the U.S. in terms of its support for agriculture and in competing for foreign markets. In 1994, outlays for domestic farm programs by the EU amounted to more than $30 billion, nearly three times the U.S. level of outlays.

In terms of export subsidies, the EU has outspent the U.S. 6 to 1 over the past 5 years. Although the GATT agreement will require a reduction in the use of such subsidies, the EU will be able to more than maintain its substantial advantage. Further, as export subsidies are reduced, the EU can be expected to redirect much of those resources into other GATT-allowable programs to maintain and strengthen the competitiveness of its agricultural sector.

Without asssistance from our government, U.S. agriculture will be at a competitive disadvantage. Not only would this adversely affect America's ability to capitalize on potential market opportunities as a result of GATT, but our ability to remain competitive in existing markets, both domestic and foreign, could be affected as well.

This could have significant consequences for both the economy and the budget. Nearly one million Americans have jobs which are dependent on agricultural exports alone. Exports now account for more than a third of total U.S. crop production and total over $43 billion. This results in a positive trade balance of nearly $18 billion. Such exports also account for approximately $100 billion in economic activity and, in turn, helps generate as much as $8 billion in related Federal tax revenues.

Overall, our agriculture and food industries account for nearly 16 percent of GDP and nearly 1 out of every 6 American jobs. Other sectors of the economy, including input manufacturing, handling, processing, marketing and transportation, are heavily dependent on a healthy agricultural economy. Any significant reduction in agriculture's balance sheet will have a corresponding effect on commercial banks and other lending institutions, including the farm credit system.

Finally, it is important to recognize why we have farm programs. Every nation has a responsibility to ensure that its citizens have access to a dependable supply of food. This is one of the basic purposes of U.S. farm programs. To meet this objective, farmers must receive a fair return on their productivity and investment in an industry characterized by continued subsidized foreign competition and subject to wide swings in production and prices due to weather and other related factors.

By any measure, U.S. farm programs have been successful and cost-effective. Currently, such programs represent less than one percent of the entire federal budget. And, for that, we have an agricultural system that is the envy of the world. It has provided our citizens with a dependable source of reasonably priced food and fiber. U.S. consumers, for example, spend the lowest percent of disposable personal income on food—approximately 11 percent—of any country in the world.

If other federal programs had been reduced by the same percentage as agriculture commodity programs, we would have a budget surplus.

As your Committee examines the options in the budget process, we hope you will consider the interests of U.S. agriculture.

Sincerely,

Thad Cochran, John Warner, Robert Kerrey, David Pryor, Howell Heflin, Jesse Helms, Tom Harkin, Dale Bumpers, Max Baucus, Trent Lott.

The PRESIDING OFFICER. The distinguished Democratic leader is recognized.

Mr. DASCHLE. Mr. President, let me begin by commending the distinguished Senator from Arkansas for his strong statement just now. I wish to associate myself completely with his remarks. I think it is fair to say that we all agree we are in a mess, we are in a big mess, and there are a lot of reasons why we find ourselves in the situation we are in this afternoon.

The last time we failed to produce a farm bill was the year I was born, 1947. Coincidentally, it was the last time Republicans controlled the Congress. We should have passed this legislation, as the distinguished Senator from Arkansas said, last year, but the bill did not even come to the floor. The bill was not even allowed up for debate. It was the first time in memory, and may be the first time ever—we are checking it now—that legislation this important passed out of the Senate Agriculture Committee on a strict party-line vote.

It was then, as everyone recalls, buried in the budget agreement, and it went absolutely nowhere. And now here we are in February of 1996 considering a farm bill for 1995. Even if we passed a piece of legislation as radical as this is, let there be no mistake, it will take months and months and months for the Department of Agriculture to get set up to administer it.

So the situation is very unfortunate. Farmers are out there clamoring, as the distinguished Senator from Iowa said, for some answers. They need to know the 1996 winter wheat crop has been planted, southern crops are going to be planted this month, and farmers should not be put in the untenable position of making huge investments in their agricultural operations without knowing anything about what farm policy will be this year or the next.

Last year, farmers were prevented from planting due to excessive rain. This year, they will be prevented from planting due to excessive politics.

There is only one option for 1996—only one. I do not like it. Not many people here would consider it their first option. It certainly is not mine. But there is no other alternative right now but to extend for 1 year at least current legislation. We need to extend current law only because we have to provide farmers with that certainty.

It is no secret that we have put a tremendous amount of effort and time into finding an alternative that we feel very excited about. It is no secret that there may not be a resolution between the Farm Security Act and the so-called freedom-to-farm bill. But there is a realization that we have to do something, and there is no possibility of doing anything with the mess we are in right now.

We have to do what the Senator from Iowa has suggested, and that is give farmers the maximum degree of flexibility. We need to extend current law but ensure that those farmers who have to have additional flexibility are given every opportunity to do so. Plant whatever their management dictates, whatever their desires may be given current marketing conditions.

There ought to be no constraints at all on their ability to make decisions for themselves. Farmers are familiar with the current legislation. Prices are relatively high. The administration infrastructure for the current farm bill is in place.

Most importantly, Mr. President, we can do it today. What some of my Republican colleagues want to do at this late date is to pass the most radical farm bill in 60 years. They eliminate permanent law; they slash the conservation reserve, one of the most successful programs for conservation on the books this time or any time; they cut exports just when we need to expand the export markets abroad; we eliminate the farmer-owned reserve; we ignore completely the need for rural development, and we destroy research. And at the same time we do all of that, there are those on the other side who argue that we ought to be giving huge payments to farmers, whether or not they plant, regardless of whether they have good prices or not.

I would like my Republican colleagues to explain to a small businessman or a working family why a farmer is entitled to a quarter of a million dollar payment while they idle their land and spend a year in Hawaii. If a farmer could idle his land, not do a thing on it for an entire year, go to Hawaii and spend that quarter of a million dollars, why cannot a small businessman or a working family or anybody else do that?

How ironic that at this very time when we are trying to cut back and reduce the tremendous budgetary exposure we have in so many ways, we can find ways with which to give farmers huge payments whether they do anything to farm or not.

Mr. President, the closer you look, the worse this gets. Even with the laudable improvements Senator LEAHY has suggested that we make to the freedom to farm, this bill is a disaster.

I was very pleased for the letter we received just this morning from a large number of very reputable organizations—including the National Audubon Society; Environmental Working Group; Henry A. Wallace Institute for Alternative Agriculture; Sustainable Agriculture Coalition; Natural Resources Defense Council; National Rural Housing Coalition; National Family Farm Coalition—who are saying that even with the Leahy improvements, they are very strongly in opposition to passing this so-called freedom to farm.

Most important, Mr. President, the President has indicated that he will veto this legislation if we were to see it pass and sent to him for signature. He is making the right decision.

I ask unanimous consent that a letter from the Secretary of Agriculture, Secretary Glickman, laying out the President's grave concerns about this bill, be printed in the RECORD at this time.

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

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, February 1, 1996.

Hon. THOMAS A. DASCHLE,
Democratic Leader, U.S. Senate, Washington, DC.

DEAR TOM: S. 1541, the Agricultural Market Transition Act of 1996, as well as several amendments to it, may be considered in the Senate today, and I want to take this opportunity to reiterate the Administration's position on a farm bill.

As discussed in the Statement of Administration Policy issued yesterday, I would recommend that the President veto S. 1541 if it were presented to the President in its current form. In my view, the bill fails to adequately address a number of basic requirements I believe should be included in the farm bill. These requirements include the preservation of the farm program "safety net," continuation and enhancement of conservation programs and environmental protection, and enhancement of economic opportunities for rural America and production agriculture.

I understand that Senator Leahy may offer one of the amendments to S. 1541. This amendment appears to be a positive step in the direction of a farm bill that meets the Administration's priorities. For example, it contains authority to sign up new acres in the Conservation Reserve program, continues the option of offering permanent easements through the Wetlands Reserve Program, and reauthorizes food and nutrition programs. However, the amendment fails to address other needed improvements in S. 1541, such as changes to strengthen the safety net for farmers and increase support for rural development. Therefore, I would recommend that S. 1541, as amended by Senator Leahy, be vetoed by the President.

I want to reiterate my willingness to work with the Congress to enact a comprehensive farm bill as soon as possible that best serves American agriculture and the American people.

Sincerely,

DAN GLICKMAN,
Secretary.

Mr. DASCHLE. Mr. President, let us be clear. Win or lose on these cloture votes, we are no closer to an agreement if that is what happens today. Sooner or later, we are going to have to compromise. The House Republicans just do not seem to get it. So far, the 104th Congress could be summed up simply in two words: lost opportunity. On welfare, on reg reform, on the budget, and on appropriations, many in the House seem to think compromise is a four-letter word.

Let us not allow the farms to fall victim to this, too. We can work this out. We can find compromise. We can find a way to ensure that farmers are going to have the certainty that they are asking for this afternoon, and we can begin all of that by defeating both cloture motions in the next hour.

I yield the floor.

Mrs. BOXER. Mr. President, I rise today in opposition to the Lugar-Dole Agricultural Market Transition Act. This bill is not good for my State of California because it cuts and caps export promotion programs; excludes critically important agricultural research and nutrition programs, and phases out farmland conservation programs. The Lugar-Dole bill contains essentially the same provisions, with some changes, as the Agricultural Reconciliation Act of 1995 which was vetoed by President Clinton.

The most important positive aspect of this bill is that it preserves a provision in current law that is of enormous importance to fruit and vegetable growers in my State of California and across the Nation. Previous versions of this legislation included so-called "flex acre" provisions, which would have permitted the production of fruits and vegetables on up to 15 percent of a program crop farmer's former base acres.

Nationwide, there are approximately 11 million acres planted with fruits and vegetables. This acreage supplies U.S. and foreign consumers with a ready supply of high quality and affordable produce, while allowing fruit and vegetable producers to go about their business free of Government involvement or Federal subsidies.

The "flex acres" language would have resulted in nearly 32 million acres becoming eligible for fruit and vegetable production on subsidized farms that traditionally have been planted to program crops. If even a small number of those acres were to shift into fruits and vegetables, farm prices for many fruit and vegetable commodities were expected to drop abruptly and dramatically.

Republican budget negotiators originally argued that the "flex acres" provision would help balance the budget. However, they now concede that the provisions would have no impact on the deficit. They would, however, help subsidized commodity crop growers at the expense of nonsubsidized fruit and vegetable growers.

The California produce industry recognizes that should a 7-year phaseout of subsidies be enacted, growers will eventually have to compete in the marketplace with one and all. But in the interim, it would be grossly unfair to require unsupported fruit and vegetable growers to compete with their subsidized brethren.

I am pleased that we have won the flex-acre battle by fighting hard to keep current law on the books. Current law has now been reinstated in both the House bill and this Senate bill. However, I remain very concerned about the impact of flexible planting on California farmers in the long run—7 years from now.

Mr. President, we are in unprecedented times. The 1990 Farm Act expired in December, leaving only the permanent 1949 law in place. So clearly, the Congress needs to enact a farm bill.

But the Lugar-Dole bill is a radical departure from an American farm policy which for almost 5 decades has supported the world's most successful agricultural system—one that has resulted in consistently high quality produce and low consumer food prices.

Some changes are necessary in these tight budget times, to ensure that we are getting the most for every taxpayer dollar spent. But changes in a system that has been so enormously successful must be done carefully, thoughtfully, slowly, and responsibly. They must make the system better. We must not take chances that might result in weakening a terrifically successful system.

Farm policy is not just about supporting the growing of our crops. It is also about promoting exports of American farm products; promoting environmentally sound uses of farmlands; emergency food assistance programs; the distribution of surplus farm produce to soup kitchens and food banks; and critically important agricultural research programs such as research on the California Medfly and research on alternatives to methyl bromide.

The Lugar-Dole bill does not achieve these objectives. In fact it excludes most of them. It does not reauthorize nutrition and agricultural research programs; it phases out conservation programs; it cuts and caps export promotion programs.

If nutrition programs are not reauthorized, they will be in jeopardy during the appropriations process. Federal funding for domestic food assistance represents over 60 percent of the U.S. Department of Agriculture's budget and includes the food stamp program, child and elderly nutrition programs, the special and commodity supplemental food programs for women, infants and children [WIC and CSFP], commodities for soup kitchens and food banks, and the Temporary Emergency Food Assistance Program [TEFAP].

I oppose the provisions in the bill that cap the Market Promotion Program at $100 million per year and the Export Enhancement Program at levels far below the Congressional Budget Office baseline and the Uruguay round permitted levels for fiscal year 1996 through 1999. The Market Promotion Program is an important tool in expanding markets for our agricultural products. The Export Enhancement Program is used to subsidize export sales to more than 80 foreign countries. It is the primary means by which the United States has attempted to meet price competition in world markets when domestic policies supported prices above the world market or to counter subsidies used by foreign competitors.

The Conservation Reserve Program [CRP] is a voluntary program that enables producers to bid to retire highly erodible or environmentally sensitive land for 10 years. It is one of the most important conservation programs in the Nation. To date, about 36.5 million acres have been enrolled in 375,000 contracts. CRP saves soil, enhances wetlands, improves soil and water quality, expands wildlife habitat and populations, encourages tree planting, and helps balance commodity supply and demand.

The Lugar-Dole bill in effect phases out CPR by capping enrollment at the current 36.4 million acres and providing no new enrollment authority. Contracts on 24 million acres expire in 1996 and 1997. If they are not renewed, CRP would be reduced by 56 percent by 1997.

This bill also guts current law which allows acres to be enrolled permanently in the Wetlands Reserve Program. About 335,000 acres are currently enrolled permanently. The bill only allows 15 year easements and places a cap on enrollment. The 7-year savings of $387 million are false economy. Short term contracts may reduce outlays over next 7 years, but outlays would increase in subsequent years and no protections remain in place after contracts expire. Over half a million acres are bid into the Wetlands Reserve Program each year by farmers who want permanent easements. Congress should not take away this option for farmers.

Finally, I believe that the principal intention of the Lugar-Dole bill—to phase out Federal support for the "program crops", for example, rice, cotton, wheat, and feed grains—is bad policy for family farmers. Under current law, program crop farmers get "safety net" payments when market prices fall below a certain threshold. Under the Lugar-Dole bill, farmers will receive subsidy payments—decreasing over 7 years—based only on the production history of a farmer—with no relation to market prices or actual output. In other words, the nature of farm payments changes from being a "safety net" received only when prices are low, to a form of direct "welfare payment" received no matter what the market conditions and regardless of how profitable the farming operation. Although "Freedom to Farm" lowers the payment limitation from $50,000 to $40,000, it retains the "three entity rule". So, one farmer could theoretically earn $120,000 from the Federal Government in 1996 while on a year-long sabbatical.

Farmers need predictability in order to make planting decisions and secure financing from lending institutions. This bill is being sold to the agriculture community as the best vehicle to guarantee an income safety net to farmers through direct payments for 7 years. Many farmers believe that given the Federal deficit and efforts to balance the budget, this bill is the best way to look in Federal support payments. But decoupling makes no sense. Under this bill, one farmer could be receiving windfall gains while another hard-working farmer could go bankrupt in a bad year because of lack of assistance.

I urge my colleagues to oppose the Lugar-Dole bill.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota [Mr. CONRAD] is recognized.

Mr. CONRAD. Mr. President, I rise to urge my colleagues to defeat cloture so that we can come together in a bipartisan way to write a farm program that makes sense for the future. Mr. President, this could be a very dark day for farmers, for their families, and the future of American agriculture, because—make no mistake—if the so-called freedom-to-farm legislation is passed, it will be the death knell for farm programs in this country.

I have just come from my office and talked to a farmer who was urging me to vote for freedom to farm. He told me, "Senator, we need the money and we know that the design of this program is to phase out farm program payments and kill the underlying law that allows us to have a farm program for the future." He said, "Senator, we know you will not let us down in the future."

Mr. President, I am just saying to that farmer that that is not what this plan is all about. They are making transition payments. You are getting that money for a reason. The reason is that they then ratchet them down and eliminate them and kill the permanent authority to have a farm program. I am saying to them, despite the best efforts we might make in the future, this will be the end, make no mistake about it. This will be the end. I told him that it is a little like the Rev. Jim Jones, who had all of his followers drink the Kool-Aid that was laced with poison, and then they died. I said it is a little like Reverend Jones and that Kool-Aid. It tastes good going down—just like those couple of years of initial payments look good—but it will kill you.

There is not a farmer I know that does not realize that sometimes prices are high and sometimes they are low. The purpose of a farm program is to be there as a safety net when prices are low. This program provides a payment, regardless of what the price is.

Mr. President, it is a scandal waiting to happen. Wait until "60 Minutes" gets a hold of this one. In the high-priced years, farmers are making good money, and, in addition, they get a payment from the Government. I do not think so, Mr. President. I think it would be a profound mistake, and it would kill farm programs and reduce, according to the State university in North Dakota, farm income by 30 percent.

Mr. President, I yield the floor so that my colleague might have a chance to speak as well.

Mr. DORGAN. Mr. President, it is my understanding that there are about 4 minutes remaining. At that point, the majority leader intends to use the remaining time on the Republican side.

This vote is going to be a cloture vote on a farm proposal. We did not have a debate on the floor of the Senate on a farm proposal last year. Last year was the time when we were supposed to have had a 5-year farm plan debated. We did not have a farm bill debated at all on the Senate floor. A farm bill was put in the reconciliation bill. Right now is the first time we have had a farm bill debated on the floor, and we started about an hour or two ago. We had an hour or two of debate and now there is a cloture vote at 1:30.

The issue is something called the freedom to farm, which is an attractive name. This plan is to disconnect farm program payments from production or prices. The interesting thing about the freedom-to-farm proposal is you do not have to farm in order to receive payments.

All you have to have is land with a base, but you do not need a tractor. All you need is a bank account and some land, and you can get a payment. It is decoupling the support price from whether or not you produce, decoupling the support price from whether or not market prices are high.

You could have a bumper crop with very high market prices, and you still get a payment under this plan. Or you can have a circumstance where you have no crop because you just went off to Puerto Rico and had a vacation and did not plant a thing, and you can still get a big payment under freedom to farm. It defies logic to me to understand why you want to move in this direction.

For those who want to give a big payment to farmers, I say, fine, sign me up, let us try to recapitalize family farms. But if you want to do that, I disagree with coupling it with the notion that we must then repeal permanent farm law. That is the understanding—as Congressman ROBERTS said last evening on a program I was on—that we are going to transition you out of a farm program, make some payments up front, and there will be no farm program later. I am not willing to agree that there ought not be permanent farm law.

FAPRI says wheat prices go to $3.22 next year. USDA says grain prices are going down in 1998. What happens when grain prices are $3 a bushel for wheat and there is no support price at all, none at all? What happens to a family farmer? They are going to be washed away, and all of us know it.

Who will farm then? The big agrifactories will farm from California to Maine. This is great for a corporate farm bill. If you like corporate farms, and you want agrifactories to farm America, this is a great and quick way to get rid of family farmers.

They will get dollars maybe next year, maybe the year after, and every single year after that they will be worse off, and at the end of it they will have no support at all against the risk of low prices. Zero. No safety net at all. This takes a safety net we have had for 50 years and yanks it right out from under family farmers. If you like that, vote for this.

If all of you who want to add some extra money to farmers' pocketbooks, you want to do that now, I will support you in doing that now. However, I want you to join me in retaining some permanent law that provides some safety net for the risks that family farmers will inherit when prices become very low. Why would you want to pull out that rug and say, "Well, the risk is your own; we do not care whether you succeed or fail"?

I had a farmer call me yesterday who said, "I want the Freedom-To-Farm Act but I want you to make sure, that, if prices are low, you give me a farm program." I had a farm commodity group come in to see me that has endorsed the Freedom-To-Farm Act, and they said, "We endorsed it with one condition: We have a farm program." I said, "You do not understand; when Congressman ROBERTS talks about transitioning, when someone with a white shirt from Washington says we will transition you, you had better get your seat belt on the tractor seat and buckle up. Transitioning means you will get a payment up front in exchange for which they will abolish the farm program down the road."

No debate about that. That is exactly what will happen. That is why many of us cannot support this. No one wants to be more generous than I to family-sized farms. I believe in the future of this country there ought to be a network of family sized farms. I also believe that we will not see a network of family sized farms in America if we decide that when market prices collapse to $2.50 a bushel there should be no program for a safety net to continue family farming. We will have corporate farming from California to Maine under this proposal.

I hope we will reach a compromise that is much better for the future of family farmers sometime this afternoon.

The PRESIDING OFFICER (Mr. COATS). The time on the Democratic side is expired. There are 8 minutes and 45 seconds remaining on the Republican side.

Mr. DOLE. Mr. President, here we go again, another farm debate. Winter wheat farmers have already planted. They could not wait any longer for Congress to act. It happens about the end of every 5-year farm program. There is always a little gap, and particularly winter wheat producers do not have much choice but to plant fence to fence and hope we will pass the farm bill, and then they can comply with the law at that time.

President Eisenhower was born in Kansas and raised in rural America. He hit the nail on the head when he said, "Farming looks mighty easy when your plow is a pencil, and you're 1,000 miles from a corn field." That statement was made a long time ago, but it has not changed over the years.

What I see happening here is we thought we had a pretty good compromise worked out, but now I understand the other side of the aisle, for the most part, has said, "No, we are not going to let it happen. We do not believe in the freedom to farm. We do not believe in transition payments. We do not believe you ought to take a look at many farmers and say, OK, have this 7-year period also be a transition and during that period they will determine whether or not we ought to continue farm programs or whether we ought to bring them to an end."

I must say, as I sat in a meeting here a while back with Secretary Glickman—a good friend of mine who is doing a good job as Secretary—one thing he said bothered me: "Farm prices are so high in the market, people may not sign up for the program." I thought that was the goal—go back into the marketplace with high prices so farmers could rely on the market rather than the Government. Produce for the market. That is what the freedom to farm act is all about.

I do not know where we go from here if we do not get cloture on the so-called compromise. I want to congratulate the distinguished chairman of our committee, Senator LUGAR, and Senator LEAHY, the ranking Democrat on the committee, and others, Senator CRAIG from Idaho and Senator GRASSLEY from Iowa, my own staff and others who have been working, we thought, in sort of a bipartisan way so we can get to conference. If we do not go to conference, we will not have anything.

I know farm bills are difficult. We have had farm bill debates on this floor before and they are even more difficult on the House side. Normally you can pass a farm bill in the Senate. It is a little easier because most of us represent some farmers. Some may not fully realize it, but there are always a few farmers in every State. I know in my State we have a saying, "if you do not eat, don't worry about the farm." A lot of people do eat, but not many worry about the farm.

We have the best food bargain in the world. We spend less of our disposable income on food in America than any other industrialized nation because of our farmers and ranchers in America, and now we are trying to have a little

safety net here, a little farm bill, to make certain that certain things happen and there will be some protection there.

Farming looks pretty easy to some. But we know the tremendous amount of work required by not only farmers but their families. We know there is overregulation, overtaxation, and I have had farmers tell me if we get rid of some of the regulations and other things we could keep the subsidies. We would probably be better off. Farmers make a lot of sacrifices. They have hailstorms, winter kill, a lot of other things to contend with, sometimes they do not have any crop at all, sometimes they live from crop to crop, and sometimes they borrow money every year and every year and every year.

It is pretty important that we move ahead in this Chamber. They have enough uncertainties out there without the uncertainty of whether or not we will act. I believe on this side of the aisle we are prepared almost unanimously to act. It does not mean we think it is perfect. It does not mean we cannot address some of the concerns expressed by my distinguished colleagues on the other side, including the Democratic leader, who also understands agriculture, coming from South Dakota, and hopefully we will be able to work together on this.

While negotiations continue, as I said, Kansas farmers have planted their crop without knowing any program details, and farmers of other crops will be in the same position unless we take action. We did take action last year, and we attached the legislation to our historic Balanced Budget Act. The legislation would have provided farmers with certainty, simplicity, and flexibility—three key words when you are on the farm. It would have allowed them to plant for the market and not for the Government. It would have set a policy that transitions our farmers into the next century, without disrupting the farm economy or land values. That act was vetoed by the President of the United States. I do not think the American farmer should forget that—or the farm families. That act was vetoed by President Clinton. That is why we are here today. That is why we are late. That is why we do not have our work done.

It seems to me that we ought to get together here, pass the legislation contained—the language we passed last year. That will be the first vote on cloture. I urge my colleagues to support that. I believe the plan is good for farmers and good for taxpayers and good for America. I have some reservations just as some of the others have reservations, that we could address in conference. I probably would be a conferee.

After that vote, we will also have a cloture vote on a bipartisan package, and I congratulate those who put that together. I think it does respond to the crisis. I thought we would have a third cloture vote but the Senator from North Dakota, Senator DORGAN, vitiated cloture, which really started all this—I do not quite understand that—on a 1-year extension. My view is we have two votes, we have two opportunities to move ahead for American agriculture. Stop the uncertainty right now.

I guess the good news for America's farmers is that this bipartisan agreement keeps intact the provisions farmers have overwhelmingly endorsed: Certainty, simplicity, and flexibility. We also have dairy provisions, nutrition, and conservation. I believe the Senate must provide leadership and keep faith with our commitment to rural America and move this farm bill forward. I believe it is good for farmers, it is good for America.

I finally say, if I can take a minute or two of leader's time, over 200 years ago, George Washington wrote: "I know of no pursuit in which more real and important services can be rendered to any country than by improving its agriculture."

I think those words were probably pretty good a couple hundred years ago and I think they are just as true today.

Now, I certainly hope that we could obtain cloture on both bills, if not on the bipartisan efforts put together by Democrats and Republicans—by Democrats and Republicans. Then let us go to conference, let us work together in a bipartisan way in the conference, come up with a package that the American farmer can live with, the American consumers will benefit from, and that the American taxpayers will also support.

Mr. DORGAN. Mr. President, will the majority leader allow me to respond to the point he made about vitiating?

Mr. DOLE. I thought we had an agreement about voting on yours first, then you vitiated the yeas and nays, and so there is nothing there.

Mr. DORGAN. Mr. President, if I might just mention to the majority leader, the Senate will now have two cloture votes. If cloture is invoked, of course, the issue of extending the current farm program will probably be moot. But if cloture is not invoked, then it would be my desire to offer the Senate an opportunity to vote on the question of whether we extend the current farm program or whether we provide for some Farm Security Act approach. But the only way we will get to that point is if we get past these two cloture votes. So we would still have an opportunity to vote on an extension of the farm program if there is not cloture invoked.

Mr. DOLE. Not today.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I ask unanimous consent I might be added as a cosponsor of both measures, S. 1541 and the Lugar-Leahy bill.

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

CLOTURE MOTION

The PRESIDING OFFICER. All time has expired. Pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

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, do hereby move to bring to a close debate on S. 1541, the farm bill:

Bob Dole, Strom Thurmond, Dirk Kempthorne, James M. Jeffords, John H. Chafee, Thad Cochran, Ted Stevens, Trent Lott, Richard G. Lugar, Craig Thomas, Don Nickles, Bob Bennett, Alan K. Simpson, John Warner, Larry Pressler, Dan Coats, Larry E. Craig.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on S. 1541, 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 assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from West Virginia [Mr. ROCKEFELLER] is necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia [Mr. ROCKEFELLER] would vote "nay."

The yeas and nays resulted—yeas 53, nays 45, as follows:

[Rollcall Vote No. 7 Leg.]

YEAS—53

Abraham	Frist	McCain
Ashcroft	Gorton	McConnell
Bennett	Gramm	Murkowski
Bond	Grams	Nickles
Brown	Grassley	Pell
Burns	Hatch	Pressler
Campbell	Hatfield	Roth
Chafee	Helms	Shelby
Coats	Hutchison	Simpson
Cochran	Inhofe	Snowe
Cohen	Jeffords	Specter
Coverdell	Johnston	Stevens
Craig	Kassebaum	Thomas
D'Amato	Kempthorne	Thompson
DeWine	Kyl	Thurmond
Dole	Lott	Warner
Domenici	Lugar	Wellstone
Faircloth	Mack	

NAYS—45

Akaka	Feingold	Leahy
Baucus	Feinstein	Levin
Biden	Ford	Lieberman
Bingaman	Glenn	Mikulski
Boxer	Graham	Moseley-Braun
Bradley	Gregg	Moynihan
Breaux	Harkin	Murray
Bryan	Heflin	Nunn
Bumpers	Hollings	Pryor
Byrd	Inouye	Reid
Conrad	Kennedy	Robb
Daschle	Kerrey	Santorum
Dodd	Kerry	Sarbanes
Dorgan	Kohl	Simon
Exon	Lautenberg	Smith

NOT VOTING—1

Rockefeller

The PRESIDING OFFICER. On this vote, the yeas are 53, the nays are 45. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the cloture motion is not agreed to.

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

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SMITH). The absence of a quorum is suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

By unanimous consent the Senator may proceed.

Mr. PRESSLER. The farm bill is the most important legislation we have before us insofar as my State of South Dakota and insofar as our Nation is concerned. We forget that we are an agricultural Nation. Most of our exports in our Nation are agriculture. In fact, we pay our trade bills through agricultural exports.

Many economists have predicted that in the next few years commodity prices will be at an all-time high because of the demand in Asia and elsewhere for our farm products. Therefore, I hope this farm bill will take into account the key role that agriculture plays.

Mr. President, we seem to be split between two approaches here, temporarily: The freedom-to-farm approach and the traditional Department of Agriculture subsidy approach. It appears to me we will have to find a compromise between the two. In the long run, this Senator likes the concept of freedom to farm, possibly with a cap, because it may be that new crops will be developed. A farmer might well experiment with a totally new crop. Right now with our bureaucratic approach, the Department of Agriculture basically defines what crops are appropriate.

However, I realize legislation is the art of the possible. It appears we will have to reach a compromise. I am very much anxious to be part of that compromise. I look forward to discussing this with my colleagues.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AUCTIONING THE TELECOMMUNICATIONS SPECTRUM

Mr. McCAIN. Mr. President, I am informed that there is going to be, shortly, a unanimous-consent request to take up the telecommunications bill. I will not object to the unanimous-consent request, nor aspects of it.

I would like to point out that there have been letters exchanged between the members of the Federal Communications Commission and Chairman PRESSLER, chairman of the Committee on Commerce, Science, and Transportation, and also between Republican Members of the other body as well as the majority whip, to Senator DOLE, concerning the issue of spectrum auction, and a letter from Congressmen BLILEY and GINGRICH, Senator PRESSLER and Senator LOTT, to the Honorable Reed Hundt, Chairman of the Federal Communications Commission.

Mr. President, I ask unanimous consent these letters be printed in the RECORD.

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

FEDERAL COMMUNICATIONS COMMISSION,
Washington, DC, February 1, 1996.

Hon. LARRY PRESSLER,
Chairman, Committee on Commerce, Science and Transportation, U.S. Senate, Washington, DC.

DEAR CHAIRMAN PRESSLER: Thank you very much for your letter this morning about the concerns expressed by Senate Majority Leader Dole and others regarding the distribution of additional spectrum to television broadcasters. We share the determination of you, Senator Dole and others to protect American taxpayers. As you know, under current law and pursuant to the language of the Telecommunications Act of 1996 (should it become law), the Commission lacks authority to auction, or charge broadcasters for the use of, the spectrum that has been identified for the provision of these broadcast services. In addition, given the many administrative steps necessary to implement any assignment of digital broadcast licenses, we would not be in a position to issue those licenses any earlier than 1997.

We recognize the serious policy questions involved, and that you intend to hold hearings and enact legislation dealing with this issue as part of an overhaul of policies governing the electromagnetic spectrum. Any award of initial licenses or construction permits for Advanced Television Services will only be made in compliance with the express intent of Congress and only pursuant to additional legislation it may adopt resolving this issue.

Very truly yours,
REED E. HUNDT, *Chairman*,
JAMES H. QUELLO, *Commissioner*,
ANDREW C. BARRETT, *Commissioner*,
SUSAN NESS, *Commissioner*,
RACHELLE B. CHONG, *Commissioner*.

CONGRESS OF THE UNITED STATES,
Washington, DC, January 31, 1996.

Hon. ROBERT J. DOLE,
Majority Leader, U.S. Senate, Washington, DC.

DEAR MR. LEADER: We appreciate your leadership on telecommunications reform. Clearly the next step in bolstering America's edge as we enter the Information Age will be to overhaul outdated policies governing the electromagnetic spectrum or airwaves.

We agree that you have raised legitimate concerns that must be addressed, and we share your determination to protect America's taxpayers. To this end we are committed to moving comprehensive legislation this year and plan to be ready for floor action this summer. As part of this reform, we believe it is of the utmost importance to closely examine and question the Federal Communications Commission's proposals to give additional spectrum to television broadcasters. Until action is completed on this legislation, we agree that the FCC should not issue any initial licenses or construction permits for Advance Television Services until Congress sets policy in this area.

The Commission is a creature of Congress and our committees have oversight over its operations. In the attached letter, we inform the Commission of our concerns and have requested that the Commission take no further action until instructed otherwise.

We agree this issue should be subject to full, public scrutiny, and we look forward to working with you to ensure that America's taxpayers are fairly compensated for this precious national resource.

Sincerely,
TOM BLILEY,
LARRY PRESSLER,
NEWT GINGRICH,
TRENT LOTT.

CONGRESS OF THE UNITED STATES,
Washington, DC, January 31, 1996.

Hon. REED E. HUNDT,
Chairman, Federal Communications Commission, Washington, DC.

DEAR MR. CHAIRMAN: As you are aware, Senate Majority Leader Dole and others have raised legitimate concerns about giving additional spectrum to television broadcasters. As you are aware, these concerns raise serious policy questions which include providing taxpayers fair compensation for the use of a national resource to the policy implications of giving preference to the broadcasters over all other potential competitors.

We share Senator Dole's determination to protect America's taxpayers, and to satisfactorily resolve this issue. We wish to inform the Commission that it is our intention to conduct open hearings and move legislation to overhaul our nation's policies governing the electromagnetic spectrum. We request that the Commission not issue any initial licenses or construction permits for Advance Television Services until legislation is completed. Furthermore, your input would be greatly appreciated as we work to solve this complicated issue.

We appreciate your cooperation in advance on this issue of the utmost importance.

Sincerely,
TOM BLILEY,
LARRY PRESSLER,
NEWT GINGRICH,
TRENT LOTT.

Mr. McCAIN. Mr. President, the interesting thing about this is we are about to see what should have been done, not done, and what may happen is a loss to the taxpayers of, conservatively, about $30 billion in spectrum that would be auctioned off.

In the language of the bill that we will be considering, there is no authority for the Commission to auction or

charge broadcasters for the use of the spectrum that has been identified for the provision of broadcast services.

I want to repeat. In the present bill we are about to consider, there is no provision for spectrum auction. The fair and decent thing to do for the American taxpayer was to strip that language out of the bill, thereby leaving it neutral, and saying that this issue will be taken up and the issue of spectrum auction will be decided through hearings and freestanding legislation.

I have been around here long enough to know what is going on here. What is going to probably happen is that we will not act on this issue this year; that sometime in 1997 the broadcasters will begin to sue for the provision of their spectrum, and in court will probably have standing because of this bill we are about to pass. I am not sure how any court could refuse when in the legislation it does not provide the Commission authority to auction off the spectrum.

I want to tell you what should have been done here. What should have been done is the language stripped out of the bill that does not give them authority and does allow them to give spectrum to the broadcasters.

About a month ago we had a vote around here on some spectrum that was about to be given away to a company. We had a vote here. It ended up, thanks to my colleague from Colorado and his cooperation and assistance, with a vote of 98 to 0 that mandated that this spectrum, which was about to be given away, be auctioned off. The estimates of the value of that spectrum at that time ranged between $150 to $170 million. The auction took place a little over 2 weeks ago, and the spectrum was auctioned off for $682 million.

Now, what we are about to do here is allow, over time, this spectrum to be given away to the broadcasters. I congratulate the broadcasters and their surrogates here in the Senate and the Congress. I congratulate them on prevailing. I congratulate them for their incredible influence that has prevented us from mandating an auction of the spectrum which belongs to the taxpayers.

The estimates are that this spectrum is worth somewhere around $30 billion—"b," billion dollars. Now we are going to accept language which is exactly what the broadcasters wanted.

In exchange for it, we get letters. We get letters which have no standing in law, which have no standing anywhere. I have grown a bit cynical in the years that I have spent here in Congress, not to recognize what is happening.

I can only speak for people on this side of the aisle about our philosophy of the role of Government. When something is owned by the taxpayer and is of great value and we are facing debts of incredible proportions, $4, $5 trillion, annual deficits of $150 billion, and we have a way of taking that very valuable commodity that is owned by the taxpayers and auctioning it off, and now we are being prevented basically from doing so—despite the fig leaf of these letters—I think it is a very sad day. Because in this legislation the broadcasters are well represented. The taxpayers of America are not represented at all.

So, as we adopt this legislation, and these letters, which I could describe in somewhat graphic terms but will not—they are entered into the RECORD—let us have no illusions about what is happening here. What is happening here is the odds are the taxpayers of America will never receive that $30 billion in return for the auctioning off of a commodity which they own.

Mr. President, I had a lot of problems with the telecommunications bill, as is well known here. I proposed numerous amendments which were defeated. But all of them pale in comparison to what we are talking about here, especially since we already have proof, with a $682 million auction of a small amount of spectrum that took place a couple of weeks ago, of the value which we are not addressing in this legislation today.

Mr. President, I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, I first want to thank the Senator from Arizona for his statement. I can assure him that if the FCC means what they say in the letter, "only pursuant to additional legislation it may adopt resolving this issue"—I think both the Senator from Arizona and the Senator from Kansas are going to be around. And there will not be any legislation unless it resolves the issue fairly for the American taxpayer.

I think this is very important. I know there are Members on each side of the aisle who are concerned about it. It is not a partisan issue. Here we are, trying to balance the budget, cutting welfare, cutting other programs, and about to give a big handout here to the rich, the powerful.

We have not seen a single story on any of the networks about this issue. We see a lot of stories on the networks about some Member of Congress going somewhere on a "junket," they always like to say on the networks. But I have not seen anybody, except for CNN, not a single story on what could be the biggest giveaway of the century—not one.

I think we could have done better in the discussions, myself, yesterday.

I talked to the Speaker, and the Speaker said, "You got rolled." Everybody got rolled. But that is history. It will not happen again. I think this is a very important issue. You will not see it on television. You will not see it on the networks. You probably will not see it in any newspaper that owns television because this affects them. We should not raise things, in effect, for the rich and the powerful.

So I appreciate the concerns expressed, and we will continue to pursue this matter.

Mr. McCAIN. Mr. President, will the majority leader yield for a comment?

Mr. DOLE. I am happy to yield.

Mr. McCAIN. I want to thank the majority leader for his efforts on the spectrum auction. It would have sailed right through, because the fix was in. Had it not been for his efforts—I am sorry that he was out of town yesterday. I am sorry that we did not get, as the leader said, a better deal.

The thing I worry about, of course, is that with the present language in the bill, which should have been stripped out, next year sometime someone will sue and go to court with the FCC and force the FCC to be in compliance with the law that we are about to pass today. That is what I worry about.

But I do want to thank the majority leader sincerely for his efforts for bringing this issue to the attention at least to the print media. As the majority leader mentioned, we will not see this story on any television or hear it on any radio broadcast because it directly affects them.

But I want to thank the majority leader for his efforts. I take in good faith his commitment for us to try to get it up. I just know that the forces that are represented—the special interests here in Washington—have won. I regret it because it is the American taxpayer who now may be losing $30 billion. If we had done the right thing and stripped that language out of the bill, there was no chance that anything else would have happened.

I thank the majority leader for his efforts.

AGRICULTURAL MARKET TRANSITION ACT OF 1996

The Senate continued with the consideration of the bill.

Mr. DOLE. Mr. President, what is the pending business?

The PRESIDING OFFICER. The cloture motion.

Mr. DOLE. I ask unanimous consent that the pending cloture vote be temporarily laid aside.

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

THE TELECOMMUNICATIONS BILL

Mr. DOLE. I think the managers on each side of the aisle are here. We do not want to take a lot of time. We are trying to work out something on the agriculture bill, a bipartisan solution, if you please. Senator LUGAR, Senator LEAHY, and others on both sides have been active. We had a meeting in Senator DASCHLE's office, including myself, Senator DASCHLE, Senator LEAHY,

and Senator LUGAR. We believe there can be a resolution. But rather than keep people here late, late tonight, we would like to move ahead and have the debate on the telecommunications conference report.

I understand that is agreeable to the Senators from South Dakota and South Carolina. I think there is a need to get consent on the other side of the aisle before we can proceed. There is no time limit. We hope to get an hour or two for a time limit. We said we cannot get that at the present time. But we would like to ask consent—I will not make the request now, but if we can get it cleared, I would simply ask consent that, notwithstanding the absence of official papers, the Senate now turn to the consideration of the conference report to accompany S. 652, the telecommunications bill, and the conference report be considered read.

That would just permit us to go ahead and have the debate.

I ask unanimous consent, notwithstanding the absence of official papers——

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN addressed the Chair.

Mr. DOLE. I have not made the request yet. I will repeat what I said and make the request.

Mr. HARKIN. I understand that there is a consent request to move right now to the conference report on the telecommunications bill. Mr. President, I ask that the bill be read.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The majority leader has not yet finished the request.

Mr. DOLE. Let me repeat the request.

Mr. LEAHY. Mr. President, will the distinguished majority leader yield for a moment?

Mr. DOLE. Yes.

THE FARM BILL

Mr. LEAHY. Mr. President, without going into the issue of the telecommunications bill—which I will not—I just want to emphasize what the distinguished majority leader said. As my colleagues know, he, I, and some others had an amendment at the desk. We would have voted cloture under normal circumstances. Following the first cloture vote today, the distinguished majority leader, the distinguished Democratic leader, Senator LUGAR, and I have met. I want to emphasize one thing.

In the 21 years that I have been here, the most successful farm legislation has been bipartisan farm legislation. The most successful farm legislation has been that where we have worked together. There are a lot of issues in this, from the normal crops to issues of nutrition, conservation, reserve areas, which are very important to me. I know that the only kind of legislation we are ever actually going to see go into law is something we all work together on.

I commend Senator DOLE and Senator DASCHLE and Senator LUGAR and others for working so hard to bring us together. I think we will shortly be in a position to put before the body a piece of legislation that we can at least all vote cloture on and then go on in the normal course of things on the farm bill.

But I commend those Senators again on both sides of the aisle who have been willing to work together on legislation to protect the farmers of our country, to require the production of food and fiber and allow family farms to continue, but also to protect the environment of this country and to feed the people of this country through the nutrition programs. Those programs work best when we come together to pass it. I think we are coming very close to that.

I thank the distinguished majority leader for yielding to me.

THE TELECOMMUNICATIONS BILL

Mr. DOLE. Mr. President, I think the Senator from Iowa has a legitimate request here. We are trying to clarify that now with the Senator from South Dakota. If we can do that, then we will start the debate on the telecommunications bill. I have read the colloquy. I do not see any problem with it. But I am not on the committee. I am not the committee chairman. So I hope we can work that out.

THE FARM BILL

Mr. BUMPERS. Mr. President, will the majority leader yield for a question?

The majority leader may have already covered this. I am concerned about this. I am vitally interested in the farm bill. I have no objection whatever going to the telecommunications bill. But if at some point this afternoon some sort of a compromise is reached, I hope that we will not have any difficulty setting the telecommunications bill aside and then get back to the farm bill and, hopefully, dispose of it this evening.

Mr. DOLE. We would like to dispose of it this evening. We are hoping there can be an agreement and that we have 80 votes on cloture—not 61 or 59, or whatever. I know some Members have to depart fairly soon. We are trying to accommodate everyone. It is difficult to do. But I think they are meeting as we speak in a bipartisan group.

Mr. LEAHY. Mr. President, if the leader will yield, his staff, mine, Senator LUGAR's, and Senator DASCHLE's are meeting. I think we are going to have very soon a package on the farm bill before us, at least the original package most of us can vote for and, obviously, subject to amendment after that. But the desire, I think, of the principals—those of us on both sides of the aisle who are handling this—is to get something that we can compress in time, if at all possible, and protect the legitimate interests reflected not only geographically but politically.

Mr. BUMPERS. My concern, Mr. President, to the majority leader was, I wish we could incorporate into the unanimous-consent request that the majority leader will have a right to automatically set the telecommunications bill aside. I do not want somebody to object to that and get us bogged down here so that we cannot get back to the farm bill.

Mr. DOLE. I will assure the Senator I am interested, too, just as the Senator from Arkansas is. If we get bogged down on this, we could set it aside. We have regular order to bring it back.

TELECOMMUNICATIONS ACT OF 1996—CONFERENCE REPORT

Mr. DOLE. Mr. President, I now ask unanimous consent that notwithstanding the absence of the official papers—they are somewhere else—the Senate now turn to the consideration of the conference report to accompany S. 652, the telecommunications bill, and the conference report be considered read.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill S. 652, to provide for a procompetitive, deregulatory national policy framework designed to accelerate rapid private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. The Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of January 31, 1996.)

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. PRESSLER. Mr. President, it is with a sense of relief and pride that we

bring to the Senate floor the conference report on the telecommunications bill. I wish to commend my colleague, Senator HOLLINGS, for his outstanding leadership and bipartisan spirit throughout this debate. This long debate has brought us to the point today where we have a conference report that is very positive. It is procompetitive and deregulatory. The Telecommunications Act of 1996 will get everybody into everybody else's business.

The purpose of this bill is to update the 1934 Communications Act. This is the first complete rewrite of the telecommunications law in our country. It is very much needed.

I predict that this will be succeeded someday as we get into the wireless age by another act, maybe in 10 or 15 years. But this Telecommunications Act will provide us with a road map into the wireless age and into the next century.

Mr. President, what has occurred in our country is that through court decisions and through the 1934 act we have developed an economic apartheid regarding telecommunications, that is, the regional Bell companies have the local telephone service, the long-distance companies have the long-distance service, the cable companies have their section, the broadcast companies have their section.

This bill attempts to get everybody into everybody else's business and let in new entrants. For example, at President Clinton's recent White House conference on small business many small business people wrote and said, we want the Telecommunications Act of 1996 to pass because it will allow small business people to get into local telephone service, it will allow small business people to get into different segments of telecommunications.

Mr. President, this conference report we bring here today is a vast bill. It covers everything from the rules of entry into local telephone service by other competitors—it deals with long distance, it deals with cable, it deals with broadcast, it deals with the public utilities getting into telecommunications, it deals with burglar alarm issues, it deals with the authority of State and local governments over their rights of way, and it deals with the rules of satellite communication.

It will result in many things for consumers. For example, I believe it will accelerate an explosion of new devices, an explosion of new investment. What has happened in our country is that we have forced our regional Bell companies to invest overseas because we limit what they can manufacture. We have limited many of our companies in what they can do in our country. This legislation unleashes them, makes them competitive and is deregulatory in nature.

It will do a great deal for consumers. For example, and specifically, it will lower prices on local telephone calls through competition. It will lower prices on long-distance calls through competition. It will lower cable TV rates through competition. It will provide an explosion of new devices, services and inventions.

Mr. LOTT. Mr. President, will the distinguished Senator from South Dakota yield? I hate to interrupt.

Mr. PRESSLER. I do yield.

UNANIMOUS-CONSENT AGREEMENT

Mr. LOTT. Mr. President, we have a unanimous-consent agreement I believe we are ready to enter. It is a very important effort to complete this legislation.

After consultation with the Democratic leadership, Mr. President, I ask unanimous consent that there now be 90 minutes on the conference report to be equally divided in the usual form, and following the conclusion or yielding back of the time, the Senate proceed to the adoption of the conference report without any intervening action or debate.

Mr. FORD. Reserving the right to object, Mr. President, I ask that my friend allow the ranking Member to have equal time for what the chairman has had, say 5 minutes, and add that to that.

Mr. LOTT. I amend my unanimous-consent request to that effect.

Mr. FORD. I thank my friend.

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

Mr. LOTT. I thank the Senator for yielding.

Mr. PRESSLER. I thank my colleagues and my colleague from Kentucky.

So, Mr. President, this bill is an industrial restructuring. It will be like the Oklahoma land rush because many investors have not had a road map as to what to do. It will mean we will be more competitive internationally, and it will mean many of our companies can form alliances internationally.

Some have said, well, will this just allow one or two companies to take everything over? No, it will not. I think it will prove to be the age of the small, nimble business. I believe that we will see small businesses emerging. We have seen AT&T break up into three companies. I think that is going to happen more and more.

This bill does not affect our antitrust laws. The antitrust laws stay in place. But this bill will encourage small, nimble companies and entrepreneurs to enter the telecommunications area.

It will also bring us to a point where many of our companies that have not been able to get into other areas can do so. For example, the public utilities will be able to get into telecommunications.

What does this mean to the average consumer? I have already mentioned I think it will mean lower prices through competition. It also will mean many new devices for senior citizens who might be living alone and want to summon emergency help with some of the wireless technologies that will be available. They can stay in their own homes longer with the security of mind of being able to call for help by pushing a button.

For the home, I believe we will see the computer and TV and telephone blended into one source of education, news, and entertainment. For the small town hospital, it will mean telemedicine, new devices and investment, where a large hospital can partner with a small hospital in research.

For the small business located in a smaller town, it will mean that a small businessman there will be on an equal footing with a bigger businessman in an urban center in terms of access to research and the ability to partner.

As a member of the Finance Committee, I have asked my staff to help find ways that when big universities get a research grant for cancer research, for example, that they use telecommunications to partner with a small university. That will make the research more accurate at lower cost.

So there are a number of benefits to consumers, farmers, small business people, and universities. There are many new devices that will come online that we have not even heard of yet. This bill will be like the Oklahoma land rush in terms of investment, inventions and development. We have just begun imagining what the telecommunications revolution will be like.

This will be the starting gun. We have kept our companies in bondage. Those companies will break free and there will be a whole group of new small entrepreneurs coming forth to participate in the telecommunications revolution.

Another area that it will help our country is jobs. This is the biggest jobs bill ever to pass this Congress. It will result in a creation of thousands of jobs, good jobs, good-paying jobs across our country.

We read about layoffs every day, but they are frequently in industries that have grown obsolete. This bill will allow an unleashing of new high-technology jobs in the information age. And it is very important.

This bill is a jobs bill without spending any Federal money. It will go down in history as the largest jobs bill in American history.

So, Mr. President, I shall, to save time, because I know some of my colleagues wish to speak—I want to pay tribute to both the Republicans and Democrats who have worked on this bipartisan bill, to my colleague, Senator HOLLINGS, to my colleague, Senator DASCHLE, who is on the floor, and many others on both sides of the aisle, Republicans and Democrats.

This is a bipartisan bill. It has been all the way through the Senate. First of all, this bill has been simmering for many years. We have worked on it first in the Senate and then in the House. There were bipartisan staff meetings.

We have brought the White House into the conference discussions. I spoke with President Clinton and Vice President GORE on a number of occasions throughout this process. I thank them for their participation. Mr. Simon of Vice President GORE's staff was a guest speaker at the conference staff's first meeting. We invited him so we could bring this together on a bipartisan basis.

This bill is not one that could be partisan. I think it is one of the most bipartisan pieces of legislation in the Congress. Mr. President, I shall have additional remarks as time goes on. I yield the floor.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, today the Senate considers the conference agreement to S. 652, the Telecommunications Act of 1996. This bill is intended to promote competition in every sector of the communications industry, including the broadcast, cable, wireless, long distance, local telephone, manufacturing, pay telephone, electronic publishing, cable equipment, and direct broadcast satellite industries. This legislation has the support of the Clinton administration and almost every sector of the communications industry. I urge my colleagues to pass this comprehensive legislation.

Mr. President, this conference agreement comes before the Senate for final passage after years of debate. In 1991, I authored legislation to allow the Regional Bell Operating Companies [RBOC's] into manufacturing. That bill passed the Senate by almost ¾ of the Senate, but the House could not pass it. Several other bills were offered, but at each stage, one industry blocked the other. As a result, communications policy has been set by the courts, not by Congress and not by the Federal Communications Commission [FCC], the expert agency.

In 1994, I introduced S. 1822, the Communications Act of 1994, which contained the most comprehensive revision of the communications law since 1934. In that year, the committee held 31 hours of testimony in 11 days of hearings from 86 witnesses. Though that bill was reported by the Commerce Committee by a vote of 18 to 2, there was not enough time in the 103d Congress to complete our work.

Senator PRESSLER and I decided earlier this year to pick up where we left off in the last Congress. We jointly introduced S. 652 early in 1995 and succeeded in passing the bill out of the Commerce Committee by a vote of 17–2 on March 23 of last year. The bill passed the Senate in June by an overwhelming vote of 81–18. After the House passed its version of the legislation in August, the two Houses entered into the difficult task of reconciling the two bills over several months through the fall and winter.

I am pleased that the conferees have succeeded in reconciling these bills. I believe that the conference report that is brought before the Senate today is a fair and balanced compromise between the bills passed by the two Houses. It retains many of the concepts contained in my legislation from the 103d Congress. For instance, it promotes competition, it retains strong protections for universal service and rural telephone companies, it promotes consumer privacy, and it allows the RBOC's into long distance and manufacturing under certain safeguards.

At the same time, this legislation contains many more deregulatory provisions than were contained in my legislation from last year. It allows greater media concentration than I would have preferred. It deregulates cable on a date certain, rather than upon a determination that there is actual competition. Nevertheless, I believe that this legislation on the whole presents a balanced package that deserves the support of every Member of this body.

The basic thrust of the bill is clear: competition is the best regulator of the marketplace. Until that competition exists, monopoly providers of services must not be able to exploit their monopoly power to the consumer's disadvantage. Timing is everything. Telecommunications services should be deregulated after, not before, markets become competitive.

Competition is spurred by the bill's provisions specifying the criteria for entry into various markets. For example, on a broad scale, cable companies soon will provide telephone service, and telephone companies will offer video services. Consumers will soon be able to purchase local telephone service from several competitors, and vice versa. Electric utility companies will offer telecommunications services. The RBOC's will engage in manufacturing activities. All these participants will foster competition to each other and create jobs along the way.

We should not attempt to micromanage the marketplace; rather, we must set the rules in a way that neutralizes any party's inherent market power, so that robust and fair competition can ensue. This is Congress' responsibility, and so the bill transfers jurisdiction over the modification of final judgment [MFJ] from the courts to the FCC. Judge Greene, who has been overseeing the MFJ, has been doing yeoman's work in attempting to ensure that monopolies do not abuse their market power. But it is time for Congress to reassert its responsibilities in this area, and this conference agreement does just that.

Mr. President, let me address some of the specific areas of important in the bill.

UNIVERSAL SERVICE

The need to protect and advance universal service is one of the fundamental concerns of the conferees in drafting this conference agreement. Universal service must be guaranteed; the world's best telephone system must continue to grow and develop, and we must attempt to ensure the widest availability of telephone service.

The conference agreement retains the provision in the Senate bill that requires all telecommunications carriers to contribute to universal service. A Federal-State joint board will define universal service, and this definition will evolve over time as technologies change so that consumers have access to the best possible services. Special provisions in the legislation address universal service in rural areas to guarantee that harm to universal service is avoided there.

RBOC ENTRY INTO LONG DISTANCE

One of the most contentious issues in this whole discussion has been when, or if, the RBOC's should be allowed to enter the long-distance market. I share the concern of many consumers that the RBOC's should not be permitted to enter the long-distance market while they retain a monopoly over local telephone service. For this reason, I strongly opposed the idea that the RBOC's should be permitted to enter the long-distance market on a date certain, whether they face competition or not. I am pleased that the conference agreement recognizes that the RBOC's must open their networks to competition prior to their entry into long distance.

CABLE RATE DEREGULATION

The 1992 Cable Act was a great success. The rate regulation provisions of that legislation have saved consumers about $3 billion a year. The 1992 law also stimulated competition for cable service by wireless cable providers and direct broadcast satellite [DBS]. For these reason, I have agreed to go along with the provisions in the final conference agreement what would deregulate the upper tiers of cable service on March 31, 1999. By that time, we expect that competition from DBS and wireless cable, and perhaps from the telephone companies, will provide enough restraint on further cable rate increases. I believe that this is a fair compromise that serves the interests of consumers and the cable industry.

BROADCAST ISSUES

The conference agreement changes some of the current rules and statutory provisions concerning media concentration. I share the concerns of the Clinton administration and others that excessive media concentration could harm the diversity of voices in the communications marketplace. At the

same time, that marketplace has undergone several changes since many of these rules were first adopted in the 1970's. As a result, I have agreed to some changes in the ownership rules to allow the broadcast and cable industries to compete on more equal footing.

IMPORTANCE OF MUST-CARRY

I would like to add one more point concerning the importance of must-carry. Broadcast stations are important sources of local news, public affairs programming and other local broadcast services. This category of service will be an important part of the public interest determination to be made by the Commission when deciding whether a broadcast renewal application shall be granted by the Commission. To prevent local television broadcast signals from being subject to non-carriage or repositioning by cable television systems and those providing cable services, we must recognize and reaffirm the importance of mandatory carriage of local commercial television stations, as implemented by Commission rules and regulations.

CONCLUSION

This comprehensive bill strikes a balance between competition and regulation. New markets will be opened, competitors will begin to offer services, and consumers will be better served by having choices among providers of services. I urge my colleagues to adopt this bill. I myself would go further in several areas covered by the legislation, and not as far in other areas. But I have seen that, unless we adopt a comprehensive approach to legislation, any one sector of the telecommunications industry can stop this bill and checkmate the others. Telecommunications reform is too important to let this opportunity go by. This conference agreement is an equitable approach to most of the areas covered by the bill, and I urge my colleagues to support it.

Mr. President, I ask unanimous consent that a "Resolved Issues" table be printed in the RECORD.

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

TELECOMMUNICATIONS BILL RESOLVED ISSUES

1. Long Distance.

a. FCC decides whether to allow a Regional Bell Operating Company to provide long distance under the following conditions:

i. FCC gives substantial weight to the DOJ;

ii. RBOC application must be in the public interest;

iii. RBOC must face a facilities-based competitor or must have received approval from the State that it has met the unbundling requirements;

iv. RBOC must have opened and unbundled its network using a specific checklist;

v. RBOC must apply on a state-by-state basis;

vi. RBOC must use a separate subsidiary for long distance;

b. RBOCs can provide long distance outside their region immediately upon enactment;

c. RBOCs can provide incidental long distance (i.e. long distance related to cellular, information services cable services, cable services) immediately after enactment;

d. The RBOC can jointly market local and long distance service immediately after enactment;

2. Media Ownership:

a. Nationwide reach raised from 25% to 35%—no waivers

b. Duopoly rule—FCC will study whether to change duopoly rule. Current rule prohibits ownership of two TV stations in the same market. If it changes the rule, there should be a higher standard on V–V combinations than U–U or U–V combinations

c. Local Radio—raise the limits on the number of stations one person can own as follows:

NUMBER OF STATIONS IN A MARKET

	Current limit	New limit
1–14	3	5
15–29	4	6
30–44	4	7
45 or more	4	8

This also includes raising the current 49% limit on small markets (1–14 stations) to 50%.

d. Cable-Broadcast: remove statutory ban, direct the FCC to review its rule that has the same effect without prejudice.

e. Dual Network: allow someone to own a second network if it is starting a new network.

f. One-to-a-market: allow someone to own one TV, one AM radio, and one FM radio in the top 50 markets (current rule allows common ownership in top 25 markets). Allow existing waiver process to continue.

g. Network-cable: allow networks to buy cable systems subject to FCC safeguards.

h. Cable-MMDS: allow cable operator that face effective competition to buy an MMDS system in the same market; but a cable system that retains its monopoly cannot buy an MMDS system in the same market.

3. Cable-telephone: allow telephone companies to provide cable service in their regions.

4. Cable-telephone buyouts: allow a telephone company and cable company to buy each other in markets below 50,000 and outside an urbanized area.

5. Cable rates: deregulate small cable companies of fifty thousand or less immediately; deregulate upper tier rates as of March 31, 1999; no change to the regulation of the basic tier.

6. Universal Service: universal telephone service shall evolve over time, and the rates should be affordable. An FCC-State Joint Board will recommend changes to the current system to insure that all providers contribute.

7. Rural Telephone Company Protections: States may protect rural telephone companies from competition; only essential carriers will be eligible to receive universal service support.

8. Snowe-Rockefeller: give schools and hospitals discounted rates for telephone services.

9. V-chip: require TV sets to include a chip to screen out programs; encourage broadcasters to develop rating codes for violent programs.

10. Foreign Ownership: provisions taken out. No agreement was reached on how to enforce the reciprocity approach.

11. Cyberporn: require operators of computer networks to screen out indecent material for children; carriers of indecent information will not be liable for the content of information generated by others; expedited judicial review.

12. Set-top Box: allows consumers to purchase the cable set-top box on a retail basis from stores; cable companies will no longer have a monopoly over set-top boxes.

13. DBS Taxation: Cities are preempted from taxing the services provided by Direct Broadcast Satellite.

14. Pole Attachments: Cable companies may continue to pay the same rate as long as they provide only cable service; once cable companies start to provide telephone service, a higher rate will phase in over 10 years.

15. Electronic Publishing: The RBOCs must use a separate subsidiary when they provide electronic publishing in their regions. Electronic publishing includes generating stock information, sports scores, newspaper stories, and other databases of information.

16. Manufacturing: The RBOCs are allowed into manufacturing after they are permitted into long distance in any one State in their region. The RBOC must use a separate affiliate.

17. Privacy Information: All telecommunications companies must protest the privacy of customer information.

18. Anti-redlining: amends Section 1 of the Communications Act to prohibit discrimination based upon race, national origin, religion, sex; applies to broadcasters, common carriers and cable.

19. Disabilities: ensures access by disabled persons to telecommunications equipment and services, if readily achievable.

20. Pricing Flexibility: provisions taken out. The provisions in both bills would have told the States to adopt price cap regulation with consumer safeguards. Companies and consumers are better off leaving these issues to the States.

21. Spectrum Flexibility: allows broadcasters to provide ancillary and supplementary services once they deploy HDTV.

22. Preemption of state and local entry barriers: allows competition for local telephone service.

23. Infrastructure Sharing: allows small telephone companies to share the infrastructure provided by the RBOCS; parties may negotiate the rates for such sharing.

24. Payphones: prohibit the RBOCs from cross-subsidizing their payphone business.

25. Broadcast License Renewal: extends radio license terms from 7 years to 8 years; extends television license terms from 5 years to 8 years.

26. Anti-slamming: requires long distance companies to be liable for charges if they switch a customer to its long distance service unlawfully.

27. Regulatory Forbearance: allows the FCC to forbear from applying any provision of the Act in the public interest.

28. Educational Technology Corporation: Sen. Moseley-Braun sponsored this provision to allow this corporation to receive federal funds to provide technologies to schools.

29. Telecommunications Development Fund: makes funds available for small telecommunications businesses; sponsored by Rep. Towns.

ALARM MONITORING INDUSTRY

Mr. HARKINS. Mr. President, I want to begin by making a comment to the Senator from South Dakota, the distinguished chairman of the Commerce Committee, and chairman of the Senate-House conference which labored long and hard to produce this bill. I want to thank the Senator for the attention he has personally given to the small business alarm industry. I know

that on several occasions we have talked about the impact of this bill on the alarm industry, and when the bill was on the Senate floor last year we worked out an agreement on the waiting period prior to Bell entry into alarm monitoring.

I also want to express my gratitude to the distinguished ranking member, the Senator from South Carolina, who has taken a special interest in the economic vitality of small businesses that comprise the alarm industry.

There is one issue that deserves some additional clarification. The bill and the report language clearly prohibit any Bell company already in the industry from purchasing another alarm company for 5 years from date of enactment. However, it is not entirely clear whether such a Bell could circumvent the prohibition by purchasing the underlying customer accounts and assets of an alarm company, but not the company itself. It was my understanding that the conferees intended to prohibit for 5 years the acquisition of other alarm companies in any form, including the purchases of customer accounts and assets. I would ask both the chairman and ranking member whether my understanding is correct?

Mr. PRESSLER. Yes; the understanding of the Senator is correct. The language in the bill designed to prevent further acquisitions by a Bell engaged in alarm monitoring services as of November 30, 1995, is intended to include a prohibition on the acquisition of the underlying customer accounts and assets by a Bell during the 5-year waiting period.

This would not prohibit, as is stated in the bill, the so-called swap of accounts on a comparable basis, whereby a Bell which was engaged in alarm monitoring as of November 30, 1995, would be allowed to swap, or exchange, existing customer accounts for a similar number and value of customer accounts with a non-Bell alarm company.

I thank the Senator for helping the committee to further clarify the meaning of the legislation in the area of alarm monitoring services.

Mr. HOLLINGS. I would agree with the explanation given by the chairman and am pleased to have this opportunity to further clarify our intent in the alarm industry provisions.

Mr. President, I am trying to save time and yield to our distinguished colleague from North Dakota. While he is coming to the floor, let me first acknowledge the leadership and the understanding and, more than anything else, the persistence of our distinguished chairman.

Senator PRESSLER has been a dogged fighter all last year. He set history, there is no question in my mind, in this particular measure. I have been here 28 years, now in my 29th year. I have been chairman of the Budget Committee, and on the Budget Committee for over 20 years, and this measure is far more complex than any annual budget or any nonsensical 7-year budget plan. It is totally ludicrous to think that we could bind Congresses into the next century. That is gamesmanship that has been going on.

On the contrary, here is a bipartisan measure that was reported out overwhelmingly from our Commerce Committee, not only 2 years ago under S. 1822, but again this year under S. 652. I will acknowledge and then get back to two leaders in this particular cause, in addition to our distinguished chair.

The former chairman of our Communications Subcommittee and now ranking member, Senator DANIEL INOUYE of Hawaii, has been in the trenches all the time giving his leadership, and also most particularly to Judge Harold Greene. I do not see how, having worked intimately on this particular measure, one Federal judge could do the remarkable job that has been done by Judge Greene.

Now we move from the judiciary back over to the jurisdiction of the Federal Communications Commission, let it be noted, not on account of any inadequacy of the court in the person of Judge Harold Greene, but rather because no single entity could possibly enunciate and pursue the policy of communications of the national Congress.

Mr. President, I reserve the remainder of my time and yield 10 minutes, under our agreement, to the distinguished Senator from North Dakota.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, the conference report on the telecommunications reform legislation embodies a unique characterization. While this report is, in many respects, a substantial improvement from either the Senate or House versions, it also invites one of the most serious policy errors of this Congress.

This dramatic overhaul of our Nation's communications laws will, in my judgement, lead to many significant advancements for American consumers and help spur an already explosive industry. Indeed, consumers will, in many areas, have more choices and lower prices. Also, there will, without a doubt, be thousands of new jobs created by the accelerated expansion of the telecommunications industry.

The legislation that came out of the conference report is better than the bill that left the Senate and better than the bill that left the House. That is pretty unusual. We seldom ever see that in the Congress, but this is better.

Last June, I voted against the telecommunications bill when it left the Senate for a number of reasons. One reason being the lack of the role of the Justice Department in determining when there is competition in the local exchange before the baby Bells will be allowed to go out and compete in the long distance service areas.

As some may recall, a couple of us stood on the Senate floor and led the fight for a role of the Justice Department. We lost that vote, and I made the case then that this bill is supposed to be a bill about competition, a bill to promote, expand and foster competition when, in fact, if we do not have a Justice Department role, it is and can be increasingly a bill about monopolies and concentration.

In the conference, they did address a Justice Department role. There will now be a strong role for the Justice Department in evaluating competition in local exchanges before allowing the Bell Companies to go out and compete in long distance service. The role provided for the Department of Justice will ensure that competition and antitrust issues will be reviewed adequately. This is an important guarantee that competition, and the innovation that results from healthy market forces, will be the centerpiece of our telecommunications policy.

The conference report contains a bulk of the key rural provisions that are designed to protect rural areas. One provision will maintain the universal service system which ensures that rural and high cost areas will continue to receive affordable phone services. This issue is of enormous importance to those of us from small States.

We have always felt that way about telephone service. A telephone in the smallest city in North Dakota or the smallest town in North Dakota is as important as a telephone in lower Manhattan in New York because one makes the other more valuable. The lack of universal opportunity and universal communications services is very troublesome. That is why we have a universal service fund. This conference report protects that and does so in a meaningful way.

The conference report contains important provisions that will help link our schools, libraries, and rural hospitals with advanced telecommunications services.

I do not want to oversell this piece of legislation either. There are deficiencies in it. There is one which gives me enormous pause and almost persuaded me to continue voting against it. This report makes some serious steps toward concentration in broadcasting by eliminating the television ownership cap.

We now say you can own no more than 12 television stations covering no more than 25 percent of the population of the country. This report says, "By the way, we've changed that; you can own as many television stations as you want covering up to 35 percent of the population of this country." I guarantee you, if that stands, a dozen years from now we will have six, maybe eight

major companies owning most of the television stations in America. That is not a march toward competition; that is a march backwards towards concentration. It makes no sense. I almost voted against this bill because of that defect.

Today, Senators HOLLINGS, DASCHLE, KERREY, and I are introducing a piece of legislation that will call for the restoration of those ownership limits. I believe very strongly that we ought not remove the ownership caps.

Upon enactment of the conference report cable rates for 20 percent of Americans will go up. While the bill maintains controls on cable rates for the next 3 years, the fine print immediately lifts all controls for so-called small systems. Under this definition, over 60 percent of all North Dakota cable subscribers will likely see their rates increased.

Again, I want to say we have seen a virtual explosion in the telecommunications area of this country. It has changed everything. I grew up in a town of 300 people. Every day that I went to school I understood, and everybody in our town understood, our major disadvantage was that we lived too far from everybody. We could not have a manufacturing plant because we were too remote, we were too far.

Mr. President, do you know what telecommunications has done? Telecommunications makes Regent, ND, as close to Manhattan as is the Hudson River. The telecommunications revolution has eliminated a whole range of products and services, and the disadvantage of geography.

We see telecommunications firms springing up all over the country in rural areas. Why? Because geography is no longer a disadvantage. We see breathtaking changes occurring all over this country with firms that have innovative approaches to transmitting information, to new telephone services.

We are going to see cable companies compete with new telephone services and new transmission of data. We are going to see broadcast signals change dramatically to be able to transmit information services. Everything is changing. There will be circumstances in our future in which you will have access to every corner of this country and probably every corner of the globe with the latest information and with the most breathtaking technology that any of us can imagine. All of this is occurring despite the fact that our communications laws are 61 years old and in desperate need of revision.

Again, let me say that it is unusual to come to the floor and say this is a better bill than the bill that left the Senate, or the House last year, and this advances the interests of telecommunications in this country. The people who worked on this bill did awfully good work, and I commend them.

I yield the floor.

Mr. HOLLINGS. Mr. President, I thank the distinguished Senator from North Dakota for his leadership and participation within the committee. Throughout the entire debate, it was his influence, and he almost won a vote on the floor. At one time, it seemed down in the well here he had prevailed. That kind of pressure I welcome, because I happen to have agreed with him. But you have to get together in a bipartisan fashion in order to get things done. I emphasize that. I will also join as a cosponsor on the bill of the distinguished Senator. I think the Senator from Vermont momentarily is proceeding to the floor.

Mr. DORGAN. If I might ask a question, Mr. President, the Senator is correct. I did prevail on a vote on the Senate floor, and dinner intervened, and about eight people came back with arms in slings and we had another vote and it turns out that some people changed their minds over dinner, and I lost. Some of that was remedied later.

One additional comment. The reason competition is so important—and the Senator has talked about it—is that we have seen the result in long distance. We have 500 companies in long distance competing aggressively in this country, and prices have dropped 60 percent. That is good for this country. We want to make sure the companies competing in those circumstances do not face unfair competition. That is why we were so concerned about the Justice role. I appreciate the work the Senator did to restore the role of the Justice Department in conference.

Mr. STEVENS. Mr. President, I ask that the chairman yield me 10 minutes.

Mr. PRESSLER. I yield the Senator 10 minutes.

Mr. STEVENS. Mr. President, I think this is among one of the most significant days I have been here on the floor of the Senate. The 1934 Communications Act has served this Nation well. It brought us from a country with a fledgling communications system to the age of telecommunications. And now with the advent of digital communications becoming universal, this bill is absolutely necessary to assure the expansion of these industries that depend upon telecommunications.

This is not a total deregulation bill. It is not time yet for a total deregulation bill. We are dealing with a bill that lessens regulation. But it is not a re-regulation bill. It begins to bring into our present system the total power of competition, with the approval of the National Government.

I think one needs only to look at the definitions to see the scope of this bill as compared to the 1934 act. Look at it: Dialing parity, exchange access, information service, interLATA services, local exchange carriers, network elements, number portability, rural telephone companies, telecommunications, telecommunications carrier. If you look at the scope of the definitions alone, it signifies the changes in our system that are driven by telecommunications.

I am particularly pleased to be here with the two leaders of our committee, who have worked so hard—Senator PRESSLER, as chairman and Senator HOLLINGS, the ranking member and former chairman. We have worked many years now to bring us to this day, where we could literally say that we are ready now to take the telecommunications industry of the United States into the 21st century.

In doing so, we have been careful to recognize that there are places in the country that have not been totally served by the existing telephone and information communications system. This bill has extensive universal service concepts. It has specific provisions regarding telecommunications services for health care providers, education providers, education and secondary schools. It is a bill, the scope of which I think every American is going to have, at some time, reason to understand.

I am going to present here, soon, a unanimous-consent request to assure that there will be sufficient copies printed so that we can immediately send a copy of this conference report to those people in our individual States that must have this law available as soon as it is signed.

I believe you could literally say, without being thought of as improper at all, that this is going to be the telecommunications "bible." This is a bill that sets new parameters. It sets new requirements. It changes the authority of the Federal Communications Commission. It deals with the scope of the authority of the State commissioners, as well as with the regulation of utilities. In some places, it preempts State and local authorities, which is something I am very, very slow to do, but in this instance, I agree that it is necessary.

The real reason, I think, for the application of this now relates back to the suggestion I made to the Congress many years ago that we ought to stop having lotteries for the excess capacity on the broadcast spectrum. In days gone by, Mr. President, for $20, you would file an application without having any interest at all in the broadcast system or the telecommunications system, and if there was a spectrum available, there would be a lottery. If you were lucky, you then got the spectrum license, and immediately the world beat a path to your door to get the certificate that you had just won in a lottery.

We thought, and I thought, that we ought to auction that available spectrum, which is, after all, something that belongs to the public. I felt it had a substantial chance to bring in revenue. Mr. President, the first estimate

we got from the Congressional Budget Office, if memory serves me, was that it would bring in about $250 million if we auctioned these licenses rather than having lotteries. I remember a conversation very well with the Chairman of the FCC, Reed Hunt, where he told me they had taken in $12 billion last year from the auction of spectrum licenses.

We now are in the budget process of planning additional amounts to come in from spectrum. As we do so—and there has been discussions here on the floor—we have to keep in mind the equities of the situation and the fact that the telecommunications system is not all going to transition to digital concepts immediately. It is going to take time, and it is going to take the formation of a substantial amount of capital to be able to utilize the powers and privileges that are available to the American business and American public under this bill.

I hope everyone realizes it is not going to happen overnight. There may be some substantial challenges in court to some of these provisions. We are not unanimous here, and certainly the industry is not unanimous in terms of every provision in the bill. But I view this bill as an interim measure, Mr. President. I hope that our successors in the Senate, within 10 or 15 years, will move forward and take us into an era where there is even greater impact of competition and of the marketplace, and a reduced need for any Government involvement in this system. I described once to a friend of mine that I believe the current system is a series of playing fields, but they are on different levels. It is like they are on different levels of a very tall building. We have been talking, in the past, about trying to level the playing field. But you could not do it because some were on one floor and some on another, and now we have tried to find a way to literally level the playing field and set down the rules for competition. I do believe that we have succeeded. Even though I still have some reservation as to portions of this bill, as I know others do. We have succeeded.

There was a reluctance on the part of many people to present this bill to the Congress. I am glad it has come because I think its time has come. We have spent, those of us on the Commerce Committee now, I think, the last 4 years working on a version of this bill. This means, now, that we have the chance to send to the President an advanced telecommunications and information bill that is generally accepted. There is a general consensus that this is timely and that the provisions are right. Those who have reservations, I hope they will be careful, because I think to force this country back to relying once again on the 1934 Act would be wrong.

The Members of the House who worked on this bill, particularly Chairman BLILEY, I think deserve substantial credit. And we ought to have credit here for the staff. I hope my staff assistant joins me soon, but Earl Comstock, who has worked with the Commerce Committee as one of the draftsmen on this bill, joins the ranks of a few members of the staff who literally deserve credit for what they have done to bring us together by getting the language that meets our needs and eliminates the controversy among us over particular provisions.

I am very pleased to be able to present this bill and be part of the group that presents this bill to the Senate. I have signed the conference report. Not all of us did. I do think it is imperative we act, and I congratulate the leader for being willing to bring this bill forward under these circumstances today.

Let me once again thank Senator PRESSLER for his leadership on our side, for the hard work that he has done. As he pointed out to others, he has been on call and so have the rest of us, literally daily and through the weekends and on holidays as our staff people labor to carry out the instructions that we had given them and to reflect the decisions we made accurately in the text of this bill.

I have followed drafting of legislative bills now for a substantial portion of my life, Mr. President. I think this is the finest drafted bill I have been able to participate in. I congratulate the staff members who worked so hard and so long.

Let me say to my good friend, the former chairman of the committee, Senator HOLLINGS, I know how hard he worked in the last session, and Senator PRESSLER and I joined and worked hard with him, trying to get the bill during the period that he was chairman. This is a bipartisan bill. I think, by passing this bill, we may send a signal to the Congress. It is time we stop the fighting among us and start getting down to passing the laws that the Nation needs to provide the new job opportunities for the next century.

As Chairman PRESSLER has said, this is the largest jobs bill that has ever been before the Senate. This has more to do with developing new technologies, implementing new technologies, and stimulating the growth of new business than any bill I have ever been involved with.

I am delighted to be able to be here. As a matter of fact—again, I will yield in a moment, but I want to reserve a portion of the time to be able to ask later for agreement to the unanimous consent agreements being framed that will make available immediately an additional 5,000 copies of this as a Senate document so we can distribute this as soon as it is available.

I come from a State, Mr. President, one-fifth the size of the United States. It is rural in nature. We have a small population. We have people in our State who are just now getting telephone service as known to the rest of the country for the whole century, almost. Now, what we have assured here, as this program goes forward, is that universal service will be available to rural areas. It will be the state-of-the-art telecommunications system. It will mean that the small schools in rural America will have access to modern technology, and can participate through telecommunications. It means that telemedicine will now come to my State.

My State, when I first came here, had no assistance whatever for people in small villages. They had to find their way to Indian hospitals in regional areas. We created a system of clinics. Those clinics are, by and large, operated by young women from the villages who have a high school education and some technical training now. This bill means telecommunications will bring telemedicine in. They will be able to have a direct exposure of patients to doctors miles and miles away. They will be able to get assistance in dealing with mothers who have complications in pregnancies.

This bill, above all the things I have dealt with—in particular universal service, eligible telecommunications carriers, and rate integration, opens the whole horizon of telecommunications to the people of this country, and it does so on a fair basis. It has been criticized by some, but the universal service provisions that I mentioned when I first started my comments here, I think are the most important to me. They mean that rural America will come into the 21st century with everyone else as far as telecommunications is concerned. I could not be more happy that the bill is here. I could not be more proud of those who have worked on it and to be able to be part of the group that presents it to the Senate. I urge its early approval.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PRESSLER. I pay tribute to Senator STEVENS of Alaska. He is the father of spectrum auctions. In my opinion, he is a real U.S. Senator. Everybody seems to be leaving the Senate, and they get a 21-gun salute when they leave. Some stay and do the hard work on difficult bills. TED STEVENS is such a man. He and Senator HOLLINGS are examples of people who stay and do public service—honest, hard-working experts on this technical legislation.

Some day I will be a professor in a university, I hope, out in western South Dakota. One of my lectures will be on real U.S. Senators—those who are not necessarily media stars, but who do the hard, honest work on the technical things, the real U.S. Senators. Certainly TED STEVENS is one of those, along with Senator HOLLINGS. I believe both are in about their fifth

term, and if they announced they were retiring, they would get a 21-gun salute.

I thank TED STEVENS, the father of spectrum auctions and one of the originators of this legislation.

Mr. HOLLINGS. Mr. President, let me join in the comments of my chairman. There is not any question that we would not have this bill if we did not have TED STEVENS and his wonderful leadership and work. He took over the so-called farm team.

We have been working for 4 years, as the Senator from South Dakota knows. The farm team, the rural areas—we wanted to protect those. We learned in airline deregulation that we did not protect the rural areas, sparsely settled areas. So we made, under the leadership of Senator STEVENS, requirements that any competition, any competitor coming in must serve the entire area, and the States had the authority to say how that competition would develop in the rural areas.

We provided infrastructure sharing with the RBOC's, and on down the list. That is all attributed to the wisdom of our distinguished Senator and colleague from Alaska. I join in the complimentary remarks made by my distinguished chairman.

The Senator from Vermont has given leadership to this from the very beginning and has had various provisions in the bill while we debated it on the floor, and I want to thank him publicly for his leadership. I yield now 10 minutes under our time agreement.

Mr. LEAHY. Mr. President, I thank my good friend from South Carolina, a man whom I have been privileged to serve with in my whole Senate career. He was already a senior Member of the Senate when I came here. I appreciate all the help he has given me. I appreciate the fact that he and the chairman were able to protect the Breaux-Leahy amendment on 1-plus dialing parity as part of the conference report to permit intraLATA toll dialing parity requirements to stand in States that already ordered it by December 19, 1995, and in single-LATA States like Vermont. Preserving this amendment, which Senator BREAUX and I worked out on this floor, has helped my State.

There are so many things I like about this bill. For example, the conference agreement places restrictions on buyouts between phone companies and cable. The conference agreement also includes a very strong savings clause to make clear that mergers between companies in the media and communications markets are subject to a thorough antitrust review.

Competition, not concentration, is the surest way to assure lower prices and greater choices for consumers. So, while there are some improvements in this legislation that I support, I will not be voting in favor.

I have expressed my concern on the lack of a stronger Department of Justice role in evaluating the anticompetitive effect of a Bell operating company's entry into the long-distance market, as well as my concern that this legislation is placing censorship restrictions on the Internet. As a user of the Internet and as one who communicates electronically with constituents and others around the country, I am concerned this legislation places restrictions on the Internet that will come back to haunt us.

I know these provisions were done with the best of intentions. All of us, 100 Members of the U.S. Senate, oppose the idea of child pornography. All of us abhor child pornographers and child abusers. I am one person who has prosecuted, convicted, and sent to prison child abusers. We do not have to demonstrate our adherence to that principle. But I am concerned we have not upheld our adherence to the first amendment with the proposed restrictions on the Internet. That creates an overwhelming barrier for me.

I am also concerned that after passing the 1992 Cable Act over a Presidential veto, that we are now taking the lid off all cable rates in 3 years, whether or not there is competition in cable service. Before the 1992 Cable Act was passed, cable rates were rising three times faster than inflation rates. I do not think you can name a consumer in this country who did not feel that he or she was being gouged.

But the law worked. Since passage of the law, consumers have saved an estimated $3.5 billion in their monthly bills. And, as the rates have gone down, more people have signed up. In 1994 alone, nearly 2.5 million new customers have signed up for cable service.

I do not want to see a repeat of the skyrocketing cable rates that prompted passage of that law. It is too easy to see what might happen if the cable companies are not restrained, either by competition or by laws.

I do not have cable in my home in Vermont. I live out in the country where we get 1½ channels. I think sometimes I am blessed by that because I actually get to read, which is a good way of obtaining the news. You can make up your own mind. You can read in detail or not, and not be limited by the photographs selected by multimillion-dollar news media.

But I digress.

With the cable company I subscribe to here, you get these $2 remote controls but they charge you $3 a month, or something like that. They can give you antiquated equipment and charge as though you were getting good equipment and even make it impossible to watch one show and tape another one. All the things that sound great are not available because there is no competition. We are about to make that even worse. We had some restrictions in the cable bill, but I am afraid we are going to let them go before we have the protections provided by effective competition.

I must admit, having said all that, I do not envy the managers of this bill. This is probably the most complex piece of legislation I think I have seen in 21 years. It has probably had more conflicting interests that had to be reconciled than I have seen in 21 years.

I commend the Senators who had the ability to stick it out and bring it this far. Senators still have to determine whether they will vote for it or not, but whether you like or dislike different parts, we can all appreciate the hard work and long hours it took.

The telecommunications legislation that has emerged from the conference will have an enormous impact on multibillion dollar cable, phone and broadcast industries and, most importantly, on the American consumer. This legislation will affect how much we pay and from whom we can obtain cable, TV, phone, fax, and information services. It will also, unfortunately, affect what we can say online.

We have heard a lot about the support for this legislation by the Bell phone companies, AT&T and other long-distance phone companies, the giant cable companies and other media interests. But while they have been arguing over business advantages, who have been advocates for American consumers and fundamental American values, like first amendment free speech rights?

Most of us have no choice who gives us cable TV service or our local phone service. Whether or not the service is good, we are stuck with our local phone or cable company. And, if the price is too high, our only choice is to drop the service altogether. The goal of this telecommunications legislation must be to foster competition, not just for the short term, but over the long haul. Competition will give consumers lower prices and more choices than simply dropping a service.

I raised a number of questions about the Senate-passed bill, and fought for several amendments that in my view would have made the bill more consumer-friendly, pro-competitive and constitutional. I commend the conferees for the progress they made in several of these areas, which I detail below.

First, the bill proposed by the Commerce Committee would have permitted our local phone monopoly to buy out our local cable monopoly so that consumers have even less choice rather than more. Senator THURMOND, the distinguished chairman of the Judiciary Committee's Antitrust Subcommittee, and I raised concerns that allowing such unlimited buyouts between monopoly phone companies and cable companies could result in giant monopolies providing both phone and video programming services.

The conference agreement makes a significant improvement in these provisions by limiting buy-outs between cable and phone companies to rural areas where fewer than 35,000 people live. The conference agreement also limits a phone company's purchase of cable systems to less than 10 percent of the households in its service area. This will insure that a single large phone company cannot simply buy up all the small cable systems serving the small towns in its service area. This part of the conference agreement helps fulfill the promise of the bill to maximize competition between local phone companies and cable companies.

The conference agreement also contains a very strong "savings clause" to make clear that mergers between cable and telephone companies, or between independent telephone companies or between any companies in the media and communications markets are subject to a thorough antitrust review under the normal Hart-Scott-Rodino process. Nothing in this conference agreement even impliedly preempts our Federal antitrust laws. Mega-mergers between telecommunications giants, such as the rumored merger between NYNEX and Bell Atlantic, or the gigantic network mergers now underway, raise obvious concerns about concentrating control in a few gigantic companies of both the content and means of distributing the information and entertainment American consumers receive. Competition, not concentration, is the surest way to assure lower prices and greater choices for consumers. Rigorous oversight and enforcement by our antitrust agencies is more important than ever to insure that such megamergers do not harm consumers.

I have been particularly concerned about how well the telecommunications legislation protects universal service. Vermont is among the most rural States in the country, but those of us who live there do not want to be denied access to the advanced telecommunications services our urban neighbors enjoy. I, therefore, commend the conference report for including the Snowe-Rockefeller-Exon-Kerry provision requiring preferential rates for telecommunications services provided to schools, libraries, and hospitals in rural areas, which I supported. This requirement provides an important building block to ensure universal access to advanced telecommunications services. Students whose families cannot afford sophisticated hi-technology services at home will be able to use those services at school or at their neighborhood public library. Rural hospitals will be able to use advanced technology to provide better treatment at lower costs to their patients. This provision assures the broadest possible access to advanced telecommunications services.

I am also pleased to see that the conference report includes the addition of a State-appointed consumer advocate to the newly created Federal-State joint board. This board will have the critical task of preserving and expanding universal service, and I agree with the conference that a consumer advocate will bring a necessary and important perspective to that task.

The conference agreement also adopts a provision designed to make cable equipment cheaper and easier to use for all consumers, who are tired of paying rent for cable converter boxes and struggling with multiple clickers for the TV set-top box and their video machines. This provision is one that Senator THURMOND and I urged to be included as part of the telecommunications legislation in the last Congress. Under the conference agreement, the FCC is directed to assure the competitive availability to consumers of converter boxes and other electronic equipment used to access cable video programming services.

As a member of the Judiciary Committee, I remain ready to address the copyright issues that will arise as a result of this legislation. There was no consideration of copyright matters during the debate over this legislation and I commend the conferees for not prejudging these matters.

The bill proposed by the Commerce Committee would have unnecessarily preempted State efforts to promote the development of competition in local phone service. Richard Cowart, the chairman of the Vermont Public Service Board, provided invaluable testimony to the Antitrust Subcommittee last year about the detrimental preemption provisions in the bill.

For example, this bill rolled-back State requirements to implement "1+" dialing parity for short-haul toll calls. A number of States already require dialing parity. Without "1+" dialing parity, consumers must dial lengthy access codes to use carriers other than the local phone company for in-State toll calls. IntraLATA "1+" dialing parity encourages competition in the in-State toll market and helps consumers.

As I noted before, I am pleased that the Breaux-Leahy amendment on "1+" dialing parity is part of the conference report. The report permits dialing parity requirements to stand in the States that already ordered it by December 19, 1995, and in single-LATA States, including Vermont. The prohibition against "1+" dialing parity for intraLATA calls in nongrandfathered States expires at a date certain 3 years after enactment.

In addition, the Commerce Committee bill would have prohibited State regulators from using rate-of-return regulation for large phone companies. As Chairman Cowart of the Vermont Public Service Board made clear when he testified, this prohibition would have tied the hands of State regulators trying to adopt different forms of pricing regulation to stimulate local phone service competition. The conference agreement took a constructive step by dropping the prohibition on rate-of-return regulation.

Despite this significant progress, the conference agreement still suffers from such serious flaws that I cannot support it.

First, and foremost, the conference agreement contains unconstitutional provisions that would impose far-reaching new Federal crimes for so-called indecent speech. I do not often agree with Speaker GINGRICH, but I share his view that this legislation violates free speech rights.

Apparently, the conferees also have serious doubts about its constitutionality. They added a section to speed up judicial review to see if the legislation passes constitutional muster. In my view, this legislation will not pass that test.

You would think the telecommunications conference would have their hands full with just the task of changing our communications laws to allow new competition among phone companies, broadcasters, cable operators, and wireless systems while also protecting universal service and other appropriate consumer protections. Yet, they also decided to add new Federal crimes, despite the absence of any hearings on these provisions, or any Senate Judiciary Committee members on the conference. I called for an in-depth, fast-track study of these issues before we took precipitous action in legislation. That study was included in the House-passed bill but dropped by the conference, in favor of provisions that will ban constitutionally protected speech on the Internet.

I note that the explanatory statement accompanying the conference report refers to a July 24, 1995 hearing, at which I participated, before the Senate Judiciary Committee on "online indecency, obscenity, and child endangerment." This hearing did not address the constitutionality of the indecency standard adopted by the conference report, nor the least restrictive means by which to implement such a standard, particularly in an electronic environment like the Internet. The hearing referred to in the statement of the conference committee dealt with stalking, obscenity and indecency with regard to an entirely different bill, S. 892. No witnesses at the hearing defended the constitutionality of the indecency standard in the telecommunications bill. Nor did any witness testifying in support of S. 892 examine in detail whether the indecency standard as applied to online communications complies with the least restrictive means test. On the contrary, several witnesses questioned whether any indecency standard could be constitutional as applied to online communications. Thus, Congress has opted to appear tough on pornography

without examining the constitutional implications of this unprecedented restriction on freedom of expression.

Let us make no mistake about what these provisions in the conference agreement will do and how it could affect you.

The bill will make it a felony crime to send a private e-mail message with an indecent or filthy word that you hope will annoy another person, even if you were responding in kind to an e-mail message you received. Who knows when you might annoy another person with your e-mail message? To avoid liability under this legislation, users of e-mail will have to ban curse words and other expressions that might be characterized as offensive from their online vocabulary.

The bill will punish with 2-year jail terms any Internet user who uses one of the seven dirty words in a message to a minor. You will risk criminal liability by using a computer to share with a child any material containing indecent passages. In some areas of the country, a copy of Seventeen magazine, could be viewed as indecent because it contains information on sex and sexuality. Indeed, this magazine is among the 10 most frequently challenged school library materials in the country.

This legislation sweeps more broadly than just regulating e-mail messages sent to children. It will impose felony penalties for using an indecent four-letter word, or discussing material deemed to be indecent, on electronic bulletin boards or Internet chat areas accessible to children.

Once this bill becomes law, no longer will Internet users be able to engage in free-wheeling discussions in news groups and other areas on the Internet accessible to minors. They will have to limit all language used and topics discussed to that appropriate for kindergartners, just in case a minor clicks onto the discussion. No literary quotes from racy parts of Catcher in the Rye or Ulysses will be allowed. Certainly online discussions of safe sex practices, of birth control methods, and of AIDS prevention methods will be suspect. Any user who crosses the vague and undefined line of indecency will be subject to two years in jail and fines.

Imagine if the Whitney Museum, which currently operates a Web page, were dragged into court for permitting representations of Michelangelo's David to be looked at by kids.

The conferees call this a display prohibition and explain that it "applies to content providers who post indecent material for online display without taking precautions that shield that material from minors."

What precautions are the conferees talking about? What precautions will Internet users have to take to avoid criminal liability? These users, after all, are the ones who provide the content read in news groups and on electronic bulletin boards. The legislation gives the FCC authority to describe the precautions that can be taken to avoid criminal liability. All Internet users will have to wait and look to the FCC for what they must do to protect themselves from criminal liability.

We have already seen the chilling effect that even the prospect of this legislation has had on online service providers. A few weeks ago, America Online deleted the profile of a Vermonter who communicated with fellow breast cancer survivors online. Why? Because, according to AOL, she used the vulgar word "breast". AOL later apologized and indicated it would permit the use of that word where appropriate.

Complaints by German prosecutors prompted another online service provider to cut off subscriber access to over 200 Internet news groups with the words "sex", "gay" or "erotica" in the name. They censored such groups as "clarinet.news.gays," which is an online newspaper focused on gay issues, and "gay-net.coming-out", which is a support group for gay men and women dealing with going public with their sexual orientation.

What is next? The Washington Post reports today that one software program used to protect children from offensive material blocked the White House home page because it showed pictures of two couples together. Those two couples happened to be the President and Mrs. Clinton and the Vice-President and Mrs. Gore. Will Federal Government censors do any better when they dictate blocking technologies?

The Communications Decency Act is the U.S. Government's answer to the problem that China is dealing with by creating an intranet. According to news reports, this censored version of the Internet allows Chinese users online access to each other, but an official censor controls all outside access to the world-wide Internet.

We already have crimes on the books that apply to the Internet, by banning obscenity, child pornography, and threats from being distributed over computers. In fact, just before Christmas, the President signed a new law we passed last year sharply increasing penalties for child pornography and sexual exploitation crimes.

Unlike these current laws, which do not regulate constitutionally protected speech, this legislation would censor indecent speech. While the proponents of the proposals claim that they do not ban indecency—only prohibit making it available to minors—the practical result of such a restriction on the Internet is the criminalization of all indecent speech.

Because indecency means very different things to different people, an unimaginable amount of valuable political, artistic, scientific and other speech will disappear in this new medium. What about, for example, the university health service that posts information online about birth control and protections against the spread of AIDS? With many students in college under 18, this information would likely disappear under threat of prosecution. In bookstores and on library shelves the protection of indecent speech is clear, and the courts are unwavering. Altering the protections of the first amendment for online communications could cripple this new mode of communication.

The Internet is a great new communications medium. We should not underestimate the effect that the heavy-hand of Government regulation will have on its future growth both here and abroad. With the passage of this bill the U.S. Government is paving the way for the censorship of Internet speech. Apparently, China already censors weather predictions from foreigners. What do we think the Iranian Government will make illegal? What could Libya ban and criminalize?

Also, as I alluded earlier, I continue to have grave concerns about letting the Bell operating companies, with their monopoly control over the phone wires going into our homes, enter the long-distance market even when the Department of Justice finds an anticompetitive impact. I supported efforts to amend the bill and give the Justice Department the authority to review the Bell companies' long-distance entry in advance. These efforts were unsuccessful.

The conference report requires the FCC to consult with the Justice Department and give substantial weight to the Justice Department's opinion, in determining whether to permit entry of a Bell company into long-distance service. Although this provision strengthens the Senate-passed bill, it does not go far enough. It fails to achieve the balance proposed by the Commerce Committee in 1994. In the end, the FCC is the final decision maker and can decide to disregard the Justice Department's evaluation of the anticompetitive effect of letting the Bell companies offer long-distance service.

The conference agreement would permit a Bell company to offer long distance service in its own region, upon approval by the FCC and after satisfying an in-region checklist. This checklist could be satisfied by the presence of a competitor with its own networking facilities. Despite recognition by the conferees that building local telephone network facilities will require a significant investment in time and money, the bill allows only 10 months after enactment for facilities-based competitors to get established and apply for interconnection and access to the Bell company's network. Absent a facilities-based competitor in

those 10 months, I fear that the language of this bill could be interpreted broadly to allow the Bell operating company to seek approval to enter long-distance service, and authorize the FCC to grant that approval, even without any actual competition in local phone service. The short timeframe provided in the bill to establish a facilities-based competitor, compounded by the lack of a dispositive Justice Department role in the approval process, could provide the incumbent Bell company with the ability to use its stranglehold monopoly on local service to leverage its new long-distance service, to the detriment of consumers. Regulators will have to be vigilant to this potential consequence.

As I noted, the conference agreement takes the lid off all cable rates in 3 years, whether or not there is any competition in cable service.

We passed the 1992 Cable Act over a Presidential veto because consumers were being gouged by cable company monopolists. Cable rates were rising three times faster than the inflation rate. Consumers demanded action to stop the rising cable rates. This law worked. Since passage of that law, consumers have saved an estimated $3.5 billion in their monthly rates. As rates have gone down, more people have signed up.

Congress has already responded once to complaints of cable subscribers in the 1992 Cable Act. I, for one, do not want to see a repeat of the sky-rocketing cable rates that prompted passage of that law. The conferees must be predicting that, in 3 years, cable companies will face plenty of competition from satellite systems and phone companies offering video services. But if their prediction is accurate, and the cable companies faced effective competition, they would be deregulated under the 1992 Cable Act anyway. This is a precipitous action to sunset a law that worked to reduce cable rates on the hope that effective competition will grow over the next 3 years.

Finally, the conference report requires the FCC to preempt State or local rules that may have the effect of barring any entity from providing telecommunications services. Although the report says this is not supposed to affect local management of public rights-of-way or local safeguards for the rights of consumers, in Vermont, citizens are rightly concerned that rules designed to protect our environment and health may be preempted by bureaucrats at the FCC who are focused on helping entrants in the telecommunications business.

I recognize the need for an over-haul of our communications laws. We have not kept up with the dramatic technological changes that are fueling the Information Age. But I cannot support this bill, which threatens fundamental constitutional rights of free speech over the Internet and provides insufficient consumer protection from monopolistic pricing for cable and telephone service.

The PRESIDING OFFICER. The Senator from South Dakota.

COMMENDING STAFF

Mr. PRESSLER. Mr. President, I should pay tribute to the staff on both sides who have worked so hard on this.

On our side of the aisle there has been Paddy Link, Katie King, Donald McClellan and Earl Comstock. On the Democratic side, Kevin Curtin, John Windhausen, Kevin Joseph and Chris McClean. The committee's legislative counsel, Lloyd Ator. All this staff has done a magnificent job.

Let me also mention the dilligent efforts of David Wilson, Mark Buse, Brett Scott, Jeanne Bumpus, Dave Hoppe, Kevin Pritchett, Margaret Cummisky, Tom Zoeller and Cheryl Bruner.

I do not know if people know it, but the only days the staff got off were Thanksgiving Day, Christmas Day and barely Christmas Eve, in drafting this technical legislation and in all the negotiations. This piece of legislation was drafted entirely by Senators and staff. Many times there have been accusations that legislation was drafted by outsiders, but this technical piece of legislation was drafted line by line by Senators and staff. Many times we would have to call a Senator on the weekends and ask about a line or word change.

I do not know if people realize how hard these staff people work. I just wanted to pay tribute to them because, to me this technical document is a remarkable achievement. They did it as public servants.

One day I went in on a Sunday and bought them some pizza. I said, "Someday a judge may look down upon you from his bench and say, 'Obviously, counsel does not know what he or she is talking about.' And you can look up at the judge and say, 'Oh, yes, I do. I wrote that.'"

That is not their motive. But these young people should be heralded. Again, I pay tribute to the staff on both sides of the aisle.

The PRESIDING OFFICER. The Senator from South Carolina.

COMMENDING STAFF

Mr. HOLLINGS. Mr. President, awaiting the attendance here, to deliver his comments, of the distinguished Senator from Nebraska, Senator KERREY, let me join with my distinguished chairman in thanking the hardest-working staff I have ever been associated with during my years.

The truth is, as the Senator from South Dakota has said, they only had that 1 day off at Thanksgiving. We worked all weekends and everything else. But this started, really, in October 1993. We had worked very hard, gotten a three-fourths vote of the U.S. Senate on a manufacturing bill. We learned the hard way that these entities, the various disciplines in telecommunications, had the power to obviate or cancel out the enactment or passage of any measure, once they got determined to do so. With a three-fourths vote, we still could not pass the simple manufacturing bill, the text of which is already in this measure here as a minor item compared to being a single bill.

So we agreed to work in a bipartisan fashion and bring in every week the various interests involved—every Friday the regional Bell companies, the principals involved, and thereupon on every Monday, the various long distance carriers. They have been doing this now for the past almost 3 years.

So, I thank, as I pointed out, Paddy Link, Don McClellan over on the minority side—as well as Katie King and Earl Comstock. I particularly want to thank for their guidance and counseling Kevin Curtin, John Windhausen, and Kevin Joseph on our Commerce Committee Democratic side—because I never really would be able to imbibe this entire measure without their help. They have really been in the trenches over the many years. They have given expert advice. They have listened to all the parties. They know all the lawyers.

This town has 60,000 lawyers registered to practice before the District of Columbia bar. I think 59,000 of them are in the communications discipline. And I think we met all 59,000, I am convinced, in the last 3 years.

I also want to thank Jim Drewry, Yvonne Portee, Sylvia Cikins, Pierre Golpira, Lloyd Ator, and Joyce Kennedy of our Commerce Committee staff; Jim Weber of Senator DASCHLE's leadership staff; Greg Simon for Vice President GORE; Steve Richetti for the White House; Carol Ann Bischoff for Senator KERREY; and the staff members of our Commerce Committee members. These include Margaret Cummisky for Senator INOUYE, Tom Zoeller and the late Martha Moloney for Senator FORD, Chris McLean for Senator EXON, Cheryl Bruner for Senator ROCKEFELLER, Scott Bunton and Carole Grunberg for Senator KERRY, Mark Ashby and Thomas Moore for Senator BREAUX, Andy Vermilye for Senator BRYAN, and Greg Rohde for Senator DORGAN.

Let me also thank, Mr. President, talking about the bipartisan nature, the leadership over on the House side that we have the privilege to work with. Because Chairman DREIER on the House side was a tiger on this measure. He was determined that we get this bill passed. In fact, we were ready really before Christmas. And working with him, Mr. MARKEY, Mr. DINGELL, Mr. FIELDS—all on that Communications Committee, a major committee over on the Judiciary Committee—Mr. HYDE, and Mr. CONYERS, they all worked hand

in glove to make sure that the public interest was protected.

Particularly, since I mentioned the Judiciary Committee feature of this measure, the Department of Justice was protected in the sense that what we did was have the savings clause for all antitrust laws included, positive language, and the substantial weight of the Department of Justice be given by the Federal Communications Commission in their decision.

I yield now to our distinguished colleague from Nebraska, Senator BOB KERREY, who has worked intimately with us. He was not on our Communications Committee, but I thought he was by the way he attended the meetings, and his staff was in there making suggestions and making sure that the public interest was protected.

So it is a particular pleasure for me at this time to yield to the distinguished Senator from Nebraska, Senator KERREY.

The PRESIDING OFFICER (Mr. GREGG). The Senator from Nebraska.

Mr. KERREY. Mr. President, I thank the Senator from South Carolina and the Senator from South Dakota.

I believe this conference report is substantially improved from both the House and the Senate bill. I voted against the bill when it left here, and I intend to support the conference report in its current form.

I appreciate in particular the language that provides a more meaningful role for the Department of Justice. I, frankly, would have preferred the language which the Commerce Committee produced last year. I think that would have been better than the 14-part interconnection competitive checklist requirement that is in there. But I think that a meaningful role, including the substantial weight requirement for the Department of Justice, will make it more likely that we will see competition at the local level.

I appreciate very much the concern of both the chairman and the ranking member, concern about including some good consumer protection provisions as well as the inclusion of interconnectivity language, incidental interLATA relief for the RBOC's to provide Internet and interactive distance learning services to K through 12 schools, and the so-called Snowe-Rockefeller-Exon-Kerrey, et al, language that will allow the K through 12 schools to be able to go either to the Public Service Commission or the FCC. They will now have the force of law to be able to argue for subsidized rates.

I particularly appreciate as well, finally, the inclusion of the so-called farm team provisions in the conference report.

Mr. President, when the request came for a unanimous consent on a time agreement, I asked for 15 minutes. I do not know if it will take that long given where I am right now in my comments.

I will observe, as I did on a number of occasions during the debate earlier on the bill, that this is a very unusual piece of legislation in that the demand for it is not coming from the citizens; it is really coming from corporations, the whole range of corporations—I do not mean the RBOC's; I mean RBOC's, long-distance, cable, broadcast; all of them are in this business—that feel the current law, which does not allow them to do a variety of things, is too restrictive. And they say, if you change the law and allow us to do these things, you are going to generate a lot of new economic activity and create new jobs. We have heard all kinds of representations about all the good things that are going to happen.

I am an advocate for embracing the future and changing the current law. So there is no question in my mind that the Communications Act needs to be changed. But I am very mindful and very aware that the demand for this change does not come from at least the citizens of Nebraska, whom I represent. I did not hear any question in my reelection campaign in 1994 coming from citizens saying, "Well, Senator, how do you feel about the regulation of local telephone, long distance, and so forth, because I do not like the structure? I am unhappy with my phone, I am unhappy with my cable, or I am unhappy with my network service, whatever it is I am buying." Yes. They might complain sometimes about the rates and have concerns about that sort of thing, and a lot of concern about the content, pornography, violence, and so forth. But nobody was really coming to me asking for this change. This is Congress initiating change and saying it is going to be good for the people.

It must be said, Mr. President, that that requires a substantial amount of courage at the beginning. It is not my intention to come here and say that Members who are enthusiastic about this change are under the influence of special interest money. That is not my point at all. I am not trying to say that any Member has been bought out or anything like that. The problem, though, when you once cross the line, is saying, OK, we are going to try to do something that is good for the people. It seems to me that you have to do, in an irrationally cold-blooded way, an analysis of what the impact is going to be.

There are about 100 million households in the United States of America, and we have achieved, over the 60 years of this Communications Act, a remarkable degree of not just penetration, but of universal service. Ninety-four percent of all households today have a telephone. It may be significantly lower than that when the Communications Act was passed in 1934. But we did not do it by saying let us let the market run wild. We did it by monopoly, by creating a monopoly and giving monopoly rights in 1934. We changed it substantially by divestiture. But even with divestiture, we retained monopoly rights for local telephone service. We have accomplished a remarkable thing.

Yes, there are market forces. There is lots of private capital. Most of these companies are private shareowner companies. But we have achieved not just universal service, but by all accounts the best telephone and telecommunications system in the world, an active, vibrant industry, competitive industry, and it is a great success story.

So when we radically alter the landscape, as we are with this legislation, it seems to me appropriate to sort of ask ourselves: What is the consumer going to get out of it? I know the one thing that is going to happen is that the subsidy that has been in place for all these years at the local level in order to achieve universal service is going to begin to come off. Say I have a market. If I am going to be out there trying to compete with a long distance company, to compete with a cable company, whoever, at the local level, that subsidy is going to come off.

Indeed, the regional Bell operating company in our region has already indicated they would like to increase the residential rate by a $2 State subscriber-line charge in order to provide lower costs for long distance. For those of us whose incomes are over $100,000, that sounds like a pretty good deal. We have a lot of long distance charges. But there are, I would surmise, a majority of Americans for whom long distance is still a bit of a luxury. They budget it. They watch it. They are careful about it. They do not have unlimited long distance service. They may not come out so good in that transaction.

In fact, one of the things that is very often not understood in this whole debate about universal service is there still is a substantial means test on it. Ninety-nine percent of the households in America with incomes over $100,000, which includes all of us in Congress, have telephones. Only 75 percent with incomes under $5,000 have telephones, largely because of cost. They probably would say, "I cannot afford it. I cannot afford to buy it. So I am not going to have a telephone connected to my house."

There is a means test on these services. There is a means test as these dollar figures go up for the cost of local service. I think you are going to see people say, "I cannot afford it any longer. I cannot afford to pay the price." Though we have some protection in the farm team universal service provisions, I think that we are going to have to be alert in the first instance that there are going to be households out there currently able to afford the fare who are going to find themselves saying, "I cannot afford it any longer."

I think, on the basis of policy, if the market does not get the job done, we as

Members of Congress are going to have to ask ourselves a question: Well, what is it like if you are in a household without a telephone? How essential is it? How important, how valuable is it? One measure is going to be: Can I get out and talk to the people who may need to come to my household and haul me to the hospital if I have a heart attack or some other sort of health problem?

But increasingly the question is going to be not only if I do not have the dial tone, but if I do not have the volume, the enhanced services, I may not be able to get as good an education as my neighbor, I may not be able to get as good a break with the economy, I may not be able to have a home-based company. One out of seven jobs in the State of Nebraska are self-employed today. We are seeing an increasing number of households that, in fact, are taking advantage of enhanced telecommunications services. I think we are going to have to be alert to that in the second instance. Many Americans are not going to be able to buy enhanced services.

I think there is general agreement among Republicans and Democrats, before you ever get to the point of are we going to spend money, that this land of opportunity ought to be a land of opportunity for everybody. That opportunity does not necessarily fall equally as a consequence of your birth.

The next thing, Mr. President, that I think we are going to have to be alert to is this question of the control of content. I have heard the concentration debate. I appreciate very much the language changes made in the legislation on media concentration. I think that we do have to worry about this even though there are all kinds of other choices out there.

All of us know it is the networks that dominate this deal. If the networks decide they want to raise a stink about something, they will raise a stink about something and they will drive it into the household. If they decide they are not going to, as the distinguished majority leader said earlier about the sale of digital spectrum, they are not going to say anything about it. They are not going to talk about that ripoff. They are not going to talk about something that might have an impact upon them.

This concentration issue is a very important issue, and we, it seems to me, are going to have to be alert to it and watch it very carefully in the aftermath of passing this conference report, and watch what happens to universal service. Is there change in rural America? Are there people who are genuinely not going to get service? We have accomplished a great thing in the United States of America with universal service.

Second, we are going to have to watch very carefully as to whether or not people can afford to buy enhanced services. The laws of this land ought to provide equal opportunity for all Americans who are willing to make the effort. It ought to reward people who work hard and are determined through self-discipline to be a success. We need to be careful over this legislation and watch in the aftermath and see what the impact is going to be.

Finally, whether it is in education or whether it is in health care or whether it is merely trying to find out what is going on in your country with the budget and other sorts of things, we are going to have to pay a great deal of attention to content. Content determines what an individual receives in their household. We do not want to follow this legislation sort of blindly in presuming it is going to in all cases do good.

Again, I intend to vote for the conference report. I appreciate very much the efforts made by the distinguished chairman, the Senator from South Dakota, and the distinguished ranking member, the Senator from South Carolina. I think this conference report is substantially better than the bill that we earlier passed. I believe it will in the main be good for the economy, but there is a great deal of scrutiny that is going to have to occur in the aftermath of this legislation being enacted and signed by the President.

Mr. President, the conference report before us is substantially better than the bill that this body considered last summer for competition and consumers, for a number of reasons.

First, the House and Senate bills did not contain a meaningful role for the Department of Justice [DOJ] in safeguarding competition before local telephone companies are allowed to enter new markets. Under the conference report, the DOJ's opinion on regional Bell operating company [RDOC] entry will be accorded substantial weight by the Federal Communications Commission [FCC] in its proceeding and will be included in the official record of decision.

Neither bill had sufficient provisions to ensure that the local telephone market was open to competition before the RBOC's entered long distance. The conference report provides that before RBOC's can enter long distance, they must complete an interconnection checklist, have a facilities-based competitor and satisfy a public interest analysis at the FCC. They are required to offer long distance through a separate subsidiary for 3 years, which the FCC can extend for a longer period.

The underlying legislation also would have preempted the States from using rate-of-return regulation and forced them to use price caps or alternative rate regulation. Under the conference report, States continue to regulate local phone rates as they choose.

I strongly supported retention in the final bill of the Snowe-Rockefeller-Exon-Kerrey [SREK] provision—which was not included in the House bill—that will ensure that K–12 schools, libraries, and rural hospitals have access to advanced telecommunications services. SREK was retained in the conference report, and there are important provisions to help rural areas, health care providers, libraries, and citizens with disabilities.

Both House and Senate bills permitted waiver of the cable-telco buyout provision. These were overly broad, and would have permitted an excessive number of in-region buyouts between telephone companies and cable operators. The conference report limits cable-telco mergers to communities with fewer than 35,000 inhabitants that are outside of urban areas according to the Census Bureau.

Both bills also deregulated cable monopolies before there was effective competition. The conference report deregulates small cable systems only immediately, and does not deregulate enhanced basic programming for all cable systems until March 31, 1999.

And both bills permitted excessive concentration in ownership of local TV and radio stations. The conference report retains the cross-ownership ban on newspaper/broadcast and cable/broadcast; retains limits prohibiting one person from owning two stations in one market; expands the limits on local radio stations but retains numeric limits on the number of stations in a market; dropped the provision allowing a loophole in the ownership attribution rules for TV stations; and expands the national limit on TV ownership to 35 percent national market reach, but drops the provision allowing waivers.

"MEANINGFUL ROLE" FOR DOJ

Mr President, I would like to elaborate further on the role afforded the Department of Justice in the conference report. The final bill appropriately includes a strong role for the Justice Department in evaluating applications by regional bell operating companies to provide interLATA telecommunications.

The Antitrust Division has unrivaled expertise in assessing marketplace effects, particularly so in telecommunications, where it has been deeply involved continuously for more than 20 years.

During floor debate on S. 652, we worked hard to secure an independence role for the Antitrust Division in determining when and to what extent to remove the consent decrees's core restriction, the long distance or interLATA restriction.

Independent DOJ role narrowly lost in the Senate, but conferees were persuaded to give DOJ a special, strong advisory role within FCC procedure, almost equivalent protection for competitive freedom. Thirty-six Senators cosigned a letter supporting this meaningful role.

As I earlier indicated, the FCC is required by the conference report to consult with the Attorney General and give the Attorney General's evaluation substantial weight.

In conjunction with this evaluation, the Attorney General may submit any comments and supporting materials under any standard she believes appropriate. Through its work in investigating the telecommunications industry and enforcing the MFJ, DOJ has important knowledge, evidence, and experience that will be of critical importance in evaluating proposed long-distance entry—which, as I indicated earlier, requires an FCC finding that such entry is in the public interest, and that a facilities-based competitor is present. On both of these issues, the DOJ's expertise in telecommunications and competitive issues generally should be of great value to the FCC.

While the substantial-weight requirement does not preclude FCC departure from the Attorney General's recommendation if sufficiently indicated by other evidence on the record, this additional legal requirement means that the FCC's decision must be appropriately mindful of the Antitrust Division's special expertise in competition matters generally and in making predictive judgments regarding marketplace effects in particular.

This requirement will ensure that DOJ's position is given serious substantive consideration on the merits—by the courts on appeal as well as by the FCC. DOJ also retains its full statutory authority to represent the interests of the United States before the courts on appeal.

Moreover, even after entry occurs, there are important separate affiliate requirements—section 271—that will apply for at least 3 years.

The conference report further contains an absolute savings clause for antitrust laws. No authority that is given to the FCC, and no authorization that is given to any private entity, will diminish in any way the full applicability of the antitrust laws. This is an important guarantee that competition, and the innovation that results from healthy market forces, will be the centerpiece of our telecommunications policy. In addition, telco-cable, broadcast and other media mergers are subject to full antitrust scrutiny, regardliess of how they are treated by the FCC.

REPEAL OF ANTITRUST EXEMPTION

Finally, the conference report repeals a provision (47 U.S.C. Sec. 221(a)) that exempts mergers between telephone companies from antitrust review—a provision left over from the 1920's, a bygone era when Federal telecommunications policy was actually to promote monopoly over competition.

If not repealed, this provision could have taken on a new meaning under the bill, since the provision did not define telephone company. And, as a result of the walls brought down and the forces unleashed by the bill, it is not clear what will constitute a telephone company in the future—perhaps every firm that transmits information by any electronic means. Absent repeal of this provision, the entire communications industry might have merged into one vast monopoly without ever being subject to antitrust review.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Who yields time?

Mr. LOTT. Mr. President, on behalf of the distinguished chairman, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Mississippi has 21 minutes.

Mr. LOTT. We have 21 minutes remaining. I will take then 5.

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

Mr. LOTT. Mr. President, I would like to begin by sincerely thanking and congratulating the members of the Commerce Committee in the Senate and also our House colleagues for the outstanding work that has been put into this legislation. But I particularly have to recognize the dogged, determined, tenacious, informed effort by the chairman of the Senate Commerce, Science and Transportation Committee. We would not be here without question if he had not continued to work on this legislation to try to find ways to keep informed all the Members on both sides of the Capitol on both sides of the aisle. He has been willing to accept some compromises, and, after all, that is the art of legislating. He has done a fantastic job. He has made history with this legislation.

I believe we will pass this conference report overwhelmingly in a few minutes, and I venture to say right now there will not be a bigger, more important piece of legislation that passes the Congress this year and probably not one in the last decade in terms of the impact this is going to have in the creation of jobs and bringing legislation out of the Edsel era of the 1934 Communications Act into a modern Explorer because that is what this legislation is going to do—open up tremendous horizons for our people.

So I just have to say I take my hat off to the chairman, Senator PRESSLER, from the great State of South Dakota. He has done a fantastic job.

I also have to say we would not be here without the leadership and effort of the ranking member on the committee, Senator HOLLINGS. He has been good to his word. He has worked hard. He has been tough. He even thought I was trying to game him one time, which I might have been trying to do. But he was always open. He was always willing to talk with us. When he has made commitments, he has kept those commitments. He has continued to work with the chairman to move this thing forward. He has worked to keep his Members informed, and we have been informed on this side.

I just think they have done a fantastic job. I think we will look back in years ahead and call this truly a historic activity and piece of legislation. I also have to say that Chairman BLILEY in the House took some real risks with his leadership, and the ranking member there, Congressman DINGELL, who is obviously a very experienced, longtime, tough negotiator. But they have all done a great job.

I wish to also commend the staff. There have been times, I am sure, when our staffs on both sides of the aisle were ready to throw in the towel or did not want to see us come in again. They worked hard, long hours, weekends, and they produced outstanding legislation.

Let me take a minute to talk just a bit about the process. There were those who thought we could not get this bill through the Senate. There were those who thought we could not get it through the House. There were those who thought we could not get it through the conference. There were those who did not want a conference agreement. But we moved it forward, and we reached a point where some decisions had to be made, and the leaders of the committees in the House and Senate stepped up and made a decision.

It has been suggested that maybe some Senators or some Congressmen or some of us got rolled. In some respects, all of us got rolled a little bit. I have some things I would like to change in this conference report that are important to me and my State. But when you look at the entire package, this is good legislation. It took a little extra effort during the past couple days to push it to where it could be completed today. And so while it is not perfect, it certainly is very good legislation that is going to be good for our country and good for the economy.

This legislation is deregulatory. Just take a look at what it does in terms of opening up markets; the local markets, the cable industry. We are going to have competition. Local telephone companies will be able to get into long-distance business and long distance will be able to get into local telephone service. They will be able to get into the cable area. Cable will be able to provide phone service. What it is going to mean is great competition and choices for the people. It is so fundamental to what America is all about. It is amazing to me it has been so hard to make this happen. But it is a bill that opens up markets. It is about more competition. It is deregulatory. I think that we should say that over and over again and recognize that is what we have here.

There are all kinds of people who are supporting this legislation now.

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

Mr. LOTT. Mr. President, I ask the Chairman, could I have an additional 5 minutes?

Mr. PRESSLER. Yes.

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

Mr. LOTT. The telephone companies are supporting this legislation. The long-distance companies are supporting this legislation—both of them would like to have a little more in their sections, but basically they know this is good legislation—the cable industry, the broadcasters. The utility industry is going to be able to be involved and provide another option, more competition. We made sure that the public utilities law on the books did not keep the utilities from offering the services they could offer. We made sure that it was a fair bill even for the burglar alarm industry.

There is going to be a tremendous explosion in technology. It will help education. It will help health care. We will have manufacturing. I hope we are going to have manufacturing of telephone equipment in America. But there will be more of it. At least now our companies that have been prohibited over the past 15 or 20 years will be able to get in there, get into manufacturing and offer additional equipment and create some jobs.

But most of all, the beneficiaries of this bill will be the people. They are going to be staggered by the choices, Mr. President, that they are going to have to choose between on their telephones and on their television sets. There is going to be an absolute revolution occurring in the next 10 years in the telecommunications industry.

It was a question, frankly, of would the Congress step up and acknowledge what was happening. Would the Congress take off the shackles and allow the telecommunications industry to move forward aggressively, or would we retard and restrain and regulate that potential?

We have decided in this legislation to open it up. The people will be the beneficiaries. There are adequate safeguards in this legislation for consumers. Some people might say too much. But I think that they are there. I think they are important. We are going to get jobs creation from this legislation. The people will get choice in how they get their services. They can choose to have one company in the future to give them their local service, their long-distance service, their television.

There is no end to the ideas that will come as a result of this legislation. It is going to provide opportunities for growth and development and lower prices. Competition will give us more choices, tremendous developments and activities at lower prices.

So I just wanted to say briefly how important I think this legislation is. We are changing 60 years of law with it. It is going to have a tremendous impact.

I have been honored to be a part of the process through the committee, on the floor of the Senate, in conference. I thank the distinguished majority leader for allowing us to get this legislation up this afternoon. Without his being willing to step up and say we should go forward with this, it would not be happening.

He raises legitimate questions about the spectrum question. But the chairman and the ranking Member have made a commitment we are going to have hearings on this. We are going to see what can be done there. We are going to make sure we do it right. The FCC is not going to go forward with giving away spectrum until we have taken an additional look at it. But I have to say it is a very complicated area, and one we need to be careful about.

We should not break our word, and we should not say we can get more money than we can get. And we should not take actions that slow down or stop the move to digital, the next step in the very pure picture that we can get. So we are going to get this legislation, and we are going to get additional action on spectrum. We are going to do it, and we are going to do it properly.

Mr. President, I thank the Chair for recognizing me at this time. I thank the chairman for yielding it to me. I am anxiously awaiting the final vote on this historic legislation.

Mr. PRESSLER. Mr. President, may I say to the Senator from Mississippi that this legislation would not have happened without him. He has been a valued member of the committee and a valuable friend. He has taken great personal risks. I have seen him in meetings really perform as a leader. I am very proud to have him as a friend. This legislation would not have happened without him. I pay tribute to Senator LOTT of Mississippi who made this happen. I thank him very, very much.

The PRESIDING OFFICER. The Senator from South Dakota has 11 minutes. The Senator from South Carolina has 14 minutes.

Mr. PRESSLER. I yield 4 minutes to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BURNS. Mr. President, I thank my chairman and the Chair.

First of all, I rise today to join my colleague in pledging my support for this piece of legislation, the Telecommunications Act of 1995. Let me first start out talking about the leadership that Senator PRESSLER has shown on this particular piece of legislation.

As you know, we have gotten the reform of telecommunications further than it has come since I have been in this body. In 1989, we started working on telecommunications in the reform, the deregulation of it, to do one thing, and that was to push new technologies into areas where we desperately needed those new technologies, because all one has to do is to look around and say we are going to do things differently when it comes to educating our kids, we are going to do things differently when we talk about telemedicine.

I can remember almost 5 years ago I joined with then-Senator Gore to introduce a series of telecommunications infrastructure bills. I remember that day. I think the ranking member of the Commerce Committee was chairman at that time. I can remember that situation. We both strongly believed at that time in the need to unleash the digital revolution through the substitution of competition for excessive regulation. The bill basically achieves that basic goal, and because of this, it will accelerate by decades the deployment of advanced telecommunications infrastructure.

This is not to say, Mr. President, that the conference report is perfect or the best it could possibly be. In some places I would like to change it. But, you know, you do not get everything you want, but at least you want everything that you got. I think basically that is the position we are in. We cannot let the best become the enemy of the good. It is time that we take what we can get now and move forward with this piece of legislation.

Under this bill, the nature of regulation will change. Instead of regulating the profits of telephone companies, regulation will now focus on ensuring that competition can take root in all aspects of the telecommunications markets. Once full and effective competition can take root, it will protect the consumer interests and the need for regulation will end. This process of using regulation to embrace and advance the cause of competition toward an ultimate goal of deregulation will require the conscience and the constant vigilance of this Congress and Congresses to come. Cooperation between the FCC and the States will also be mandatory.

We all must be vigilant to ensure that competition can take root and that it grow and it prosper. If it does not, then this bill will be a failure. I believe this bill will not be a failure. I am proud of most of the agreements that were made and reached in this conference.

I believe that a good deal was struck where both rural and urban interests are well served. My home State of Montana will benefit greatly from the universal services provisions and lower telephone rates, better cable services, and increased competition in all segments of telecommunications across the board.

What does it do? It removes almost all State and local government restrictions on competition and local exchange telephone, video services, wireless, and other communications markets. It also reforms the broadcast license renewal process to forestall strike units or other abusive practices by self-styled consumer groups and community activists, removing network cable owner limits and raising current radio and television station ownership caps. It restructures the remaining FCC procedures and requires speedy action on complaints, petitions for forbearance, applications and other requests, and establishes a permanent biennial regulatory review of the process.

It also removes and relaxes the restrictions on the ability of public utility holding companies to engage in competitive telecommunications activities.

Furthermore, the report's rules on interconnection will empower competitors by ensuring that they can gain access on fair and reasonable terms to existing local telephone facilities without imposing unreasonable burdens on rural telephone companies.

The report also protects the continuation of universal service, an essential feature, especially for rural areas where competition will be slow to evolve.

And, a backup provision, the so-called advanced telecommunications provision, was included in the report to ensure that competition and, hence, infrastructure deployment evolve in a reasonable and timely manner. If competition is stalled, the report gives the FCC authority to quicken the pace of competition and deregulation to accelerate the deployment of advanced telecommunications infrastructure.

These provisions, taken together, will ensure that all Americans—in urban, suburban, rural, and remote areas—gain access to the most advanced telecommunications capability as quickly as market forces will allow.

Finally, I also support the radio ownership deregulation provision included in the report. The provision is a good compromise between those who wanted complete deregulation and those who were concerned about concentration in radio ownership in local markets. By deregulating radio ownership rules, we are setting the groundwork for our Nation's radio operators to compete and survive in this new telecommunications environment.

For these reasons, I support the conference report and hope that my colleagues will as well in the confidence that its enactment will ensure the rapid deployment of advanced telecommunications capability to the benefit to all Americans.

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

Mr. BURNS. Again, I want to congratulate the leadership of Senator PRESSLER and the many people that it took to put this together, because we know that it was frustrating at times. It was frustrating to all of us at times. But, nonetheless, I think it is a good piece of legislation. I yield the floor.

COMMERCIAL AVAILABILITY OF NAVIGATION DEVICES

Mr. FAIRCLOTH. The competitive availability of navigation devices provision, section 304, instructs the FCC to consult with appropriate voluntary industry standards setting organizations for the purpose of promulgating a regulation. Given that the FCC is not a standards setting organization, do you agree that this legislation does not authorize the FCC to set a standard for interactive video equipment?

Mr. BURNS. I agree. Moreover, FCC involvement in the emerging digital market could have the effect of freezing or chilling the development of that market. If private industry groups are able to develop sufficient standards on their own, there is no need for the FCC to intervene. One such example of this policy approach is the so-called Eshoo amendment which leaves the development of "features, functions, protocols, and other product and service options" for analog cable equipment to the private sector.

Mr. FAIRCLOTH. Do you also agree that the intent of this provision is that the use of rate regulated services to subsidize equipment might unfairly penalize the general rate-payer?

Mr. BURNS. I agree. However, when those services are no longer rate regulated such subsidy cannot be sustained and the prohibition on bundling is no longer necessary. The bill's prohibition on bundling and subsidization no longer applies when cable rates are deregulated. Consumers should have the option of obtaining digital devices through commercial outlets, but this does not mean that network operators must make each type of equipment available through commercial outlets. Network operators should have the flexibility to package and bundle equipment and services.

Mr. WELLSTONE. Mr. President, I speak today in opposition to the conference report on S. 652, the Telecommunications Deregulation Act of 1995. I regret that I cannot support this legislation, because it contains important protections for parents to be able to monitor what their children are viewing. I support the language in the conference report that requires manufacturers to include V-chips in new televisions. I also hope that the television industry will voluntarily develop ratings for video programming. Parents need this rating system so that they can more fully monitor what their kids are viewing.

This bill also represents so much for our country. I can imagine workers in rural Minnesota telecommuting to and from work as far away as New York or Washington without ever having to leave their homes or families. As a teacher the possibilities really excite me—schoolchildren in Minneapolis reading the latest publications at the Library of Congress via thin glowing fiber cables or rural health care providers on the iron range consulting with the top medical researchers at the Mayo Clinic in Rochester to better treat their patients. All of this is before us.

When the Senate debated this bill in June, I felt then and still feel now that this bill presents to each Senator a daunting responsibility. The concern that I still have now that we are voting on the conference report, has to do with whether or not we can make sure that there will be true competition, and that this technology and information will truly be available to everyone in the Nation, not just the most privileged or the most wealthy.

The conferees maintained some very important Senate provisions, including language to keep telecommunication rates low for schools and hospitals. This will help to ensure that our communication technologies are affordable for future generations. I was proud to support this provision when opponents tried to strip this provision in the Senate.

The conferees also kept language requiring V-chips in new televisions. I am proud to say that I supported this provision that will help keep adult-oriented video programs away from children. I believe that this will give those who know best, parents, the ability to control the flow of new services into their homes.

What disappoints me the most is that this bill did not go far enough to assure competition and therefor does not go far enough to protect consumers. I am not just concerned about the alphabet soup corporations. I am concerned about the people that live in Eveleth or Fergus Falls or Virginia or St. Paul or Northfield or Pipestone. I was hoping that at least we could build in more protection for consumers and more guarantees that there would in fact be the competition that we all talk about.

I ask my colleagues, after you remove the protections against huge rate increases, against monopoly, against service just for the privileged, what would you replace them with? Words, Mr. President. Promises, guarantees, reassurances that this time, although many of these companies have misbehaved in the past, and have been fined repeatedly for violating promises to protect consumers, that this time the corporations promise to behave themselves and to conduct themselves in the consumer's best interest.

Mr. President, I have said it before, and I will say it again. I do not buy it. I would rather put my trust in solid protections, written in law, to make sure that rates remain affordable, services are available for everyone, and no

one is left behind in the stampede for corporate profits. Protections that ensure affordability, fairness, and access in local and long distance phone service and cable TV.

Mr. President, the need for the continuation of consumer protections and antitrust circuit breakers is clear. With every passing day, we see more integration in the telecommunications and information marketplace. Over the summer, we saw the Lotus Corp. agree to a friendly takeover by IBM. AT&T and McCaw Cellular will be joining forces, as will other companies, in preparing for this newly deregulated telecommunications environment. I am concerned that this integration will mean a broadcast concentration where consumers will get their news and information from fewer and fewer sources.

This integration at the top corporate level and the market position of many of these companies demands that consumers be given a voice—a trusted voice—to speak for them in the coming years. No more trusted voice could be found on this subject than that of the Department of Justice. It was through that Department's courageous leadership that the old AT&T Ma Bell monopoly was broken apart—it was a long, tough fight, but this experience gained by the DOJ has been invaluable in guiding the breakup of the Bell system, and the development of competition in long distance and other services. It only makes sense that we allow the DOJ to put this experience to use again as we move into an exciting, but potentially risky, new market. I believe that DOJ oversight is essential to ensure competition and consumer protection to keep telephone monopolies from reassembling themselves.

While I fully appreciate the potential of this legislation, I am really worried about where we are heading because I think there is going to be entirely too much concentration of power. The New York Times reported in a December 19, 1995, article:

> For Wall Street, a frenzy of deals would be a bonanza. For many consumers though, the activity is unlikely to make much difference in the price of quality of their phone service. Only in large metropolitan areas, where the lure of lucrative markets might intensify competition, could the average phone customer expect to see much benefit.

The article goes on to report from one investment analyst that "What you need to have is a large footprint to reach more customers with one network." He went on to say "There's no reason on God's Earth why you have to have seven bell companies."

Well this may be true if the only bottom line is to make money. But my bottom line is to ensure that consumers all over America have access to affordable, quality telecommunications services.

I believe that this legislation will lead to too much concentration of power in a very, very important and decisive area of public life in the United States of America. I think we are making a mistake if we pass this piece of legislation. I will therefore, vote against it.

Mr. GRAHAM. Mr. President, there is language within S. 652 which requires all must carry challenges filed with the FCC to be resolved within 120 days. Let me further state that broadcast stations are important sources of local news, public affairs programming, and other local broadcast services. This category of service will be an important part of the public interest determination to be made by the Commission when deciding whether a broadcast renewal application shall be granted by the Commission. To prevent local television broadcast signals from being subject to noncarriage or repositioning by cable television systems and those providing cable services, we must recognize and reaffirm the importance of mandatory carriage of local commercial television stations, as implemented by Commission rules and regulations.

Mr. GLENN. Mr. President, I rise to discuss the telecom conference report and its adherence to procedures we set up with passage of S. 1, the Unfunded Mandates Reform Act of 1995.

We passed S. 1 one year ago with overwhelming bipartisan support. It was one of the two major items in the Contract with America that has actually been enacted. I am proud to be its coauthor along with my colleague, Senator KEMPTHORNE.

S. 1 sets up a process where, first, we would understand the cost of future Federal mandates on State and local governments before we voted to enact them. We would get this cost information from CBO and, to do so, we secured an additional $1.4 million in fiscal year 1996 funds for CBO to hire the needed analysts. Second, S. 1 ensures that we would pay for those mandates or otherwise face a possible point of order on the floor. We set a date of January 1, 1996 for the act's cost estimating and funding requirements to take effect.

This telecom conference report violates S. 1's spirit, intent and requirements. Section 424(d) of the act stipulates that "the conference committee shall ensure, to the greatest extent practicable" that CBO shall perform cost estimates on conference reports containing Federal mandates. This provision was an amendment to S. 1 by Senator GRAMM from Texas that was unanimously adopted by the Senate. It is meant to address the possibility of Federal mandates all of a sudden showing up in conference reports.

State and local government groups alerted Members to three sections of the report, section 302, 303, and 602 that restricted or limited their authority to raise revenues through licensing and franchising fees. Section 421(3) of the act defines direct costs to mean "the aggregate estimated amounts that all State, local, and tribal governments would be prohibited from raising in revenues in order to comply with the Federal intergovernmental mandate." So the State and local groups were right to raise these concerns and ask that CBO do a scoring of the conference report as required under S. 1.

Unfortunately, CBO did not receive the conference report until this morning. Earlier efforts by the CBO analysts to get copies of earlier versions of the conference report were also unsuccessful. Apparently, they were ignored by the conference committee staff. That's not the process we envisioned under S. 1.

I understand that the rights of way provisions in section 303 were altered to address State and local concerns. Those were the provisions that were of the greatest concern to them. However, that still leaves sections 302 and 602. Those sections are being looked at right now by CBO for their cost on State and local governments, but I'm afraid it's too late. We are going to pass this conference report shortly without having any estimate of what those costs might be.

When we passed S. 1, I talked on the floor about how Congress and its committees would have to change the way they do business in order for the act to work. That change didn't happen on this conference report. I hope there is a better effort at compliance next time.

I support this conference report because it makes long-needed and important reforms in the telecom industry. But in terms of following S. 1's rules and procedures, it falls far short.

Mr. CONRAD. Mr. President, I am very pleased that the Senate will vote today on final passage of S. 652, the Telecommunications Competition and Deregulation Act of 1995—one of the most important bills to be considered by the 104th Congress. While there are many issues that have been addressed in this legislation, most notably to ensure that there is competition among the telecommunications technologies of the 21st century, I have been particularly concerned about one important issue associated with telecommunications reform—the impact of television programming on our children, and the importance of ensuring that parents have information and the technology necessary to make an informed decision about television programming for their children.

In this regard, I am very pleased that conferees have agreed to accept the Parental Choice in Television Programming provisions—the V-chip—that was adopted by both the House of Representatives and Senate by overwhelming margins during consideration of S. 652 and H.R. 1555 last summer. The importance of this parental choice technology for parents was underscored by

President Clinton last week in his State of the Union Message to the Nation.

In that message, the President called on Congress to pass the V-chip requirement in S. 652 that would permit parents to screen out television programming inappropriate for children. The President also called on the entertainment media to create movies, CD's, and television programming that members of the entertainment community would want their children to view. He further challenged the broadcast industry to help parents protect their children by providing families with more information about TV programming through improved advisories or rating system. To accomplish this goal, the President invited leaders of the major entertainment media to the White House later this month to discuss and work on ways to improve what children view in entertainment programming.

Mr. President, I commend President Clinton for strongly endorsing the V-chip in his State of the Union Message, as well as for his leadership on behalf of parental choice chip technology during consideration of telecommunications reform legislation in the Senate and House. President Clinton remarked that the V-chip represents a reasonable solution—not censorship—to the concerns of parents who have little control over the television programming that is available to their children, and want more information on the content of this programming. The President said, "when parents control what their children see, that's not censorship. That's enabling parents to assume more responsibility for their children's upbringing". I agree with President Clinton.

Regrettably, the reaction of the broadcast media to President Clinton's support for the V-chip technology and appeal to the media to work together to make the V-chip technology effective, has not been encouraging. Despite broad public support among parents, the medical community, educators and other children advocates for this technology, and successful tests of this technology in Canada, broadcasters say the V-chip proposal is unworkable, and unconstitutional on free-speech grounds. According to press reports, the broadcasters intend to oppose the V-chip in court. I believe this decision is unfortunate—children will be the losers if this technology does not become available to parents. Unfortunately, many in the television broadcast industry continue to misrepresent the provisions adopted in the conference agreement to S. 652.

As adopted in the conference report (Section 551—Parental Choice in Television Programming), manufacturers of television sets (13 inches or larger), both domestic and foreign, would be required to install technology—the V-chip—that would allow parents to block the display of programming with a common rating. The Federal Communications Commission, following consultation with the electronics industry, would determine a date for the implementation of this provision. There is also a provision under section 551 that would prohibit the shipping of television sets in interstate commerce that do not meet the requirements for the manufacture of television sets with blocking technology. These are the only mandates under section 551.

To make the parental choice chip technology an effective tool for parents, section 551 calls on television broadcasters, cable operators, and other video programmers to work with concerned interest groups, including parents, over a 12-month period—before any of the provisions of section 551 become effective—to voluntarily develop rules for rating television programming with violent, sexual, or other indecent content. Broadcasters and cable operators during this same period would also be encouraged to voluntarily develop rules for the transmission of signals encoding the ratings that would block certain television programming.

Effective voluntary rating systems have already been developed for television programming in Canada. In addition, as I noted during the telecommunications debate last summer, the Recreational Software Advisory Council and the Interactive Digital Software Association on behalf of video game manufacturers have voluntarily adopted a rating system that is included with most video games sold in the United States. A voluntary rating system is workable.

Mr. President, following the 12-month period from the date of enactment of S. 652, if the television broadcasters, cable operators have not taken the opportunity to voluntarily develop a rating system to guide parents, the Federal Communications Commission (FCC) would be authorized to establish an advisory committee to develop recommendations and guidelines for the identification and rating of television programming. The advisory committee would include industry representatives, parents, and public interest groups. Any guidelines or recommendations established by the advisory committee could serve as a model for the television broadcast industry in the development of a rating system.

Section 551 does not mandate a government rating system, or that a program be rated if a broadcaster refuses to rate programming. Nor does this legislation establish a government entity to rate television programming. There is also no authority or suggestion to rate or identify in any way religious or political programming. No penalties are established by this provision if a television broadcaster's cable operator refuses to develop ratings, or apply whatever ratings or identification system is established voluntarily, or by the advisory committee under the FCC. The development of any rating or other television program identification is entirely voluntary—the effectiveness of the V-chip technology as an aid for parents rests with television broadcasters and cable operators, not the Federal Government.

Mr. President, 90 percent of the public supports the installation of the V-chip on television sets—parents want more information on the contents of television programming, and to be able to block that programming if they consider it inappropriate for children. They should have that right. In Canada, recent trials of V-chip technology that were conducted in Toronto and other communities have shown that the V-chip is popular, and workable. More than 80 percent of the families that participated in the demonstration felt positively toward the V-chip, and more than 70 percent thought the system effective and should be maintained.

I urge television broadcasters, cable operators, and other video programmers to take advantage of the 12-month period provided under section 551 to voluntarily develop an identification or rating system that will help parents to make informed decisions about television programming that is appropriate for children. I hope that media executives will view the upcoming White House meeting on violence and children's programming as an opportunity for constructive dialog on this important issue for children, and to make this new parental choice technology an effective tool for parents and families. The time has come to work together.

I applaud House and Senate conferees on S. 652 for including the V-chip provisions in the final conference agreement. I also want to express my appreciation to Senator HOLLINGS for his leadership on behalf of children's television programming, and for his strong support of the V-chip provision in conference. I urge my colleagues to lend their strong support for passage of this important telecommunications reform conference report.

Mr. DOMENICI. Mr. President, as we approach the end of the 20th century, it becomes increasingly clear that our telecommunications industry has outgrown the Communications Act of 1934. Changes in technology and in consumer demands since then mean that it is now time to pass the Telecommunications Competition and Deregulation Act of 1995. This legislation will foster technological growth, bring more choices and lower prices to consumers, increase productivity, jobs, and international competitiveness.

The Telecommunications Competition and Deregulation Act of 1995 will provide consumers with more choices

and lower prices in long distance phone service and television programming. And it will do so in a way that protects rural customers: This legislation explicitly preserves the universal service fund which subsidizes telephone services to rural areas.

Right now, consumers have a choice among long distance phone companies. After this legislation takes effect, consumers will also be able to choose among companies that offer them local phone service.

This legislation will also give consumers more choices in how they receive television programming. Currently, if a consumer's area is served by cable, a consumer may choose between the cable company and Direct Broadcast Satellite [DBS] service. This legislation will allow the phone company to offer television over phone lines, so consumers will be able to choose television services from among cable companies, phone companies, and DBS.

The Telecommunications Competition and Deregulation Act of 1995 will also encourage investment in domestic telecommunications industries. By requiring that local telephone service be provided solely through regulated monopolies, the Communications Act of 1934 has forced U.S. companies wanting to invest in local phone markets to invest overseas.

The President's Council of Economic Advisors estimates that as a result of deregulation, by 2003, 1.4 million service sector, U.S.-based jobs will be created.

Over the next 10 years, a total of 3.4 million jobs will be created, and, according to telecommunications analyst George Gilder, the gross domestic product will increase by as much as $2 trillion.

Increased investment in telecommunications products and services will bring a better quality of life to rural New Mexico. With fiber optic cable connections, doctors in Shiprock, NM, can consult with specialists at the University of New Mexico Medical Center or any medical center across the country.

These new technologies will enable students in Hidalgo County, NM, in towns like Lordsburg and Animas, to share teachers through a video and fiber optic link. This legislation will remove the regulations that currently prevent local phone companies from making the investments necessary to provide such technologies.

Mr. President, I support this legislation because it will help improve rural education and rural health care, enhance local and long distance phone services, and speed up the development of new technology and new jobs for Americans. I believe this legislation represents a key step forward toward achieving these valuable objectives.

As with any effort at serious, large-scale reform, this legislation leaves a few important policy questions unresolved. I am pleased that we have agreed to separate those issues out from this bill so that we can give them the full attention they deserve in the future.

I wish to commend the managers of this bill, and their staffs for their tireless work to craft this legislation. In particular, I appreciate the legislative skill of Chairman PRESSLER, Majority Leader DOLE, Senator STEVENS, and ranking member, Senator HOLLINGS, as well as their commitment to real reform of obsolete and burdensome regulations.

The public ought to be proud that by working together, Democrats and Republicans have succeeded in crafting legislation that will enhance the capacity of our economy to respond to the new and rapidly growing challenges of the information age.

Mr. HEFLIN, Mr. President, telecommunications technology has undergone a major evolution in the six decades since Congress passed the landmark "Communications Act" in 1934. Enacted during the Great Depression, the "Communications Act" alleviated the turf disputes which emerged when AT&T entered the broadcasting arena to compete with the well-established radio networks. The New Deal approach to this problem was to erect strict walls between public utility communication providers and broadcasters. Amazingly, though, the regulatory approach established 62 years ago is still the law of the land.

Mr. President, it is my belief that cellular telephones, fax machines, cable television, direct broadcast satellites, and computers have rendered obsolete the Nation's aging telecommunications regulatory framework. Therefore, I believe the time has come to overhaul that framework as we prepare to enter the 21st century. But as my friends on the Commerce Committee can attest, the task of rewriting the antiquated Communications Act of 1934 is much easier said than done.

I suspect that we all agree that the present regulatory structure needs revision, but forming a consensus on just how to create a new regulatory environment that acknowledges and fosters competition while at the same time protects the public interest has proven to be elusive. After reviewing the conference report on the Telecommunications Act, though, I feel that the conferees have done a commendable job in finding an equitable balance between these two competing goals.

The past few months have been witness to some historic agreements. For instance, those who negotiated the Dayton Peace Accord deserve credit for a job well done, but the conferees who were able to broker an agreement between the long distance industry and the Bell operating companies deserve the Nobel Peace Prize. The ability of these two divergent interests to come to terms in regards to the Baby Bell's entry into the long distance market is one of the reasons I plan to support the bill.

In addition, I am pleased that the bill will provide independent, rural cable systems with the option to merge or be bought out by their local exchange carrier if the cable system in question decides it cannot compete head-to-head. I specifically want to thank Senator HOLLINGS for his help on this section of the bill.

One other issue worth mentioning in regards to the telecommunications bill is the spectrum flexibility issue. All television stations will soon be making the transition from an analog signal to a digital signal. This will provide the consumer with a better signal and will give television stations new sources of revenue, such as digital paging and data transmission. In that broadcasters provide their services to the viewing public for free, I think it would be a mistake to require them to pay for spectrum on which to start digital broadcasts, particularly since they will turn their analog spectrum back to the Government once the transition to digital is complete. This bill would not actually give spectrum to broadcasters, but it would leave the decision on how best to handle the transition to digital in the hands of the FCC, where it should be.

Mr. President, in closing, this bill is good for the consumer because it will open the floodgates of competition among communications providers. As we all know, increased competition means lower prices and new services in the marketplace. In addition, the bill is supported by the regional Bell companies, the long distance industry, the cable industry, and broadcasters. Therefore, I intend to vote in favor of this bill, and I urge my colleagues to do the same.

Mr. FORD. Mr. President, today, I am pleased to join the distinguished Senator from South Dakota, Senator PRESSLER, and the Senator from South Carolina, Senator HOLLINGS, in supporting the conference report to S. 652, the telecommunications reform bill. As a conferee on this historic piece of legislation, I firmly believe that this bill is a balanced approach to the overhaul of our telecommunications laws and regulations and toward a deregulated and competitive telecommunications industry.

In the last several months, the Congress has been highly criticized for the partisan nature of our debates. And it is true that a significant number of legislative initiatives are caught in intense partisan differences. But at the same time, there have been a number of developments where both sides of the aisle have come together, where both sides have been able to reach an

accommodation of differing views and opinions. I believe that this conference report is just one example of how this Congress can work in a bipartisan manner to produce solid legislation.

That is not to say that it is easy. This conference has been working throughout the fall and early winter to produce this conference report. Our negotiations were long and difficult ones. But, Mr. President, I am by nature a compromiser. I guess that is because I am from Kentucky. And Kentucky produced many fine legislators and statesmen, including the great compromiser, Henry Clay. And Henry Clay once said that compromise is "a mutual sacrifice." Well, let me tell you, Mr. President, that we conferees have made many sacrifices in order to reach a bipartisan conference report.

When the House passed its version of telecommunications reform last August, I was asked what the significance of that event meant. I stated then that I was fairly confident that we could produce a final bill—but that it was not going to be easy. There were significant differences between the Senate and House bills. In particular, I know I and many of my colleagues on this side of the aisle were concerned about the scope of the deregulation contained in the House bill. But something significant happened in this conference. We sat down and we listened to each other. Throughout numerous discussions and informal meetings of conferees, we were able to state our concerns and have those concerns understood and appreciated. And more importantly, we were able to have those concerns addressed in a satisfactory manner. I do not think that any one side prevailed over the other. This conference was one of significant negotiations and compromises. But the result is that today we have a bipartisan bill. I believe that this conference report is a fair, logical, and balanced approach towards reforming our Nation's telecommunications law and policies.

There is no question that we need to pass a reform bill. Not since the passage of the 1934 Communications Act has the Congress taken a step towards a major overhaul of that law. The 1934 Act has served its purpose in guiding our telecommunications policy for the last 60 years. But we are at a crossroads in terms of policy and technology. Our telecommunications industry has been in a state of complex transformation that began in 1984 with the divestiture of AT&T. Since that time, the seven regional telephone companies have actively sought permission to enter into other areas of business. And as the regional Bell companies have sought to expand, other companies and industries have sought to enter into the local telephone market. Clearly, these changes cannot be made through court rulings and petitions to the Federal Communications Commission.

The slow and haphazard de-regulation that has been on-going since 1984 has frustrated the ability for real and effective competition. In turn, I think that has also frustrated the ability for the telecommunications industry to develop and improve technology. In fact, Mr. President, I would argue that an initial and almost immediate effect of this legislation will be rapid advances in telecommunications technology.

Our telecommunications industry is on the cutting edge of technology. Research and development and existing technologies are inhibited by rules created several years ago, if not several decades ago. The reforms contained in this conference report will help ensure America remains competitive.

Throughout my experience in this legislation, I always hear people talking about the so-called "information superhighway". If we want to make that "information superhighway" a reality for all Americans, then I think we need to spur competition which will encourage investments.

Mr. President, competition and investments can only mean one thing—jobs. This conference report is not just a regulatory reform bill. It is a job creation bill as well. Today, the telecommunications industry is 15 percent of the GDP. And it is also a sector with high-growth potential which will create high-skill and high-paying jobs.

In fact, in a recent study conducted by the Wharton School of Business, the Wharton Econometrics Forecasting Association ("The WEFA Group") found that full competition in telecommunications has the potential to create 3.4 million jobs by the year 2005. And the potential to cause a $298 billion increase in the gross domestic product within 10 years.

In Kentucky, it is estimated that over 32,000 new jobs will be created during this same period. Telecommunications reform in Kentucky could mean the distribution of 1,000 new jobs in the mining industry; 2,900 jobs in the construction industry; 7,300 new jobs in manufacturing; 1,200 new jobs in the transportation and utilities sector; 11,200 new jobs in the wholesale and retail trade sector; 1,300 new jobs to the financial services industry; and, 7,500 new jobs to other services in general.

Mr. President, this telecommunications reform bill is also a pro-consumer bill because it will create more competition, and in turn, lower prices. It is estimated that telecommunications reform will lower rates by 22 percent, saving consumers nearly $550 billion over the next 10 years. Lower long distance rates alone will yield $333 billion in consumer savings. With lower local telephone rates, consumers can expect to save another $32 billion. Lower cellular rates could generate another $107 billion and lower cable television rates will yield another $78 billion in consumer savings.

But this bill is not simply about jobs and money. This bill also contains important provisions which will enhance access to advanced services in our public schools. I am pleased that this conference report retains the provisions of the Senate bill known as the Snowe-Rockefeller Amendment. Because of this provision in the legislation, our classrooms are going to be able to link with other institutions and other programs to enhance education. This is most important for a state like Kentucky with a large rural population. Students and teachers in rural areas will gain access to sources of information and libraries in other locations across Kentucky and the Nation. The reforms contained in this bill will hasten the pace by which schools in rural areas will receive comparable access to the Internet, just like those schools in more urban areas. Access to advanced services can lead to improvements and efficiencies in the administration of education. In fact, this is already occurring in Kentucky. Our State government has contracted for the establishment of the Kentucky Information Highway. Schools and school district offices are linked together on the network and advanced services are made available at preferential rates.

Mr. President, as I have mentioned, this conference report includes important changes to our telecommunications laws which enable the development of new technologies. I am pleased to say that the conference report includes a provision which will limit the role of the Federal Communications Commission in setting standards that may affect the computer and home automation technologies. Section 301(f) of the bill provides that the FCC may only set minimal standards for cable equipment compatibility, to maximize marketplace competition for all features and protocols unrelated to descrambling of cable programming, and to ensure that the FCC's cable compatibility regulations do not affect computer network services, home automation, or other types of telecommunications equipment. In short, this section keeps the government out of setting high technological standards and prevents the FCC from setting standards for the computer and communications services of the future.

I believe that this section is a small but important aspect of this historic bill: to embrace the future by allowing new technologies to flourish with minimal government interference. Just as this bill will help open markets by eliminating the barriers to long-distance and equipment manufacturing competition, Section 301(f) ensures that our vital computer and high-tech markets remain open and competitive by ensuring that the FCC's technical standards are kept to a minimum. Since almost all standards in the communications and computer industries

are voluntary, private standards, this section of the bill maintains that this practice shall continue. This is very important as we see the accelerating pace of the convergence of the computer and the communications industries.

Section 301(f) modifies the FCC's authority in order to reign in the Commission's ongoing rulemaking on cable equipment compatibility. This is a problem that arises out of the 1992 Cable Act, which directed the FCC to assure compatibilitybetween televisions, VCR's and cable systems. But, I believe that the FCC has gone beyond the directions contained in that 1992 law. This section of the conference report prevents the FCC from standardizing any feature or protocols that are not necessary for descrambling, by preventing the selection of an other home automation protocol as part of the FCC's cable compatibility regulations. It further prevents the FCC from affecting products in the computer or home automation industry in any way. Simply put, Section 301(f) leaves these standards to be set, as they should be, by competition in the marketplace.

I understand that some have questioned whether the term "affect" is too broad. Indeed it is a broad term in order to effectively implement the principle that the FCC regulations should not interfere in competitive markets. Because there is no reason to affect computers or home automation products, and because even inadvertent or relatively small effects on emerging and rapidly changing markets can easily displace technological innovation, this section 301(f) is weighted toward protecting competition and open markets. The accompanying Statement of Managers states that any material influence on unrelated markets is prohibited. Because it is impossible for agencies or courts to judge whether the impact of technical standards in emerging markets would be harmful or substantial, Section 301(f) draws a bright line to avoid any regulatory impact whatsoever.

I think this is an important policy. The risk associated with wide regulatory powers over technological issues in a time when we are seeing rapid technical change is that premature or overbroad FCC standards may interfere in the market-driven process of standardization or impede technological innovation itself.

It is interesting to note that the industry itself has been able to solve compatibility problems, and create workable standards in the VCR, personal computer, compact discs and other products without any government involvement. I believe that the inclusion of Section 301(f) continues that tradition and will permit the industry to set the standards, not the FCC. That is in keeping with the nature of this legislation as a whole.

Mr. President, in addition to reforms of the local and long distance telephone companies, this conference report includes a number of overdue revisions to the laws regulating the broadcasters. I believe that these changes are necessary to respond to the changing competitive nature of the broadcast industry, in the same manner as the changes this conference report foresees for the telephone industry. One of the changes in this legislation includes directions to the Federal Communications Commission to conduct a rule-making on the so-called duopoly rule.

The duopoly rule was last revised by the FCC in 1964. And it prevents the ownership of more than one television station in a local market. This regulation served a useful purpose by ensuring there would be competition and a diversity of media voices in a television market.

However, in the last 32 years, the local media have gained so many new competitors that I have begun to question whether the duopoly rule still promotes good policy. That is why I endorse the provisions of the conference report which direct the FCC to conduct a rule-making to determine whether to retain, modify, or eliminate this rule.

Today, consumers have access to many more broadcast stations than a generation ago, let alone, a decade ago. More significantly, consumers today have access to a host of non-broadcast station video providers, all of which offer dozens or even hundreds of channels. Competition to broadcasters is coming from the cable industry, wireless cable systems, satellite systems, and video dialtone networks. With such competition, I believe that we may have reached the point where the viability of free over-the-air programming, provided by single-channel broadcasters, may be threatened by the new multi-channel competitors.

Too many local broadcasters, particularly in smaller markets, are already losing money. This is a concern to me, and should be a concern to other Members, because I believe that local television broadcasters are just as important as local radio stations and local newspapers. Together, these local broadcasters help to develop a sense of community through the coverage of local events. It is my hope that the FCC will examine this matter thoroughly and revise the duopoly rule appropriately.

In addition to the duopoly rule, I am also pleased to see that this conference report grandfathers local marketing agreements, or LMA's. Many local broadcasters have stayed competitive by entering into these LMA's with one another. These innovative joint ventures allow separately owned stations to function cooperatively, achieving economies of scale through combined sales and advertising efforts, and shared technical facilities. These local marketing agreements have served their communities in a number of ways: some have increased coverage of local news; others have increased coverage of local sports, particularly college sports; and, many LMA's have provided outlets for innovative local programming and children's programming.

Together, a review of the duopoly rule and the grandfathering of LMA's, these provisions will help ensure that consumers always have access to free local television programming.

Mr. President, it is clear that the reform of our communications laws is long overdue. This conference report is a comprehensive and balanced approach to rewrite our National telecommunications policy for the 21st Century and beyond. After years of debate, negotiations and compromise, we have finally reached the point where we can make the promises of the advanced telecommunications into realities.

I applaud the efforts of the Chairman and Ranking Member for their determination and persistence in bringing together a comprehensive and bi-partisan bill to the floor. We would not be here today without their combined leadership. We would not have bi-partisan support on the conference. As a result, it has earned the support of many on both sides of the aisle and the support of the President. S. 652 deserves to become law and I urge my colleagues to join in supporting final passage.

CLARIFICATION OF LOCAL STATION OWNERSHIP PROVISIONS

Mr. INOUYE. Will the gentleman from South Carolina, the ranking member of the Commerce Committee, yield for a colloquy?

Mr. HOLLINGS. I'd be delighted to yield to the gentleman from Hawaii.

Mr. INOUYE. The conference report directs the FCC to conduct a rulemaking proceeding to determine whether to retain, modify or eliminate its duopoly rule, which prevents ownership of more than one television station in a market. Is it the intent of Congress that in reviewing the duopoly rule the FCC should consider whether broadcasters are able to compete fairly with other media providers while ensuring that the public receives information from a diversity of media voices?

Mr. HOLLINGS. The gentleman's interpretation is my interpretation as well.

Mr. INOUYE. I'd appreciate my colleague's help in clarifying the conference report's effect on the Hawaiian television market. No one needs a geography lesson to learn that my state is located in the middle of the Pacific Ocean. As such, interference with adjacent television markets is not a concern and, unlike every other market in

the United States, every VHF channel is utilized somewhere in Hawaii's market.

I'd ask of the gentleman, when the FCC considers the duopoly rule, does he agree that the FCC should strongly consider that Hawaii's unique situation represents an example of compelling circumstances that could permit the combination between two VHF stations in that market?

Mr. HOLLINGS. The gentleman from Hawaii is correct. His state's local television market developed differently from continental markets because of its unique geography and terrain, and thus is characterized by many VHF stations. Many of our concerns about combinations involving two VHF stations in local markets in the continental United States do not apply to Hawaii. The FCC should recognize this distinction when considering the duopoly rule.

Mr. INOUYE. I thank my colleague for his clarifications and for his expertise and leadership on this historic revision of our telecommunications law.

Today's local marketplace is characterized by an abundance of media outlets that were not present or contemplated when the rule was last revised, and the FCC should take this development into consideration.

This new competition, such as from clustered cable systems offering advertisers the same buy as local broadcasters (but on multiple channels), threatens the very viability of free, over-the-air programming. Broadcasters have searched for creative solutions to these marketplace changes, and one proven solution has been Local Marketing Agreements. These LMAs are innovative joint ventures which enable separately owned stations in the same market to find economies of scale through combined operations.

The need to relax the duopoly rule is illustrated by broadcasters' experience with LMAs. These joint ventures have generated substantial rewards for both competition and diversity, and improved the quality and quantity of free local programming. In Hawaii, an LMA has made possible a significant increase in local programming, including an in-depth local news program at 9 p.m., extensive coverage of the University of Hawaii's sporting events, weekly programs on Hawaiian culture and local issues, and a doubling of children's programming.

It is my understanding that Sec. 202(g) allows LMAs currently in existence to continue as long as they are consistent with FCC rules. These LMAs give stations the flexibility to meet the challenge of the multi-channel marketplace.

Again, I thank the ranking member of the Commerce Committee for clarifying the intent of the conference report regarding the duopoly rule.

Mr. GRASSLEY. Mr. President, I rise today in strong support of one portion of the telecommunications legislation we are currently considering. In particular, I wish to speak on the cyberporn provisions of the bill. I believe that it is high time that Congress apply the same rules to protect children on the Internet that have laws applied to other communications media. Since 1934, indecency has been regulated in broadcast. And when it became clear that children were vulnerable to sexually explicit material over the telephone, Congress prohibited providing indecency to children via the telephone. Today, we are taking the next step in protecting children from child molesters and unscrupulous porn merchants.

It is important to note that despite the best efforts of the liberal establishment, the Supreme Court has never—not even once—ruled that the indecency standard is unconstitutional. So the vocal opponents of the legislation before us today are going to have a very hard time to challenge it in court. Just a few weeks ago, in the Act III case, the Supreme Court was asked to review the constitutionality of the indecency standard. But the Supreme Court declined to do so, indicating to many constitutional lawyers that the indecency standard is on firmer footing than ever.

I predict that the left-wing free-speech absolutists who have promised to challenge the cyberporn provisions will have no more success with their antifamily efforts than they have had in the past.

This summer, I had the opportunity to chair the first-ever congressional hearings on cyberporn. During that hearing, I had the opportunity to hear from parents who had discovered that their children had been sent pornography or solicited by adults. One teenager girl was even stalked on-line by someone who was later arrested—but had to be released because his conduct was not illegal.

That's why, with the assistance of the distinguished chairman of the Commerce Committee, Senator PRESSLER, I worked to include a cyberstalking provision in the conference committee report. That section makes it a crime to use computers to seduce or lure children. I believe that this is an important step. As with indecency on computers, America's children should be given the same protections in the on-line world that they have in the real world.

In my hearing this summer, I asked each parent that appeared before the Judiciary Committee—do you believe that a technical solution alone, without Federal legislation, is enough to protect their children. Without exception these parents said no, that the technology is part of the Answer, but not the whole answer. So for those who claim that Congress has no role at all to play in protecting America's children from on-line pornography and child stalking, I say ask America's parents about that. The parents of America, who have to try to use cumbersome and highly technical computer programs to block out cyberporn and on-line child stalkers believe that congressional assistance is crucial and that there simply is no other way to keep America's children safe.

Finally, let me say that me of the most perplexing misrepresentations during the conference deliberations on this matter involved the so-called harmful to minors standard as opposed to the indecency standard. The harmful-to-minors standard is a creature of State law, and there has never, during the entire history of our Nation, been a Federal harmful-to-minors law. On the other hand, Congress has had indecency regulations on the books since 1934, the beginning of the mass communications era. So, despite statements to the contrary, the harmful-to-minors standard, which has never been the subject to congressional action, is too uncertain, too new to be applied to the dynamic medium of computer communications. I believe that the harmful-to-minors standards would unduly chill the kind of freewheeling discussions we have become used to on the Internet. The tired-and-true indecency standard is much better, in the opinion of this Senator and noted constitutional scholars like Bruce Fein.

I would like to take my hat off to Senator EXON, Senator COATS, and Senator HELMS for their work and leadership on this issue. I yield the floor.

Mr. HELMS. Mr. President, I am pleased that the Senate finally is going to pass this important telecommunications bill (S. 652). There have been many attempts down through the years to reform the telecommunications law, and I am happy that the Republicans have been able to get the job done this year.

This bill will remove barriers to competition and lead to lower prices for consumers. It can create as many as 100,000 jobs in North Carolina, help spur the economy, lead to innovative developments in technology, and provide children with greater access to educational opportunities. In addition, in the near future, millions of consumers will be able to shop and bank from their homes through the use of their computers or television sets.

Mr. President, one study conducted by the WEFA group projected that open competition could very well lead to 3.4 million new jobs in 10 years. It further concluded that consumers could pay $550 billion less in communications rates.

There have been many hard fought battles on this bill. But in the end this legislation is a very carefully crafted balance. For example, earlier versions of this bill would have allowed for an unhealthy concentration of media

power. These proposals could have made local community broadcasting a thing of the past; but this concern has been resolved.

Perhpas most importantly, this bill will help protect children from computer pornography, which today is readily accessible on the Internet and elsewhere. I have been notified of numerous instances in which unscrupulous, sleazy individuals have used the Internet as a tool to distribute pornography to minors. This legislation provides tough prison terms for any smut peddler who uses a computer to send or display child pornography. This bill upholds standards of morality and decency as well as protects children and families from the peddlers of sleaze. This is a victory for families and children.

Mr. President, the Telecommunications Competition and Deregulation Act of 1995 provides the American consumer with less expensive prices, more competitive opportunities, and better service. Chairman LARRY PRESSLER and all of his colleagues on the Senate Commerce Committee deserve the gratitude and respect of all Americans for a job well done.

Mr. COATS. Mr. President, I stand before you today to urge my colleagues to support final passage of this telecommunications reform legislation. It is truly a monumental piece of work. The competitive forces that this legislation will unleash will create an explosion of new jobs, new technology. It will secure for this Nation, well into the future, its rightful place in the forefront of industry and technological development and utilization.

I am pleased that the conference report contains strong protections for America's children. This provision reflects the concern of our Nation to ensure that, as we establish the framework for the rising tide of the technology society, we take care to establish an environment safe for our children. I am speaking about the provision, sponsored by myself and Senator EXON, that deals with the issue of pornographic material on the internet.

Mr. President, sometimes our technology races beyond our reflection, and we are left with a dangerous gap—a period when society is unprepared to deal with the far-reaching results of rapid change. This is the situation we have on the internet. This is the situation which this legislation will address.

The type of pornography currently available on the internet includes images and text dealing with the sexual abuse of children, the torture of women and images of perversion and brutality beyond normal imagination, and beyond the boundaries of human civilization.

Childhood must be defended by parents and society as a safe harbor of innocence. It is a privileged time to develop values in an environment that is not hostile to them. But this foul material on the internet invades that place and destroys that innocence. It takes the worst excesses of that red-light district and places it directly into a child's bedroom, on the computer their parents bought them to help them with their homework.

Let me take a moment to outline exactly what this legislation will do:

Those who utilize a computer to persuade, include entice, or coerce a minor to engage in prostitution or any sexual act will be prosecuted, fined, and imprisoned up to 10 years.

If you use your computer to contact and harass another individual, you will be prosecuted under this bill.

This legislation would prosecute those who utilize an interactive computer service to send indecent material directly to a minor or use an interactive computer service to display indecent material in a manner easily available to a minor.

On-line services and access software providers are liable where they are conspirators with, advertise for, are involved in the creation of or knowing distribution of obscene material or indecent material to minors.

This legislation leaves unchanged E-mail privacy laws.

Simply put, this legislation extends the same protections for children that exist everywhere else in our society to the internet.

The bottom line is simple: we are removing indecency from areas of cyberspace easily accessible to children, if individuals want to provide that material, it must be in areas with barriers to minors, if adults want to access that material, they must make a positive effort to get it.

Our warning is equally clear: if you post indecent material on the internet in areas accessible to children, you will be held to account.

Mr. President, one of the most urgent questions in any modern society is how we humanize our technology—how we make it serve us. America is at the frontier of human knowledge, but it is incomplete without applying human values. And one of our most important values is the protection of our children—not only the protection of their bodies from violence, but the protection of their minds and souls from abuse.

We can not, and should not, resist change. But our brave new world must not be hostile to the innocence of our children.

Mr. President I am proud that we have taken this very important step. I am proud that as we usher in this information age, America has placed the protection of our children as a central issue in this landmark legislation.

Mr. HATCH. Mr. President, telecommunications technology is evolving at a speed that is unprecedented, and it has been and will continue to be difficult to keep up with these revolutionary developments. However, without a vehicle that allows us to at least attempt to keep pace with these changes, we cannot even hope to take full advantage of the benefits that today's technology potentially affords us.

That is why I am pleased to support the telecommunications conference report that we are considering today. It has been a very long and difficult process over a number of years in order to get to this point today. There have been many hearings held in several committees, long debates in both houses of Congress, and extensive hours spent in conference meetings. And, as is always the case with legislation that is as important and far-reaching, the conference report we will vote on shortly is not perfect.

As we have already heard on the floor today during this final debate, there are still a number of issues upon which total consensus has not been reached. In fact, we can expect to be revisiting a number of issues in the not too distant future, and I look forward to that.

Nevertheless, I believe we can all agree that this legislation establishes some basic principles that will provide a gateway to the future of communications in our country. I am convinced that the basic policy changes contained in this conference report will not only positively impact our Nation's economy be enhancing competition within a number of communications markets but will also result in noticeable benefits for individual consumers throughout the United States.

I do not wish to take up too much time, but I want to commend the distinguished chairman of the Senate Commerce Committee for his leadership over the past year in bringing this historic legislation to the floor of the Senate. I especially want to thank him and his committee colleagues for effectively keeping the conference focused on the communications issues under its jurisdiction. Implementation of the legislation will raise issues in the area of intellectual property, which will need to be addressed in the future. These issues are best left to the appropriate committees of jurisdiction and expertise. As the chairman of the Senate Judiciary Committee, which is the committee of jurisdiction over intellectual property issues in the Senate, I look forward to working on these matters. We can support the efforts of the conference and to increase the opportunities the legislation makes available to creators and users of intellectual property.

Again, let me commend the conferees for their work in the communications arena and thank them for not prejudicing the Judiciary Committee's work on any relevant intellectual property issues.

I am pleased to support this bill. It is a major step forward.

Ms. SNOWE. Mr. President, I rise today to speak in favor of the conference report to S. 652, the Telecommunications Competition and Deregulation Act. This legislation will revolutionize our telecommunications industry as broadly as telecommunications have revolutionized our society.

And I am pleased that it contains the Snowe-Rockefeller provision that was included in the original Senate bill—a provision of significant importance to rural regions and rural Americans.

I would first like to thank my friend and colleague, the distinguished chairman of the Senate Commerce Committee who also served as chairman of the House-Senate conference committee on this legislation, Senator PRESSLER.

For over a year now, he has worked tirelessly to shepherd this legislation through the Commerce Committee, the full Senate, and the House-Senate conference committee. In the process, he has worked to ensure that telecommunications reform remains a priority for our Nation as we enter the next century—a century that is certain to bring even greater advancements in technology and telecommunications.

I also want to congratulate the distinguished Senate majority leader, Senator DOLE, for his outstanding efforts in bringing this critical legislation to the floor of the Senate.

Telecommunications is an increasingly important part of our daily life. Over the past few years, most of us have become dependent on communications services as diverse as wireless telephones, fax machines, information services, computers, pagers, alarm monitoring services, and cable television. In many cases, it is hard to imagine functioning without them. We are clearly witnessing a revolution in the way we do business and in the way we live, a telecommunications and information revolution as important to our future as the industrial revolution was in the last century.

As I stated during debate on the legislation last summer, my State of Maine has, for more than a century, faced serious economic challenges in attracting business and industry. Thus, the revolution in telecommunications technologies which has opened the door to the information age continues to be especially important for Maine.

At 60 miles an hour, the speed of truck transportation, Maine's geography can be an economic disadvantage. At the speed of light—the speed with which information can be transmitted over Maine's state-of-the-art telecommunications networks—Maine's location becomes an asset. Information technology coupled with our outstanding quality of life has created substantial business and employment opportunities in my State.

Recognizing the importance of telecommunications to Maine, the Maine State Legislature adopted legislation that established the policy goal of ensuring that all of Maine's businesses and citizens have affordable access to an integrated telecommunications infrastructure capable of providing voice, data and image-based services.

Furthermore, Maine intends to adopt policies that encourage the development and deployment of new technologies, and encourages service applications that support economic development initiatives or otherwise improve the well-being of Maine citizens.

Mr. President, this conference report will bring unprecedented competition and development to the telecommunications industry. And while competition can bring an array of improved services at a lower cost, we must ensure that competition ultimately achieves this goal for all Americans, in both urban and rural areas.

I am, therefore, particularly pleased that the conference report before us recognizes that strong universal service provisions are a necessary and important part of telecommunications reform.

Residents of rural areas should bear no more cost for essential telecommunications services than residents of densely populated areas. Just as extending basic telephone service and electrification to rural areas rose to the top of our national agenda in the 1930's and 1940's, so telecommunications must be a top priority today. No American citizen should be left out of the communications revolution.

Indeed, the concept of universal service was established in the 1934 Communication Act, to establish widely available basic telephone service at reasonable rates. The rationale for this policy is that telephone service is essential to link Americans together, so that all Americans can communicate with each other on approximately equal footing. It was an important economic development tool, as well.

Everyone in our country must be able to engage in commerce using the tools and technologies necessary to interact with buyers and sellers, and be able to be informed and to inform others of emergency situations and to access emergency services.

Presently, every telephone can interconnect with every telephone, but every computer cannot hook up with every computer. If in the future, computers replace telephones and become the basic standard equipment for communication, a mechanism must be in place to ensure that all Americans can continue to be interconnected as they are presently via the telephone.

Central to the concept of universal service is access for public institutions, which provide services to a broad segment of our population. We must ensure that key institutions in our society—schools, libraries, and rural hospitals—are also assured affordable access to telecommunications services.

That can not be done when schools and libraries are paying business rates for educational services like access to the Internet. Business rates are frequently beyond these institutions' ability to pay—and without access, I am concerned about the consequences.

The Internet, the "information highway," is increasingly critical to our children and our Nation. How can we hope to compete in the world economy if our educational institutions are unable to link with a critical telecommunications link?

I strongly believe that the economic future of our children is inexorably tied to their education. In turn, education is becoming increasingly entwined with the use of emerging technologies and the information these services carry and provide.

Our schools need access to educational telecommunications services to prepare our children for economic success. In the 21st century, our children will be competing in a global economy where knowledge is power. Their future depends on their ability to master the tools and skills needed in that economy.

Unfortunately, there is a widening gap between the high expectations of an increasingly technologically driven society and the inability of most schools—particularly rural schools—to prepare students adequately for the high-technology future. Almost 90 percent of kindergarten through 12th grade classrooms lack even basic access to telephone service.

Telecommunications can help us provide a world class education to children across America. If we want young people to actively use the technology of the future so it becomes second nature to them, then we must ensure that schools are part of the national information infrastructure.

For starters, telecommunications will enable students and teachers to do research in libraries across the country and the world, and to connect to experts and other students across the country. It will ensure that small schools in remote rural areas, and schools with limited financial resources have access to the same rich learning resources.

Consider that only 30 percent of schools with enrollments of less than 300 have Internet access, while 58 percent of schools with enrollments of 1,000 or more reported having Internet access. Only 3 percent of classrooms in public schools are connected to the Internet, and cost is cited as a major barrier to access.

Rural schools and libraries usually pay more for access to information services than schools and libraries in urban areas because the information service providers do not have access points in local calling regions, meaning that rural schools and libraries must make a long distance telephone call to

access the Internet and other information services. It is imperative that access the information superhighway be affordable, because America's schools and public libraries operate on very slim, inflexible budgets.

And it is an area where we need the strength and innovation of the private sector as well. That's why I am especially pleased to note that NYNEX and the independent telephone companies that serve Maine have already taken steps to deploy and encourage the utilization of needed telecommunications services throughout Maine. As a result of a unique agreement with Maine's telephone companies—all Maine libraries and schools are now eligible to receive substantially discounted long distance services that will now allow access to a broad range of information services.

But schools and libraries in Maine and across America will not be the only ones to benefit from this provision. So does our health care system through telemedicine. When I served in the House of Representatives, I cowrote the Rural Health Care Coalition's "Rural Health Care Bill of Rights."

The paper argued that Congress should adopt policies that seek to ensure that those who live in rural areas receive the same quality of health care as other Americans. All Americans, regardless of their age, income, employment status, medical history or geographic location, have a right to access affordable, quality health care.

Telemedicine can help us achieve this goal by enabling physicians in rural areas to communicate through state-of-the-art telecommunications networks with providers and specialists in other areas.

With Telemedicine, a burn victim in Presque Isle, ME, may be able to get care from some of the Nation's best burn specialists, without ever leaving the local hospital. Rural doctors will be able to connect directly to major hospital centers for consultation, diagnostic assistance, and ongoing professional education. However, rural areas pay significantly more than urban areas for transmission of Telemedicine services.

Mr. President, I believe that the Snowe-Rockefeller provision is fundamentally important to assuring that we do not end up with a two-tiered telecommunications system in America.

The Snowe-Rockefeller provision is fundamental to assuring that all areas in America have access to the essential telecommunications services of the future. And it is fundamental to ensuring that this legislation provides a solid foundation for the future.

Mr. President, I believe that this legislation offers tremendous promise, making this among the most exciting and meaningful bills we will vote on this session.

By promoting true competition in telecommunications while providing necessary safeguards that further the goal of competition and serve the public interest, this conference report offers a strong framework on which the technological future of America can be built. I believe that this bill strikes the right balance that is needed, and offer my strong support. Thank you, Mr. President. I yield the floor.

Mr. DASCHLE. Mr. President, I am pleased that after years of struggle, the Senate has before it, a telecommunications reform conference report that represents the dawning of a new telecommunications era in this country.

I want to commend the Commerce Committee chairman, Senator PRESSLER, and the ranking member, Senator HOLLINGS, for their hard work and efforts in bringing a measure before us today that will enhance true competition in telecommunications without shortchanging American consumers.

This is complex and potentially far-reaching legislation, that will affect an economic sector that constitutes 20 percent of our economy, and whose services reach virtually every American.

Mr. President, this bill is all about competition in telephone services, cable services, information and data services, and broadcasting services. By unleashing these competitive forces, innovation and progress will flourish in the rapidly expanding telecommunications field, and will greatly increase the opportunity for every citizen to affordably access the rapidly changing world of advanced telecommunications technology.

While this legislation focuses on competition and deregulation, the conference report contains essential rural safeguards in the form of universal service provisions that will benefit our rural communities and greatly increase their ability to persevere in the 21st century.

There is little doubt that our urban areas can and will sustain the enormous expansion of telecommunications services in the years ahead. We must make certain that our rural areas are not left behind as services expand and new products come on line. In the long run, universal service at high standards nationwide is in the best interests of the entire economy.

I believe that telecommunications reform is essential in preserving the economic vitality of rural America and am optimistic that the affordable accessibility to these new telecommunications services will be the harbinger for a new renaissance among the main street economies in communities throughout rural America.

Already, many in my home State of South Dakota are beginning to realize the importance and value of telecommunications services. Many small, rural medical clinics and hospitals are linking together with larger, more urban hospitals via telemedicine to provide their citizens with a higher quality of care. Children in schools that are hundreds of miles from the nearest population center can now have access to the world's greatest libraries at their fingertips. An increasing number of South Dakota agricultural producers are determining weather forecasts and market reports with a simple keystroke. And all across main street South Dakota, small businesses are reducing their overhead via networking services, reducing their paperwork through electronic mail, and saving thousands of dollars a year in travel expenses through their use of teleconferencing.

And all of this is just the beginning. As these technologies continue to develop, the playing field for economic development will begin to level. South Dakota is already enjoying the benefits of advanced telecommunications and they can only stand to benefit from further telecommunications reform.

The bill before us also recognizes the important role that must be played by Public Utilities Commissions [PUC's] in rural States. PUC's are the best entities to judge whether a given market within their State can support competition. That's not a judgment we should make from Washington.

Nor is it something we can or should leave to the unbridled, unsupervised judgment of the private sector. Those who have taken the risks and made the investments to extend cable or phone services to smaller rural communities should not be placed at risk of being overwhelmed by larger, better-financed companies.

I want to note, Mr. President, that consideration of this conference report was delayed by the concerns raised by Senator DOLE and others about the future use of broadcast spectrum. There is no question that the issues surrounding national spectrum management policy are complex, and worthy of full debate and thorough consideration in the Congress. I am pleased that the telecommunications conference report, which in my view is not a spectrum giveaway bill, will move to the President's desk for his signature.

Mr. President, let me once again congratulate the distinguished chairman and ranking member for their efforts in producing this telecommunications reform conference report.

Having been raised in a small community in rural South Dakota, I can truly remark with wonder and appreciation at the rapid pace in which our communities are being brought together through the use of telecommunications services. The changes that have occurred in our lives due to these services have been remarkable, and have benefited society greatly. I believe that the telecommunications reform conference report before us

today strikes the balance needed between deregulation and consumer protection to allow these services to continue their remarkable advances in improving our society and preparing us for the challenges ahead.

Mr. KERRY. Mr. President, the United States and, indeed, the world have embarked upon a new technological revolution. Like previous revolutions sparked by technological innovation, this one has the potential to change dramatically our daily lives. It will certainly transform the way we communicate with each other.

What we are witnessing is the development of a fully interactive nationwide and, indeed, worldwide communications network. It has the potential to bring our Nation and our world enormous good; without appropriate groundrules to assure fair competition, however, this revolution could create giant monopolies. It could hurt workers and families. We bear a tremendous responsibility to assure that does not happen with this legislation. The communications policy framework we create here will determine whether many voices and views flourish, or few voices dominate our society.

The impact of this new age communications revolution on the way we send and receive information, and the way we will view ourselves and the world, is profound. Even more staggering is its potential impact on our economy. We could be seeing the largest market opportunity in history. Some forecasters, including the WEFA Group in Burlington, MA, predict an opening of the telecommunications market this year to full competition would create 3.4 million new jobs, increase GDP by $298 billion, save consumers nearly $550 billion in lower communications rates and increase the average household's annual disposable income by $850 over the next ten years. As the Communications Workers of America have underscored, delaying free and fair competition means fewer new high-wage, high-skill jobs.

For workers and companies in Massachusetts, which has a significant comparative advantage in technology or knowledge-intensive industries, this legislation is good news. It should expand opportunities for our current telecommunications companies, it should create a fertile climate for the creation of new companies and it should create more family-wage jobs. The telecommunications industry in Massachusetts is well situated to take advantage of the communications and information revolution.

New telecommunications-related or dependent technologies and industries seem to be emerging and merging almost daily. They range from such sectors as entertainment and education to broadcasting, advertising, home shopping and publishing. One key player in this revolution is the Internet—the global computer cooperative with a current subscriber base of approximately 37 million in North America alone and a 10–15 percent monthly growth rate. One billion people are expected to have access to the "net" by the end of the decade. While some may consider the "net" to be the revolution, it is only one of many players in the new communications network game.

We see examples of this new era almost daily, such as someone driving a car while talking on a cellularphone. In the future, we are likely to see more Americans accessing video dialtone, choosing their television programs through their telephone service. Likewise, cable franchises may enter the local telephone service market. Residents of Springfield, MA, may be able to watch their state legislators in Boston debate an education bill and instantaneously communicate with those legislators about how to vote on an amendment.

As we consider this brave new age of communications, it is clear the current law, the 1934 Communications Act, is not a sufficiently sturdy foundation upon which to build a communications system for the 21st Century. Moreover, although the courts on occasion properly have intervened to halt monopoly abuse—most notably a little over a decade ago in the telephone industry—we should no longer leave the fundamentals of telecommunications policy to the courts.

The conference report on S. 652, the Telecommunications Competition and Deregulation Act of 1996, is not perfect. In some respects, I would have preferred S. 1822, the bill crafted so ably by Senator HOLLINGS and reported by the committee in 1994. However, the conference report before the Senate now is preferable to the status quo. It will foster competition and establish fair and reasonable groundrules for the intense competition that will continue in the communications sector as we enter the next century.

This legislation sets forth a national policy framework to promote the private sector's deployment of new and advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition. Free and fair competition and maintaining universal service are the twin pillars of this new framework.

The bill seeks to assure that no competitor, no business and no technology may use its existing market strength to gain an advantage on the competition. The legislation requires that a company or group of companies satisfy certain competitive tests before being able to offer a new service or enter a new market. Entry into new services and new areas is contingent upon a demonstration that competition exists in the market in which the business currently competes. But once competition has been achieved, most Federal and State regulation is replaced by consumer demand to regulate the market.

These fundamental features of the conference report on S. 652 are designed to create a level playing field where every player will be able to compete on the basis of price, quality, and service, rather than on the basis of monopoly control of the market.

The conference report also maintains universal service as a cornerstone of our Nation's communications system. With many new entrants in the communications market, the legislation provides that every player is to pay his fair share to continue universal service throughout our Nation.

I am also pleased the conference report includes three amendments which I sponsored. The first deals with the cable broadcast rates for public, educational and governmental entities, known as "PEG" access groups. These are the local channels that produce and broadcast such things as town council meetings, Chamber of Commerce seminars and little league baseball games. My amendment will assure the continued production and broadcast of these important community events by guaranteeing that the PEG access groups are not charged more than local broadcasters to air their programs.

The second amendment will establish a level playing field for independent payphone providers. For too long, these small, independent entrepreneurs have gone toe-to-toe against some of the biggest players in the telecommunications market. We have in Massachusetts about 75 independent payphone providers, employing several hundred people. They range from "mom and pop" operations with a handful of payphones to several that have more than 1,000 payphones. Virtually all of them have invested their own capital in their businesses, from life savings to the proceeds of mortgages on their homes, and it is a tribute to their perseverance that they now own ten percent of the payphone market in Massachusetts. My amendment will allow all the players in the payphone market to compete against each other on the basis of price, quality and service, rather than on marketshare and subsidies.

The third amendment will make sure that as we build the information highway, the builders do not bypass poor rural or urban communities. When interstate highways were built through cities across our Nation, oftentimes they went directly through poor neighborhoods. Construction of the technology interstate system must not be allowed to detour around children and families in the same or similar areas who already face enormous challenges. My amendment is designed to assure that the telecommunications network

will reach every neighborhood, offering access to those who need it most for a decent education, to upgrade their job skills or to connect them to medical help they need.

Another provision that I am pleased was included in the final hours of negotiations on the conference report relates to local regulation of public rights-of-way. The language added to the conference report brings needed clarification to this area. It retains for local authorities the right to regulate public rights-of-way while at the same time guaranteeing that if local authorities exercise that latitude, they do so in a manner that is non-discriminatory and competitively neutral. A cable or phone company that needs to tear up a street to lay new line should not be allowed to disturb a neighborhood in the middle of the night. The clarifying language on public rights-of-way should help in this regard.

Through the debate we have had on this legislation, I believe we have crafted a solid telecommunications policy framework for the next century. Today, each of us is in a sense a pioneer heading out on the new information highway. Each of us is not only a witness to, but a participant in, one of the most amazing technological revolutions in history. We, as legislators, bear a special responsibility to assure that competition in this new era is fair and that every American in this and future generations may enjoy the fruits of this competition. This is truly one of the greatest challenges we face as we enter the 21st century.

I want to express my deep admiration for the outstanding work my good friend and colleague from South Carolina, Senator HOLLINGS, has done on this landmark legislation. He has exercised visionary leadership throughout this long and arduous process. I also want to extend my appreciation to his very able staff, particularly Kevin Curtin, John Windhausen and Kevin Joseph, for their tireless efforts and the good humour they always brought to the task. I also want to thank Chairman PRESSLER and his staff for their hard work on this legislation.

Mr. THURMOND. Mr. President, I rise to commend the leadership, the distinguished chairman of the Commerce Committee, Senator PRESSLER, and the distinguished ranking member, Senator HOLLINGS, for their extensive efforts and good work on the Telecommunications Act of 1996. I am pleased that the Senate is now giving consideration to final passage of this legislation.

I have seen the telephone business develop from its infancy, when obtaining a party-line telephone was a truly amazing step for many Americans, to today's tremendous range of telecommunications products and services. It is impossible to predict what the future holds in this dynamic sector of our economy, but it is clear that telecommunications is among the most critical and far-reaching issues before the Congress.

As the chairman of the Judiciary Committee's Antitrust, Business Rights, and Competition Subcommittee, two important antitrust issues deserve mention as we consider final passage of this historic legislation.

First, I am pleased that the legislation now includes a meaningful role for the Department of Justice in determining when the Bell Operating Companies should be permitted to provide long distance telecommunications. As I have previously stated, the Bell companies certainly should be allowed to enter long distance markets under appropriate circumstances, for it is generally desirable to have as many competitors as possible in each market. The issue is how to determine the point at which entry by Bell companies will help rather than harm competition. That question, quite simply, is an antitrust matter which will be informed by the antitrust expertise and specialization of the Antitrust Division of the Justice Department.

The Justice Department's Antitrust Division has been deeply involved in nurturing and protecting a competitive environment in this industry for more than 20 years, through five administrations. The Justice Department was responsible for the breakup of the AT&T telephone monopoly, which created the current Bell companies. The Antitrust Division has been evaluating the potential competitive effects—positive and negative—of Bell entry into long distance since that time. Through this work, the Division has achieved unparalled expertise which is bolstered by its experience and perspective gained from evaluating numerous markets throughout our economy.

Anticompetitive conduct in long distance markets was at the heart of the Antitrust Division's case against the old Bell system monopoly, and it has been a central concern in the current legislation. During the debate over the telecommunications bill in the Senate in June 1995, I was on the floor for several days with an amendment to give the Department of Justice primary responsibility to determine when the Bell operating companies should be permitted to enter long distance markets, and to avoid duplicative efforts by the Federal Communications Commission.

My amendment to give the Antitrust Division independent authority only narrowly failed on the Senate floor last June, while in August a similar amendment received the support of more than one-third of the House of Representatives. When it became clear that there would be one consolidated procedure within the FCC to decide on Bell applications for long distance authorization, it became important to ensure that the antitrust expertise of the Antitrust Division would be given adequate weight in the decision.

I am pleased that in the final legislation we are considering today, proposed long distance entry is determined by the FCC subject to judicial review, but only after the FCC consults with the Attorney General on the application, and gives the Attorney General's evaluation substantial weight. This process, which permits the Attorney General to submit any comments and supporting materials deemed appropriate, is critical to making accurate and proper determinations about long distance entry. Through its work in investigating the telecommunications industry and enforcing the MFJ, the Antitrust Division has accumulated important knowledge, evidence, and experience that can be constructively brought to bear on these evaluations.

The substantial weight requirement will also ensure that the expertise of the Antitrust Division will be brought to bear in any appeal of a decision made on long distance entry. If the FCC rejects the Antitrust Division's recommendation, the court must look to the weight the FCC accorded the Attorney General's evaluation in ascertaining whether the FCC correctly followed the law.

Review of this legal requirement should be governed by the standard that generally applies to questions of law. As a practical matter, this legal requirement ensures that the reviewing court will consider the Antitrust Division's position on the merits—and will assess for itself the views and evidence put forward in support of that position—and will not discount that position out of customary judicial deference to the FCC's decision. Moreover, the Antitrust Division retains its full authority to represent the interests of the United States on appeal, which permits it to contribute its unique antitrust expertise and perspective to the judicial process.

The second important antitrust issue in this legislation is the unequivocal antitrust savings clause that explicitly maintains the full force of the antitrust laws in this vital industry. Today we take for granted that the antitrust laws apply to the communications sector. During the Antitrust Division's antitrust case in the 1970's against the Bell system, however, some argued that the existence of FCC regulations displaced the antitrust laws and made them inapplicable. The courts emphatically rejected that challenge them, and the antitrust savings clause in the bill today makes clear that that question cannot be reopened. A strong, competitive communications sector is essential to continued American prosperity in the next century. Application of the antitrust laws is the most reliable, time-tested means of ensuring that competition, and the innovation it fosters, can flourish to benefit consumers and the economy.

The antitrust savings clause makes clear, for example, that the antitrust enforcement agencies are not barred from scrutinizing, under appropriate circumstances, the home satellite broadcasting market, even though the new provision in section 205 of the bill gives the FCC exclusive jurisdiction to regulate the provision of direct-to-home satellite services. While some might have been tempted to read that provision to mean that the antitrust enforcement agencies would not have any jurisdiction over these activities, the antitrust savings clause makes clear that that is not the case. The same is true of other provisions of the bill, including those concerning access requirements for commercial mobile providers—section 705—limits on telco-cable buyouts—section 302—and broadcast ownership—section 202—and the joint marketing of commercial mobile services—section 601(d). In each case, the antitrust laws will continue to apply fully.

Continued application of the antitrust laws is also the rule where the Bell companies' entry into the long distance market is concerned. The fact that the Attorney General is given a defined role in the FCC proceeding to decide Bell entry does not in any way supplant or limit the separate applicability of the antitrust laws or the Justice Department's antitrust enforcement authority—either pre-entry or post-entry. For example, if a Bell operating company sought to enter long distance markets through a merger or acquisition, that merger or acquisition would be fully subject to review under the Clayton Act. Likewise, if a Bell operating company were to engage in anticompetitive conduct after being granted entry into the long distance market, the Antitrust Division would not be precluded from addressing that conduct through the antitrust laws.

The importance of the antitrust savings clause is underscored by the decision to repeal section 221(a) of the Communications Act of 1934. That provision, a relic from the period when Federal policy sought to promote monopoly over competition, exempts mergers between telephone companies from antitrust review. That is an era I believe all of us agree should be put behind us, and the fact that this exemption has been eliminated in this legislation is another confirmation that the Congress intends for the antitrust laws to be the means by which free markets are maintained in telecommunications.

Finally, the hearing of the Antitrust, Business Rights, and Competition Subcommittee, which I chaired in May 1995, confirmed the importance of competition to achieve lower prices, better services, and products, and more innovation in telecommunication markets for the benefit of consumers and our Nation. I am pleased, therefore, that this legislation preserves the role of the Antitrust Division in applying the antitrust laws—which have protected free enterprise for over 100 years—in the telecommunications industry.

Mr. President, enacting legislation of this magnitude, where the stakes are so high for so many businesses and other interested groups, inevitably requires the resolution of many conflicts. I would like to commend all those who worked on this legislation and kept focused on the ultimate objective—replacing regulation and monopoly with healthy free market forces. This is the role that the Congress should play to assist this industry, as well as American consumers and the entire American economy. I urge the Senate to pass this important legislation.

UNFUNDED MANDATES

Mr. KEMPTHORNE. The majority leader is aware that State and local governments had previously raised an issue with this Senator that certain provisions of the conference report on S. 562 may violate the Unfunded Mandates Reform Act of 1995 regarding local governments' ability to manage their rights-of-ways. The majority leader is also aware that I have worked with the Senate and House conferees for several days to resolve those difficulties and insert language to the satisfaction of the local representatives of State and local governments.

Mr. DOLE. The Senator from Idaho is correct. I am aware that he has worked to represent the interests of State and local governments to assure that there is no unfunded mandates impact on them in this bill.

Mr. KEMPTHORNE. The majority leader is aware that the Unfunded Mandates Reform Act of 1995 does not require the Congressional Budget Office to prepare an estimate of the impact of mandates on State and local governments for conference reports and that the Congressional Budget Office is currently preparing an estimate on this conference report. Based on discussions my staff have had with CBO, it is my understanding that this conference report does not include unfunded mandates.

Mr. DOLE. That is correct.

Mr. KEMPTHORNE. Will the majority leader agree that in the event the Congressional Budget Office determines that there are any unfunded mandates in S. 562 that he will work with me to make technical corrections in the bill to eliminate those mandates.

Mr. DOLE. Yes.

Mr. KEMPTHORNE. Will the majority leader agree that in the event such technical corrections bill comes from the House which corrects any unfunded mandates found by the Congressional Budget Office that he will seek to have the Senate take up the bill to make those corrections.

Mr. DOLE. Yes, I do agree.

Mr. FEINGOLD. Mr. President, I rise in opposition to the conference report on S. 652, the Telecommunications Act of 1996.

I know, Mr. President, that the conferees have made a number of improvements to this legislation and that many of the stakeholders in this bill are pleased with the results.

And it is with regret that I must oppose this bill. But I cannot in good conscience cast a vote for legislation that I believe violates our fundamental first amendment rights to freedom of expression.

The Internet indecency provisions of S. 652, as passed in the Senate, remain virtually intact in the conference report. I am referring to the sections of this bill which would subject to criminal penalties constitutionally protected speech via interactive telecommunications networks—the so-called Internet Indecency provisions.

The sponsors of the Internet provisions have good intentions—to protect children from those who might use the Internet to harm them. Sadly, there are those who will use the Internet, as they will use any tool, to victimize children. The sponsors of the Internet provisions of this bill have pointed to the obscene materials and child pornography that can be accessed via the Internet. To be sure, Mr. President, it is out there.

Unfortunately, the provisions in this bill will do very little, if anything to protect children. That is because much of what the proponents of this legislation wish to banish from cyberspace is already subject to criminal penalties—obscenity, child pornography and child exploitation via computer networks are already criminal acts.

So, if that is the case, what exactly does the provision in the conference report cover? It covers "indecent" speech which is afforded far greater constitutional protection than obscenity which is not protected by the first amendment. What is indecent speech? Indecent speech may include mild profanity that children hear on the playground well before they read it on a computer screen. While that language may be offensive to some, it is protected by the first amendment.

Mr. President, I have found the rhetoric of the Internet debate interesting. The terms obscenity and indecency have been used interchangeably even though they have very different meanings. I have heard parents voice legitimate concerns about the obscene materials available via computer networks. I have heard them express outrage that their children are solicited by adults for exploitative purposes. But I have never heard a parent say there is too much profanity on the Internet. And yet, that is precisely what this bill covers. Rather than addressing the enforcement needs of existing law, it adds unnecessary to provisions to criminal statutes.

That is a fundamental flaw, Mr. President. The legislation does not address the problem it seeks to solve. This does nothing more than current law does to prevent obscenity on the Internet. Instead, this bill steps in and decides for parents which speech is appropriate for their children and which is not. I would contend, Mr. President, that is the role of parents, not the federal government, particularly given that technology exists for parents to block objectionable material.

I think, Mr. President, this legislation will do more harm than good. Will parents become less observant of their childrens' use of the Internet now that they think the government has solved the problem? Will they fail to use the technology available to them to regulate their children's access to sites on the Internet? I fear that they will because the U.S. Congress has led them to believe that these new provisions protect children when in fact, they do not.

This legislation which provides no additional protection for children comes at a great cost—our rights to free speech over the Internet. This legislation, when it becomes law, will establish different standards for the same speech appearing in different media. More protection will be afforded for profanity that appears in a library book than for the same text which appears on-line. Equally important, this legislation will require all adults to self censor the speech on public newsgroups on USENET to what is appropriate for children in the most conservative American communities. This legislation will bring about the immediate demise of many socially valuable forums on the Internet. It will likely happen as quickly as CompuServe dumped some 200 newsgroups from their network after a German prosecutor suggested they might violate German law.

I have come to this floor many times to speak on this topic and I will not take the Senate's time to reiterate the many arguments against these provisions.

I do think, Mr. President, that this is a sad day on the Senate floor. That the Internet indecency provisions have met with the barest resistance in this Chamber, indicates how quickly this Congress is willing to abandon the United States Constitution in favor of political expediency.

My hope, Mr. President, is that the expedited judicial review process provided for in this bill, will quickly lead to a judgment that the Internet indecency provisions are unconstitutional. In the meantime, Mr. President, I will work toward solutions that will protect children on the Internet without trampling on the first amendment.

Mr. REID. Mr. President, the conference report on S. 652 is finally being considered by the Senate. We have heard much about the positive changes to this bill and the ramifications for the telecommunications industry. But I must still express my concern about the absence of a provision that I see as vital to the protection of the American consumer. I am referring to the capability of telecommunication entities to develop monopolies and dominate marketplaces to the detriment of the consumer.

This Nation learned through long and hard experience that laissez-faire attitudes towards industries does not protect smaller entities when larger competition comes along and certainly does not provide safeguards where consumers are concerned. I acknowledge the roles of government oversight that the bill does now provide. But the larger corporations will not be constrained in their ability, should they desire, to monopolize media and various telecommunication mediums. And in our effort to allow such an environment do we want to place the consumer on the altar of deregulation?

Nevertheless, my constituents from Nevada believe this bill will provide genuine competition. And I note with some pride, their foresight and fairness in establishing a telephony commission to watch over the changes within the industry. Mr. President, the telecommunications industry is clearly evolving. Everyday we read of new emerging technologies that will directly impact all that this bill is trying to accomplish. While we should give it freedom to compete; we must, as is our responsibility, watch carefully to protect the consumers and small businesses so that this sphere of our economy is truly competitive. Despite my reservations, I will vote for this bill because there are positives and I hope that steadfast government oversight will preserve the competitive marketplace.

Mr. BREAUX. Mr. President, anyone who has followed the debate over telecommunications legislation in recent years knows that much of it has been over when and under what conditions the Bell companies will be allowed to compete in the long distance market S. 652 resolves this issue.

Congress has determined that removing all court ordered barriers to competition—including the MFJ interLATA restriction—will benefit consumers by lowering prices and accelerating innovation. The legislation contemplates that the FCC should act favorably and expeditiously on Bell company petitions to compete in the long distance business. There are various conditions for interLATA relief. These include the establishment of State-by-State interconnection agreements that satisfy the 14 point check list outlined in Sec. 271 of the bill. Bell companies also have to show they face competition from a facilities based carrier. They can also show that they have not received a legitimate request for interconnection from a competing service provider within three months of enactment.

In short, interLATA relief should be granted as soon as competing communications service providers reach an interconnection agreement. In some States these agreements have already been put in place with the approval of state public service commissions. In those instances, we see no reason why the FCC should not act immediately and favorably on a Bell company's petition to compete, once the test for facilities based competition is satisfied.

Congress fully expects the FCC to recognize and further its intent to open all communications markets to competition at the earliest possible date. The debate over removing legal and regulatory barriers to competition has been resolved with this legislation. Unnecessary delays will do nothing more than invite vested interests to "game" the regulatory process to prevent or delay competition.

The time has come to let consumers—not bureaucrats—choose.

Mr. HARKIN. Mr. President, today we are voting on the approval of historic telecommunications legislation that will reshape the landscape of the entire communications industry and affect every household in this country. The future success of America's economy and society is inextricably linked to the universe of telecommunications. After a decade of intense debate, this legislation rewrites the Nation's communications laws from top to bottom.

The bill before us, S. 652, has come a long way and survived many battles. It is not a perfect bill in the sense that no one got everything they wanted—but I believe it will unleash a new era in telecommunications that will forever change our society and make our Nation a key driver on the information superhighway. We should applaud this amazing effort and support the conference report to S. 652.

The debate over this measure has never been about the need for reform—everyone agrees that it's time. The real debate has been over how we reform our telecommunications law. The 1934 Communications Act serves our country as the cornerstone of communications law in the United States. The current regulatory structure set up by the 1934 act is based on the premise that information transmitted over wires can be easily distinguished from information transmitted through the air. So regulations were put in place to treat cable, broadcast, and telephone industries separately and for the most part, to preclude competition.

However, advances in technology have brought us to a melding of telephone, video, computers, and cable. Digital technology allows all media to speak the same language. These once neat regulatory categories between

telecommunications industries have started to blur and the assumptions upon which they are based are fast becoming obsolete.

The essential purpose of this measure is to foster competition by removing barriers between distinct telecommunications industries and allowing everyone to compete in each other's business. But how do we increase competition while simultaneously ensuring that everyone is playing on a level playing field?

Coming from a rural State, this was an especially important question for me. The overall goal of this legislation is to increase competition and I wholeheartedly believe that increased competition will benefit consumers. However, we must also recognize that telecommunications competition is limited in some areas, especially in many rural areas. The high cost of providing telecommunications to rural areas is prohibitive for most telecommunications service providers without some incentive. The 1934 communications bill understood this and adopted a principle called universal service, which was thankfully maintained and updated in S. 652.

The universal service concept charged the FCC with responsibility for "making available, so far as possible to all people of the United States a rapid, efficient, nationwide, and world-wide wire and radio communications service with adequate facilities at reasonable charges." So far we have done a heck of a job: 98 percent of American homes have television and radio, 94 percent have telephone, close to 80 percent have a VCR, while 65 percent subscribe to cable TV—96 percent have the option.

Without universal service protections, advanced telecommunications will blow right by rural America creating a society of information haves and have nots. S. 652 recognizes that the definition of universal service is evolving as the technology changes. S. 652 requires the FCC to establish a Federal-State joint board to recommend rules to reform the universal service system. The Joint Board will base its policies on principles which understands that access to quality, advanced telecommunications services should be provided to all Americans at a reasonable cost.

I was particularly pleased to support an amendment, now in the bill before us, which guarantees that our nation's K–12 schools, libraries and rural health care providers have affordable access to advanced telecommunications services for education. As Congress moves forward on this bold legislation it is vital to provide a mechanism to assure that children and other community users have access to the information superhighway. The information superhighway must be available and affordable to all Americans through schools and libraries.

And in the midst of the great battles among corporate titans like the Baby Bells and the major long distance carriers it's also important to balance the needs of the little guy. Small businesses are the backbone of economic and community life in this country. I was proud to put forward two provisions, included in this bill, which maintained the integrity of small businesses in the telecommunications revolution.

My first provision amended the telecommunications bill to allow companies with under 5 percent of the market nationally, to continue offering joint marketing services. Under current law, joint marketing companies can approach a business and offer to provide them local and long distance service together, at a low rate. The business therefore gets a low cost integrated service, with the convenience of having only one vendor and one bill to deal with for all their telephone service. In an effort to prevent the big long distance companies from having a competitive advantage, the original telecommunications bill would have prohibited joint marketing.

Such a prohibition would have put small company owners like Clark McLeod out of business. Mr. McLeod has been offering joint marketing services to businesses in Iowa for several years. In the process he has created thousands of jobs and filled a need for service. While I think any prohibition on joint marketing is anti-competitive, my proposal will at least allow the many innovative companies like Mr. McLeod, to continue their operations and continue to provide the services valued by so many Iowans.

My other small business provision prevents the Bell Operating companies from entering into the alarm industry before a level playing field exists. The burglar and alarm industry is unique among small businesses in the telecommunications industry. It is the only information service which is competitively available in every community across the nation. This highly competitive $10 billion industry is not dominated by large companies. Instead, it is dominated by approximately 13,000 small businesses employing, on average, less than ten workers. Vigorous competition among alarm industry companies benefits consumers by providing high quality service at lower prices.

Lastly, I am pleased that the Senate unanimously adopted two amendments I wrote to crack down on phone scams where enterprising swindlers have used the telephone to scam unsuspecting customers out of their hard earned money.

Today, it is all too easy for telemarketing rip-off artists to profit from the current system. The operators of many of these promotions set up telephone boiler rooms for a few months, stealing thousands of dollars from innocent victims. These scam artists often prey on our senior citizens. Then they simply disappear. They take the money and run—moving on to another location to start all over again.

My provision will protect consumers by providing law enforcement the authority to more quickly obtain the name, address, and physical location of businesses suspected of telemarketing fraud. It makes it easier for officers to identify and locate these operations and close them down. This change was requested by the U.S. Postal Inspection Service—our chief mail and wire fraud enforcement agency. They do a very good job and this provision gives them an important new tool to protect the elderly and other Americans from scam artists and swindlers.

I also succeeded in adopting a provision to help stop another outrageous phone scam that has added hundreds, even thousands of dollars, to a family's phone bill. Worst of all, this ripoff exposes young people to dial-a-porn phone sex services—even when families take the step of placing a block on extra cost 900-number calls from their home.

Companies promoting phone sex, psychic readings and other questionable services—often targeted at adolescents—use 800-numbers for calls and then patch them through to 900-number service via access codes. My amendment closes the loophole that allows these unseemly services to swindle families and restores public confidence in toll free 800-numbers.

If we pass this bill today, these provisions will become the law of the land. As Microsoft giant, Bill Gates said in a recent interview with Newsweek,

> The revolution in communications is just beginning. It is crucial that a broad set of people participate in the debate about how this technology should be shaped. If that can be done the highway will serve the purposes users want. Then it will * * * become a reality.

This bill is a starting point, a gateway to the revolution, that allows all Americans to participate. I urge my colleagues to support this conference report.

Mr. LEVIN. Mr. President, I would like to engage my colleague from Nebraska, the author of Title V of the telecommunications conference report, in a colloquy. I have a number of questions I hope you can answer to help clarify the intent of title V.

Is a company such as Compuserve which provides access to all mainframes on the Internet liable for anything on those mainframes which its users view?

Is a company like Compuserve which maintains its own mainframe and which allows people to post material on its mainframe liable for prohibited material that other people post there in the absence of an intent that it be used for a posting of prohibited material?

Is the entity that maintains a mainframe, such as a university, that allows a person to post material on its mainframe liable for prohibited material that other people post there in the absence of an intent that it be used for a posting of prohibited material?

When a user accesses prohibited material on a mainframe that was posted by a third party, does that constitute an "initiation" of transmission for which the entity maintaining the mainframe or the entity providing access to the mainframe is liable?

Mr. EXON. I appreciate the questions raised by my colleague, Senator LEVIN. These questions are important and helpful. In general, the legislation is directed at the creators and senders of obscene and indecent information. For instance, new section 223(d)(1) holds liable those persons who knowingly use an interactive computer service to send indecent information or to display indecent information to persons under 18 years of age. You can't use a computer to give pornography to children.

The legislation generally does not hold liable any entity that acts like a common carrier without knowledge of messages it transmits or hold liable an entity which provides access to another system over which the access provider has no ownership of content. Just like in other pornography statutes, Congress does not hold the mailman liable for the mail that he/she delivers. Nothing in CDA repeals the protections of the Electronic Message Privacy Act.

For instance, new section 223(e)(1) states that "no person shall be held to have violated subsection (a) or (d) solely for providing access or connection to or from a facility, system, or network not under that person's control, * * * that does not include the creation of the content of the communication." In other words, the telephone companies, the computer services such as Compuserve, universities that provide access to sites on Internet which they do not control, are not liable.

There are some circumstances, however, in which a computer service or telephone company or university could be held liable. If, for instance, the access provider is a conspirator with an entity actively involved in creating the proscribed information (223(e)(2)), or if the access provider owns or controls a facility, system, or network engaged in providing that information (223(e)(3)), the access provider could potentially be held liable. Access providers are responsible for what's on their system. They are generally not responsible for what's on someone else's system.

Even in these cases, however, an access provider that is involved in providing access to minors can take advantage of an affirmative defense against any liability if the entity takes "good faith, reasonable, effective, and appropriate actions * * * to restrict or prevent access by minors to such communications "(223(e)(5)). The Federal Communications Commission may describe procedures which would be taken as evidence of good faith. One such good faith method is set forth in the legislation itself—the access provider will not be liable if it has restricted access to such communications by requiring use of a verified credit card or adult access code (223(e)(5)(B)). This affirmative defense is similar to the defense provided under current law for so-called "dial-a-porn" providers.

I hope that this response provides clarification to the Senator.

Mr. LEVIN. Yes; it does, and I thank my friend from Nebraska for that clarification.

Mr. President, when the telecommunications reform bill was before the Senate in June, I supported giving the Justice Department a role to ensure that existing monopoly powers are not used to take advantage of the new markets being entered. While the effort to give the Justice Department a role in this process was not successful at that time, I'm pleased to see a Justice Department role included in the final version of the bill. This is good news for American consumers.

In addition to including a role for the Justice Department in determining when there is adequate competition in the local exchange, some of the other problems I had with the earlier bill have also been addressed in the conference report. For example, it protects the right of local governments to maintain access to their rights-of-way.

I believe we should try to keep obscene material from being transmitted on the Internet and by other electronic media. That is a constitutional standard that is well known. But the words used in title V of the bill dealing with this matter include "filthy" and "indecent," broad and vague enough so they are unlikely to meet the constitutional test. These words do, however, exist in current law covering telephone calls. That's why it's useful to have an expedited review to test the constitutionality of this provision which the bill provides for.

I don't think the intent of Title V is to hold Internet service providers liable for content they did not create or initiate. The previous colloquy with my colleague from Nebraska who is the sponsor of this provision developed this in greater detail.

While there are some problems with the bill, on the whole, it strikes a better balance between making needed regulatory changes to encourage technological innovations while maintaining adequate protections of the public interest than earlier versions of the bill. I will therefore vote for the conference report before the Senate today.

Mr. MOYNIHAN. Mr. President, I rise in support of the conference report to S. 652, the Telecommunications Competition and Deregulation Act. This legislation will promote significant new investment in and improvement of our Nation's telecommunications infrastructure. It will heighten opportunities to export American goods overseas. It will increase competition in many industries—the telephone industry, cable television, utilities, long-distance telephone service providers, telecommunications equipment manufacturers, and the alarm industry, to name several—leading to greater economic efficiency. Above all, the telecommunications bill marks a victory for consumers, who will enjoy lower prices and better services.

Mr. President, I voted against the bill when the Senate first considered it last June because I was concerned about a provision which purported to prohibit computer transmission of obscene or indecent material, particularly to minors. Such activity is, of course, reprehensible. But I voted against that amendment, No. 1362, which the Senate adopted, because I feared that we were taking action improvidently and without adequate consideration for its constitutional and practical implications.

I remain concerned that the conference report's provisions dealing with computer transmission of obscene or indecent material and language may be overly broad, but this is a matter for the courts to decide and the conferees have paved the way for expedited judicial review of the measure's constitutionality. Therefore, if this language is determined to be troublesome when put into practice, the courts will be able to correct it at the earliest possible moment.

Notwithstanding my concern about this particular matter, the bill on balance is meritorious and I urge the adoption of the conference report.

Mr. WARNER. Mr. President, today I rise to associate myself with the comments of the distinguished chairman of the Commerce Committee, Senator PRESSLER, and with the comments of the able majority leader, Mr. DOLE, regarding the conference report to S. 652, the Telecommunications Competition and Deregulation Act of 1995.

Mr. President, this is indeed a historic day in the annals of the Senate. By an overwhelming vote of 91 yeas to 5 nays, the Senate passed legislation which will revolutionize the telecommunications industry.

This landmark legislation will promote increased competition among telecommunications service providers and will remove Depression-era restrictions which have impaired the growth of this dynamic industry.

This bill will enact much needed reforms so that the telecommunications industry is prepared to meet the challenges, and opportunities, of the 21st century. The conference report language, while not perfect, represents a marked improvement over current law.

Consumers and firms in my own Commonwealth of Virginia will gain under this landmark legislation. Virginia is home to a rapidly developing high-technology and telecommunications industry. Northern Virginia, in particular, is at the forefront of this technological revolution and is poised to build on that lead under the bill.

Virginia's consumers will benefit from increased services and benefits at a lower cost as telecommunications providers compete for their business. At the same time, this legislation is pro-family and will assist parents in overseeing the type of programming that their children view.

In short, Mr. President, both consumers and industry will benefit from the passage of this historic bill. I would like to take this occasion to commend the distinguished chairman of the Senate Commerce Committee, Senator PRESSLER, and Chairman BLILEY of the House Commerce Committee, and the distinguished majority leader, Senator DOLE, for their leadership in bringing this critical legislation to the floor of the U.S. Senate. Most importantly, I want to thank the numerous Virginians who, over the past year, have provided me with their views and guidance on this issue.

Mr. President, I yield the floor.

Mrs. FEINSTEIN. Mr. President, I rise in support of the conference report for the Telecommunications Act of 1995. This legislation establishes real progress on important issues and I am pleased to provide my support.

This legislation creates a new regulatory structure for the rapidly evolving communications technology and fills an important need. The current regulatory scheme divides industries, like local telephone service and long-distance service, broadcast television, and cable television.

A new regulatory framework is needed, to permit the creation of new companies, new services, and promote competition between the previously separated lines of business. Stronger competition in the communications industry will bring new services to the market, present more choices for the public and lower prices to consumers. This bill significantly deregulates the communications industry to permit that competition to take place.

During consideration of the bill, I joined many of my colleagues in urging several components and I was pleased to see that a number of these important proposals were able to be incorporated in this legislation. Among the issues included were:

The V-Chip requirement, which will assist families to monitor television in their homes to protect children from unsuitable and inappropriate TV programming, including sex or violence. During the state of the union speech, President Clinton called for passage of the telecommunications legislation with the V-chip and a content ratings system for television programming. I am pleased Congress could address the concerns of families across America and incorporate these provisions.

The cable scrambling amendment I offered with Senator LOTT requiring cable companies to scramble indecent or sexually explicit materials to assist parents to protect minors.

Senator EXON's provisions to control access to indecent materials will require the operators of computer networks, like America Online, to screen out indecent materials for children. Conferees had a difficult time reconciling different proposals and I am pleased the provisions could be accommodated.

Assisting high-technology industry from inappropriate standards and requirements: During consideration of the bill, some of California's leading high-technology firms and computer companies raised a concern that regulations prepared by the FCC would deny flexibility and limit the computer industries' ability to develop standards based on market needs. Computer companies including Apple, Motorola, and Echelon, urge adoption of a provision prohibiting the FCC from developing overbroad regulations that could impede progress in the computer industry. I was pleased these provisions to allow the computer industry to develop and meet the needs of the market were incorporated.

I know my colleagues on both sides of the aisle don't want to stand in the way of technological innovation or consumer choice. When the Senate initially considered the legislation last May, Chairman PRESSLER observed that the computer industry has transformed America and that computer industry competition has brought huge benefits to our homes, schools and workplaces. These provisions preserve that competition, and keeps the government away from premature standards setting.

Adoption of a stronger role for the Justice Department to review competition in the telecommunications industry: In the years since the break-up of AT&T, the Justice Department has developed the expertise to promote competition in the communications industry and protect consumers. It would be a shame to squander that expertise just as new concerns for competition and fairness arise under this bill. With the passage of this legislation, we will enter a new era of telecommunications policy and the experience of the Justice Department will be critical in protecting strong competition and consumer interests.

Important steps to promote universal service: In the 1930's, the nation's universal service goals involved providing telephone service to everyone, but as communications have evolved, the concept of universal service also must develop and evolve as well. The bill recognizes the need to modernize the concept of universal service and will provide for telephone service discounts for schools, libraries and hospitals to protect against our station splitting into the high-technology haves and have-nots.

When this legislation came before the Senate last spring, I joined with our colleague Senator KEMPTHORNE raising concerns about the impact on our Nation's cities and counties. As a former mayor, I know how important it is to protect the cities' bridges, roads and other public rights-of-way. I know the local government officials remain concerned about the bill and the preemption provisions.

While legislative adjustments addressed some of the concerns of State and local governments, cities, counties and States remain concerned about the future and the possibility they could be brought to Washington before the Federal Communications Commission to defend local laws, regulations or fees.

The revised language clarifies that cities can impose fees on communications providers like cable companies, as long as the fees are imposed in a way that does not discriminate between different competitors and the fees are fair and reasonable. Further, the preemption authority only applies to communications issues and if the cities have other authority to regulate communications providers, they may continue to charge fees.

I am pleased that section 253(c) recognizes the historic authority of State and local governments to regulate and require compensation for the use of public rights-of-way. It further recognizes that State and local governments may apply different management and compensation requirements to different telecommunications providers' to the extent that they make different use of the public rights-of-way. Section 253(c) also makes clear that section 253 (a) is inapplicable to rights-of-way management and compensation requirements so long as those entities that make similar demands on the public rights-of-way are treated in a competitively neutral and nondiscriminatory manner.

As for the issue of FCC preemption, while I favored the complete elimination of the preemption provision, I am pleased that the committee could accept the view that authorizes the Commission to preempt the enforcement only of State or local requirements that violate subsection (a) or (b), but not (c). The courts, not the Commission, will address disputes under section 253(c).

The overwhelming vote in the House on the amendment offered by Representative BARTON and Representative STUPAK, as well as the unanimous acceptance of Senator GORTON's amendment in the Senate, indicate that the

Congress wishes to protect the legitimate authority of local governments to manage and receive compensation for use of the rights-of-way.

I am concerned that mayors, county commissioners, and State utility commissioners, including California Public Utility Commissioner, are concerned that State telephone regulations will be preeempted. This is an important issue in California where 31 companies have applied to begin offering services in July. Under the bill, California's efforts to license more competitors to offer local phone service could be preempted and slowed down if the Federal Government acts or declines to act. Under the bill, the State will be preempted and prohibited from acting contrary to the Federal decision.

I am troubled by the significant uncertainty which remains regarding the role of cities, counties, and States who may face added burdens. Earlier, the unfunded mandates legislation was signed into law, yet the Congressional Budget Office acknowledges that the legislation includes unfunded mandates for State and local governments. Further, CBO recognizes it lacks the ability to evaluate the potential cost. I will continue to monitor this issue and, if necessary, Congress may need to return to evaluate the balance between our State and local governments and the Federal Government on telecommunications policy.

Mr. President, the legislation raises important issues and represents important progress for the Nation. As a result of the bill, we can move forward with new technology, new products, and new services. The bill will open up exciting new challenges and opportunities and we should embrace them. I look forward to these exciting new challenges. While I remain concerned about mandates and the role of cities, States, and counties in our telecommunications policy, I am pleased by the exciting opportunities presented by the legislation. I am pleased to lend my support.

The PRESIDING OFFICER. Who yields time? The Senator from South Carolina has 14 minutes. The Senator from South Dakota has 6 minutes.

Mr. HOLLINGS. Mr. President, let me, as we acknowledge the contributions of so many—specifically on Senator STEVENS' staff, I meant to mention our friend Earl Comstock. I worked with him throughout the years on our Commerce Committee, and he was really diligent, along with Senator LOTT's staff, in the early days, Chip Pickering and now Kevin Pritchett, and, of course, Senator LOTT himself over there, along with Senator STEVENS.

On our side, you would have to comment on the contribution of Senator FORD, who has been down there helping us orchestrate everything. He has been there since the early times helping us, along with Senator EXON and his contribution on cyberporn and its control; Senator ROCKEFELLER, along with Senator SNOWE in the Snowe-Rockefeller particular amendment relative to the discounted rates of the schools, the libraries, the hospitals.

Senator BREAUX of Louisiana has been very, very active on this measure. I certainly want to thank him.

The reason we do this, Mr. President, to go right to the point while we have a minute, is so the public can understand the involvement.

We had involved in this particular measure and in the conference report, which has just been adopted, incidentally, over on the House side by a vote of 414 to 16. I do not know what happened to 16 people, how they got misled. I do not see why we did not get a unanimous vote, but, in any event, it shows the wonderful work done by Chairman BLILEY, Congressman MARKEY, and the others over on the House side.

Look at the entities involved: The regional Bell operating companies. They have a tremendous interest and influence, and the long-distance companies. I think that was the real contest. I mentioned earlier that on every Friday, we got together the RBOC's, the regional companies, and every Monday the staff would work. It was all on top of the table. There was no downtown lawyering and that kind of thing. It was all on top of the table with the long-distance companies. Necessarily, the long-distance companies had been thrown into competition at the time of the divestiture back some 10 years ago. And Bob Allen, chairman of AT&T said, "Look, I have a third less personnel. I am doing a third more work and making an increased profit." So as they downsized, as they call it, and became competitive, the best proof that competition has worked is with MCI and Sprint and AT&T and the rest of them that come in under that particular description.

But the long-distance companies have been so aggressive that they were beginning to move into the local exchange. I know of one particular concern this Senator had in the southern region where our friends at MCI said they were going to move into Atlanta with our friends of Bell South. Bell South is, yes, a monopoly, but it was a control monopoly whereby they could not get into long distance.

It was to our interest and the public interest, of course, that they not be cherry picked. In other words, take off the wonderful market of Atlanta and just leave the rest of the State wanting. That had occurred in downtown New York City with Teleport. So we wanted them to come in on an even-steven, balanced basis. Trying to work that out was really the task to bring them on board where they all approved of this particular bill and supported this particular bill. Not that they are 100 percent in agreement with every feature, obviously, but they realize this is a mammoth step forward in trying to bring the communications law of America into the modern technological age.

So we had the guidance of the 8(c) test from our friend Judge Greene where he ruled that there be no substantial possibility of using monopoly power to impede competition. Every word meant something to every communications lawyer. So we had to really get a checklist of "unbundling" and "dialing parity" and "access," and all these things to be agreed upon.

It took actually weeks on every one of those particular measures all last year where we worked around the clock to get it balanced and not overweighted one way and not let long distance come in and market without the ability, let us say, of our Bell companies to joint market also.

So we were educated about that and came around to a balance in this particular measure and now have the support of, and can you imagine of all of these entities supporting this particular measure: The regional Bell operating companies, the long-distance companies, the broadcasters, the cable TV companies, the cellular, satellite companies, the newspapers, burglar alarm, electronic publishing, public utilities, pay phones, minority groups, computers were vitally interested in the outcome of this particular measure, the schools, libraries, the hospitals. Snowe-Rockefeller, the Secretary of Education, Dick Reilly, and the administration were strong in this information superhighway of our distinguished Vice President.

The Department of Justice worked diligently to make sure it was not just a casual thing to send a letter or opinion over to the Federal Communications Commission and just be thrown in the wastebasket; that it should be given substantial weight to their opinion to make sure that no monopolistic tendencies and actual entities develop in opening up the markets for competition. The State public service commissions had to be coached and brought along. The cities, the retailers of equipment, the privacy groups, the local competition or competitors like Teleport, the manufacturers, the rural telephone companies, the independent program producers. I can go on and on. But we now have the support of every one of these groups.

I think we have it because we feel very strongly that the public interest has been protected in the long-distance section, in the broadcast section and carried over from the 1934 Telecommunications Act. The antitrust laws have been protected, as I pointed out.

One of the big disputes that we had was the takeover of 50 percent of the

broadcast market in the United States. Mr. President, I could be President if I had that. I would call up Madison Avenue and say, "You're not going to advertise your Miller High Life unless," and then I would complete my thought. You can control 50 percent of the television advertising in this country, and we also already saw a tendency by cable news—CNN did not want to carry certain parts of advertisements because it was against their interest. We tried to protect against that.

But if you had 50 percent, you might as well forget it, because the money is there, they buy it out, they control it. You could become the President, as we can see right now on the buying of the Presidency up in the distinguished State of New Hampshire where the distinguished Presiding Officer lives. I as a candidate, if I take the public moneys, am limited to $600,000. But if I have millions, I have spent millions, go to Channel 5 in Boston and cover Highway 128 going up to Nashua where half of the population of that great State resides.

It is not so much the flat tax as it is the sweep of the television control and the purchase. We will get to that later on with campaign financing, because I have a one-line constitutional amendment: The Congress of the United States is hereby empowered to control expenditures in Federal elections.

We have had bipartisan support, a majority vote. All we lack is two-thirds for that particular amendment. I go back to the day when our colleague from Louisiana, Senator Russell Long, was elocuting in 1974 about the Federal Election Campaign Practices Act and said every mother's son was going to be able to run for President. Nobody was going to be able to buy it. Now they are buying it. But let me go back to communications.

We are about to vote. We protected the 50 percent. We never would yield on that. That would be embarrassing for anybody to stand on the floor and ask for it. To tell you, the only reason I agreed to 35 percent is CBS. Westinghouse already has 32 percent, and we did not want to have to go backwards. Twenty-five percent is enough.

We protected the rural areas. The distinguished chairman of our committee, Senator PRESSLER, Senator STEVENS of Alaska, and Senator BURNS of Montana and all, they protected those rural areas. Any competitor that comes in must serve the entire rural area. They cannot just come in and take a part. The public service commissions or authorities will determine how competition will occur in those rural areas. The infrastructure sharing is provided for from the regional Bell operating companies to help them sustain. We learned a lot with that blooming airline deregulation.

I see I have a colleague who wants a few minutes. I want to yield to make sure he can comment.

The RBOC's, the checklist, and the long distance I have touched on. Universal service: Every carrier, Mr. President, coming into the local market shall contribute.

We have the Rockefeller provision and Senator EXON's cyberporn provision, which he is momentarily ready to address.

How much time do I have left?

The PRESIDING OFFICER. About 3 minutes 10 seconds.

Mr. HOLLINGS. I yield that to my colleague from Nebraska.

Mr. EXON. I thank my friend from South Carolina. My heartiest congratulations to Senator PRESSLER, the chairman of the committee, and my friend and colleague from South Carolina, the ranking member, for a job well done under some extreme circumstances. I congratulate you. I understand that the House has just agreed to the conference report by an overwhelming majority. I think the same thing will happen here.

Mr. President, I am pleased to voice my enthusiastic support for this most significant piece of telecommunications legislation since the enactment of the Communications Act of 1934.

As a Conference Committee member and author and backer of key provisions of the bill I believe that this legislation is good for American families, children and citizens in rural America.

Too often progress and discussions of this legislation has been segregated to the business pages of many of America's newspapers. Too much attention has been paid to how this bill affects large corporations. This legislation is not only about large corporations. It is legislation which will touch every person's life. It will open unprecedented economic, educational and information opportunities for all Americans.

Few pieces of legislation considered by this or any other Congress have so embraced the concerns and needs of America's children and families as has this legislation. I am very proud of the fact that this legislation includes the Communications Decency Act which I introduced earlier this Congress and in the last Congress to protect children from indecent, pornographic communications on the Internet and other computer services and to protect all Americans from computer obscenity and electronic stalking. With the passage of this bill, the Congress will help make the Information Superhighway safer for kids and families to travel. The current lawlessness on the Internet has opened a virtual Triple-X (XXX)-rated bookstore in the bedrooms of every child with a computer. This law alone will not clean up the Internet. Parental supervision, industry cooperation along with strict law enforcement, need to work together to make this exciting new technology the family friendly resource that it should be.

I am especially pleased that the conference report also included legislation Senator GRASSLEY and I put forward to crack down on those who use various means of communications to lure children into illegal sexual activity.

Concurrent with our efforts to make the Internet and other computer services safe for families and children, this bill includes legislation which will help turn the information revolution to the benefit of all Americans but especially for America's children. The Snowe-Rockefeller-Exon-Kerrey amendment which is part of this bill creates a unique partnership with private industry. It will ensure discount telecommunications rates for schools, libraries and rural health care facilities. This landmark provision will, perhaps, give children in Harvard and Cambridge, NE, opportunities to use telecommunications technologies to learn from libraries and scholars at Harvard and Cambridge Universities.

Another area of critical importance is in enacting legislation to require new televisions to contain the so-called V-chip which will give families an opportunity to block violent, vulgar or other objectionable entertainment programming from their TV set. If successfully implemented, this legislation will lead to the objective rating of programs and give to parents the power to bar from their homes those programs which assault their values. I was proud to co-sponsor the Senate V-chip amendment.

Mr. President, this legislation also represents a major victory for rural America. The conference report gives approval to the so-called farm-team provisions. These provisions assure that rural citizens enjoy telephone technologies and prices which are comparable to those in urban areas. The provisions also allow rural phone companies to pool resources with each other and with cable companies to share new technologies and to give states the power to prevent unfair cherry-picking competition in rural markets. Under the farm-team provisions States can require new telephone competitors to offer service to an entire community rather than just a select few highly profitable rural phone users. The provisions also give the Federal and State regulators flexibility in dealing with small and mid-sized phone companies. Too often, one-size-fits-all regulation needlessly pushes up costs for Nebraska's home town phone companies.

The farm team, by the way, is a group of rural Senators which pushed a package of rural-oriented reforms during last year's consideration of telecommunications legislation. As a charter member of the farm team along with Senators BOB KERREY, JAY ROCKEFELLER, BYRON DORGAN, TED STEVENS, and the current chairman of the Commerce Committee Senator LARRY

PRESSLER, it is very gratifying that our ideas on universal service, rural markets, regulatory flexibility and preferential rates for schools, libraries and rural health care facilities are now central principles of America's future telecommunications policies.

In a real sense this legislation is less about big corporation and more about changing the way Americans live, work and learn. No one will be untouched by this legislation. New options may confuse and frustrate some consumers at first, but will bring new services, new choices and more affordable prices to all Americans.

The barriers to investment and innovation have been removed while protecting the essential elements of a free market. The telecommunications reform bill does not disrupt the Nation's antitrust laws and does not change the Justice Department's role in policing unfair competition and predatory pricing.

Mr. President, most importantly this legislation illustrates that a Congress can make revolutionary change when it puts party labels aside and works together not as Democrats and Republicans but as Americans. I congratulate Senators HOLLINGS and PRESSLER and all the members of both parties and both Houses who brought this complex piece of legislation together.

Thank you, Mr. President.

Mrs. BOXER. I would like to congratulate Senator EXON and the other members of the conference on bringing this very important conference report to the floor today. However, I would like to bring their attention to one section that is very troubling to me.

Section 507 amends a preexisting section of the Criminal Code, 18 U.S.C. 1462, and applies to the Internet. Now, it is my understanding that your intent behind adopting this provision was to place reasonable restrictions on obscenity on the Internet. I support this goal. However, a section of this act may be construed to curb discussions about abortion. It seems to me this provision would certainly be unconstitutional.

Mr. EXON. I appreciate the Senator's raising the issue of this provision. I certainly agree with her that any discussion about abortion is protected by the first amendment guarantee of free speech. I certainly agree that nothing in this title should be interpreted to inhibit free speech about the topic of abortion.

Further, she is quite right that our interest in adopting this provision was to curb the spread of obscenity—speech that is not protected by the first amendment—from the Internet in order to protect our children.

Mrs. BOXER. Mr. President, with that assurance, I feel comfortable supporting this bill. And I hope that my colleagues who were also concerned about this provision will now feel comfortable supporting this bill. Once again, I thank the Senator for clarifying this point, and for his hard work on this bill.

Mr. EXON. Mr. President, those who have fought all efforts to bring some level of decency to the Internet have employed all sorts of rhetorical devices to defeat the Communications Decency Act.

The latest attack comes from those who suggest that amendments originally in the House bill to title 18 section 1462 somehow revive obsolete provisions of the Comstock Act—(related in information on abortion)—which courts have essentially determined to be unconstitutional. The amendments to title 18 merely clarify that the current laws which prohibit the importation, transportation, or distribution of obscene materials apply to computers.

The conference committee went to great lengths in section 507(c) to underline that the changes to the Criminal Code are clarifying and do not change the substantive coverage of the current law. The Congress last amended section 1463 in 1994 by increasing penalties for violations of this section. Nothing in this legislation prohibits constitutionally protected speech and this legislation does not revive other-wise dead provisions of that law any more than the 1994 amendment revived those very provisions.

I thank the Chair and I thank again those who put this act together. I am pleased that it is about to pass the U.S. Senate.

I yield the floor.

INTRALATA TOLL DIALING PARITY

Mr. BREAUX. Mr. President, when the Senate debated S. 652, Senator LEAHY from Vermont and I proposed an important provision concerning the obligation of the Bell Operating Companies to provide dialing parity for intraLATA toll calls. That provision, which was accepted by the Senate, balanced the needs of competitors to have access to 1+dialing capabilities for intraLATA toll calls and the Bell Companies' need to have the opportunity to compete fairly for all long distance traffic.

As Senator LEAHY has already indicated, the conferees adopted that requirement. The Bell Operating Companies' obligations for providing dialing parity for intraLATA toll calls are contained in section 271(e)(2). It is important to recognize that the provisions in section 251(c)(3) do not impose any additional obligation to provide intraLATA toll dialing parity on the Bell Operating Companies. Section 251(c)(3) applies to BOCs only after they have been authorized to provide interLATA authority in a State.

Mr. DOLE. Mr. President, we are on the verge of passing the most important piece of legislation in this Congress. By unleashing competition in the communications industry, America will have more jobs, a stronger economy, and more opportunity. It is a real economic stimulus package with one big difference: It relies on private-sector America, and not big government.

Mr. President, this bill has been in the works for over a decade. It has stumped Congress after Congress. I know that because I introduced the first deregulation bill after the breakup of the old "Ma Bell" system back in 1986, 10 years ago.

There is no doubt about it. This conference report was crafted in a bipartisan, I think nonpartisan, manner. It could not have been accomplished without the hard work of Chairman PRESSLER and his staff. Senator HOLLINGS has played a key role for years on this important issue.

I want to say an additional word about Senator PRESSLER. I know the committee chairman sometimes gets a little anxious and comes to the leader quite often about, "When are you going to take up my bill?" And I can report that I did not get by one day without Senator PRESSLER asking me that at least two or three times.

So I want to congratulate Senator PRESSLER for his dogged determination. I am very proud of the work he has done and the work of the other Members in the conference. We have some differences. We think there are still some things that should be addressed.

I am satisfied with the letter which I have received from the FCC with reference to spectrum. I do not have any desire to put a roadblock in the way of the spectrum option. But I wish to make certain the taxpayers get their money's worth. If it is not worth anything, that is fine. Let us have public hearings. Let us get it all out in the open. Let us make a decision, and then let us make that determination.

I am proud of the fact that this bill willl pass in a Republican Congress. It is no small feat. It was only 3 years ago Congress reregulated the cable TV industry. That is not to say that cable TV did not have its problems, because it certainly did. The difference is Republicans believe competition and not Government is the best regulator of the marketplace. Competition also means more choices for the American people. And choice provides the highest level of consumer protection.

It has been a tough bill to put together and some issues were resolved and some were not resolved. Important issues like the foreign ownership provision that were dropped, they would have helped American corporations pry open foreign markets that have been closed for too long. Or maybe it was the relaxation of the broadcast ownership rule which would have given the little guy access to capital and thereby be a stronger competitor. There could have also been language included that would have forbidden the FCC from

regulating the Internet. At the same time, we did take steps to help parents protect their children from indecent material that is prevalent on this new service.

I do not mean to take anything away from the bill and how it will propel our country into the next century. Instead, I wish to point out there is still much to be done. I think everybody has agreed to that.

I have also been openly critical of the provision in the telecommunications bill that would junk all television sets in the country and create a giant welfare program for television broadcasters. I have worked closely with Chairman PRESSLER, who has also been critical of this issue for some time, Senator MCCAIN, the Speaker, and many others.

So we have the letter. I am satisfied with it. They said, in any event, they would not be prepared until 1997, and it seems to me we are not going to retard progress in any way. We are just going to find out what the facts are. If it is worth $10 billion, $20 billion, $30 billion, $70 billion, or zero, the public will know after public hearings. We think the American taxpayers are entitled to at least that assurance. When we are talking about reducing the rate of growth of certain programs—Medicaid, Medicare, welfare—we ought to make certain we are not going at the bottom and giving somebody at the top a windfall. And again maybe someday, if we live long enough, this may be covered by the networks, the spectrum. I doubt it. They will be covering Members of Congress who might be going overseas on important business. But it could be that they might cover this, how much it is worth to them and how much it is worth to broadcasting generally.

I think it should happen. There should not be a double standard is what they keep telling us. I agree with them. So I expect we would have objective reporting on this particular issue.

Today we secured a letter signed by all five Commissioners at the Federal Communications Commission. These Commissioners stood with me, despite intense lobbying to do otherwise. That is courage and we owe them our thanks.

In that letter, these Commissioners committed to Congress,

> Any award of initial licenses or construction permits for advanced television services will only be made in compliance with the express intent of Congress and only pursuant to additional legislation it may resolving this issue.

I am determined to turn the FCC's commitment to us into a victory for the American taxpayer. But Congress will conduct hearings in the full light of day on this issue. We will follow through and address this issue. For those who think this is an idle threat, guess again. Because we will give this our utmost scrutiny.

Now, those may sound like tough words, but, Mr. President, taxpayers deserve nothing less.

In closing, let me also assure those skeptics that these letters are not—I repeat, are not—about saving face. It is about saving the American taxpayer billions of dollars and stopping a giveaway, a giant corporate welfare program.

Mr. President, despite this profound flaw, which we will fix, this legislation will create jobs and benefits that we yet cannot imagine.

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

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

FEDERAL COMMUNICATIONS COMMISSION,
Washington, DC, February 1, 1996.

Hon. LARRY PRESSLER,
Chairman, Committee on Commerce, Science and Transportation, U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR CHAIRMAN PRESSLER: Thank you very much for your letter this morning about the concerns expressed by Senate Majority Leader Dole and others regarding the distribution of additional spectrum to television broadcasters. We share the determination of you, Senator Dole and others to protect American taxpayers. As you know, under current law and pursuant to the language of the Telecommunications Act of 1996 (should it become law), the Commission lacks authority to auction, or charge broadcasters for the use of, the spectrum that has been identified for the provision of these broadcast services. In addition, given the many administrative steps necessary to implement any assignment of digital broadcast licenses, we would not be in a position to issue those licenses any earlier than 1997.

We recognize the serious policy questions involved, and that you intend to hold hearings and enact legislation dealing with this issue as part of an overhaul of policies governing the electromagnetic spectrum. Any award of initial licenses or construction permits for Advanced Television Services will only be made in compliance with the express intent of Congress and only pursuant to additional legislation it may adopt resolving this issue.

Very truly yours,

REED E. HUNDT,
Chairman.
JAMES H. QUELLO,
Commissioner.
ANDREW C. BARRETT,
Commissioner.
SUSAN NESS,
Commissioner.
RACHELLE B. CHONG,
Commissioner.

Mr. BREAUX. Mr. President, this telecommunications legislation is a deregulatory bill, and I am particularly pleased in this regard with the provisions covering commercial mobile services that lift the restrictions now disadvantaging the BOC affiliated CMRS carriers.

As soon as this bill is signed into law, the BOC affiliated commercial mobile service carriers can begin to offer the full range of end-to-end interLATA services to their mobile customers just as their competitors are able to do now. They need no Government action or approval.

I am pleased to have had the chairman confirm that my understanding is correct. Upon enactment, the MFJ interLATA restriction on commercial mobile service affiliates of the Bell operating companies is eliminated.

Mr. PRESSLER. How much time is remaining?

The PRESIDING OFFICER. Senator HOLLING's time has expired, and the Senator from South Dakota has 5 minutes 58 seconds.

Mr. PRESSLER. Mr. President, I yield 3 minutes to my colleague from Washington. I thank him very much for his work on this bill. It would not have happened without him.

Mr. GORTON. Mr. President, in dealing with highly complex and technical legislation, two requirements seem to me to be essential. The first is that those who have an interest in the legislation and have conflicts among themselves over what is most desirable, express their views so that Members can evaluate conflicting arguments and attempt to reach the truth.

Each of these interest groups gives lip service to the consumer interest and to competition, but it is only by testing the groups' competing ideas against one another that the consumer interest and competition can truly be served. That has clearly been the case in connection with the many year debate over telecommunications legislation. There were myriad interest groups. They had highly conflicting interests. I believe that we have reached good accommodations in connection with almost every one of those conflicts.

But the second and even more important requirement for dealing with legislation of this type is that the Members who deal with the issue in the committees, and particularly those who are in charge, keep the public interest as their objective. In this connection, I want to say how much that has been the case with the junior Senator from South Carolina [Mr. HOLLINGS] during his leadership in this process. Most particularly, however, I offer my appreciation to Senator PRESSLER, who was willing to listen to everybody, but be the prisoner of no one, in arriving at the right answers in connection with this bill. He did so in the Senate proceedings, and he did so as chairman of the conference committee. The fact that we are here today passing, nearly unanimously, this important piece of legislation is a real tribute to him.

Personally, Mr. President, I should like to note two aspects of this comprehensive legislation. I have a great interest in the competitive nature of the wireless industry, and I am gratified that most of my suggestions in that connection, to strengthen the industry's competitive position, have

been accepted. I am also delighted that we were able to protect our American children and the power of our American parents through the V-chip provisions and through other provisions, which will give more authority to family members to supervise what their children see.

Other details, obviously, cannot be gone into at the present time. This is a fine piece of legislation. As a result of the great work of our leaders, it will create employment for many tens of thousands of Americans, and ensure that telecommunications will be a cutting-edge industry in this country for many years to come.

I would like to clarify, and express my understanding, of a somewhat confusing provision in the bill regarding uniform pricing of cable rates. The conference report changes the uniform rate requirement in two essential ways. First, section 301(b)(2) of the legislation sunsets the uniform rate structure requirement in markets where the cable operator faces effective competition.

The second change to the uniform rate requirement is the addition of language that permits cable operators to offer bulk discounts to multiple dwelling units or MDU's. The language in this section permits cable operators to offer bulk discounts to MDU's, "except that a cable operator of a cable system that is not subject to effective competition may not charge predatory prices to a multiple dwelling unit."

I understand that there has been concern that this somewhat awkwardly worded section implicitly condones predatory pricing once there is competition in a market, or for subscribers who do not live in MDU's. Clearly it is not the intent of Congress to supersede the Sherman Act by allowing cable operators to engage in predatory pricing at any time or under any circumstances. In fact, the legislation includes a general antitrust savings clause in section 601(b). This clause guarantees that antitrust concerns still will be addressed in the telecommunications industry.

Mr. PRESSLER. I join in that praise of Senator DASCHLE and also Senator DOLE.

Mr. President, in closing this debate, let me say that we are passing a historic telecommunications bill that will have a sweeping impact. It is prospective, deregulatory, and it will affect every single American. It will have a great international impact. I know that our citizens will benefit greatly. There will be new devices and new technologies, and there will be lower prices. We are entering an era that is going to be like the Oklahoma land rush. There will be an explosion of new telecommunications opportunities for our citizens.

I thank all the Senators. I have had the privilege of visiting with all 100 Senators about this legislation. I also pay tribute to Congressman BLILEY, Congressman FIELDS, Congressman MARKEY, Congressman DINGELL, and others, whom I have had a chance, as chairman of the joint House-Senate conference, to become acquainted with. I have come to appreciate the work of a House-Senate conference. I want to pay tribute to our House colleagues who worked so hard on this legislation.

UNANIMOUS-CONSENT AGREEMENT

Mr. STEVENS. Mr. President, I ask unanimous-consent that, consistent with the law and the rules of the Senate Rules Committee, the maximum amount of copies of the Senate version of this conference report be printed and, if possible, that 50 copies be delivered to each Senator's office.

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

Mr. PRESSLER. Mr. President, I want to thank everyone. I yield the remaining time to the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the conference report accompanying S. 652. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Texas [Mr. GRAMM] is necessarily absent.

Mr. FORD. I announce that the Senator from Connecticut [Mr. DODD] and the Senator from West Virginia [Mr. ROCKEFELLER] are necessarily absent.

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

The result was announced—yeas 91, nays 5, as follows:

[Rollcall Vote No. 8 Leg.]

YEAS—91

Abraham	Domenici	Kerry
Akaka	Dorgan	Kohl
Ashcroft	Exon	Kyl
Baucus	Faircloth	Lautenberg
Bennett	Feinstein	Levin
Biden	Ford	Lieberman
Bingaman	Frist	Lott
Bond	Glenn	Lugar
Boxer	Gorton	Mack
Bradley	Graham	McConnell
Breaux	Grams	Mikulski
Brown	Grassley	Moseley-Braun
Bryan	Gregg	Moynihan
Bumpers	Harkin	Murkowski
Burns	Hatch	Murray
Byrd	Hatfield	Nickles
Campbell	Heflin	Nunn
Chafee	Helms	Pell
Coats	Hollings	Pressler
Cochran	Hutchison	Pryor
Cohen	Inhofe	Reid
Conrad	Inouye	Robb
Coverdell	Jeffords	Roth
Craig	Johnston	Santorum
D'Amato	Kassebaum	Sarbanes
Daschle	Kempthorne	Shelby
DeWine	Kennedy	Simpson
Dole	Kerrey	Smith
Snowe	Thomas	Warner
Specter	Thompson	
Stevens	Thurmond	

NAYS—5

Feingold	McCain	Wellstone
Leahy	Simon	

NOT VOTING—3

Dodd	Gramm	Rockefeller

So the conference report was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

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

The motion to lay on the table was agreed to.

CONFERENCE REPORT ON S. 652, THE TELECOMMUNICATIONS REFORM BILL

Mr. CHAFEE. Mr. President, I congratulate the managers of this bill and the leadership of the House and Senate on bringing to the floor this complex, overdue effort to bring our Nation's telecommunications laws into the 21st century. Although this legislation does not receive the attention in the media as do issues such as the Federal budget and tax cuts, its importance to our economy, to the livelihoods of all Americans, and to continued technological progress cannot be overstated. In fact, it has been said that the telecommunications reform bill is the most important piece of legislation we will pass in this Congress.

This bill recognizes that market forces and competition are the fuels that drive our Nation's economy. For too long, most sectors of our telecommunications industry, particularly the telephone industry, have been hamstrung by outdated laws that limit access to the marketplace. The great bulk of law in this area is actually some 61 years old. It should be obvious to everyone that communications technology has been revolutionized during these 61 years, and our laws ought to keep up with these changes in technology.

Since the 104th Congress began consideration of telecommunications reform early last year, there have been countless forces pulling the authors of this legislation is many different directions. There have been industry groups, individual companies, consumer groups, unions, think tanks, the administration, and many, many more all with an interest in this bill who have rightfully voiced their concerns as this process has gone forward. I admire the long hours of hard work performed by the Commerce Committee and its staff in sorting through the maze of this highly complex issue and producing this conference report. I certainly did not envy these individuals as they tackled this extraordinary difficult task.

While, as I have said, we all respect the ability of the free market to produce jobs and foster economic growth, there are many in Congress

who are reluctant to let the marketplace operate completely freely in all telecommunications industries. For example, many of my colleagues are concerned that the regional Bell companies will take undue advantage of their ownership of local telephone networks to compete unfairly in the long distance market. On the other hand, many other colleagues are equally adamant that we should place very few restrictions on Bell companies as they are permitted to offer long distance service.

This debate over long distance represents just one of the many, many difficult balancing acts the managers of this bill struggled with. In short, my colleagues had to reconcile the views of those who wanted to let the marketplace more or less reign free with those who sought regulatory protection for industries and for consumers. And let me tell you, this was no easy task for the authors of this bill; I commend them for their legislative ability. No one is 100 percent happy with the final product, but I am confident that the benefits we will realize in enacting this bill in the way of job creation and technological progress are real. We can all be proud of the job done by the authors of this legislation.

Mr. WARNER. Mr. President, I wish to associate myself with the remarks made by the distinguished Senator from Rhode Island. Those of us who have worked with the distinguished chairman and ranking member on this bill wish to acknowledge the great credit for their leadership, and for our distinguished majority leader and the minority leader for their backup assistance.

CLOTURE VOTE POSTPONED ON THE FARM BILL

Mr. DOLE. Mr. President, if I could have the attention of my colleagues, I ask that the cloture vote be postponed.

Let me indicate what we believe is in progress. We have been working for the last 2 or 3 hours with a number of Members on each side of the aisle and with Chairman LUGAR and the ranking member, Senator LEAHY, on the Senate Agriculture Committee. I am not certain if there is an agreement yet, but we may be close to an agreement. We think it would save a considerable amount of time if we could suspend it temporarily. I understand the Democrats have a conference at 5:30.

Mr. DASCHLE. Assuming we have an agreement to talk about, but I was told that we were close to an agreement. I felt it was important that we set a time, if it were possible to do that, and then immediately go back to the floor and continue our work.

Mr. DOLE. I know a number of Members have other engagements. I will be in a position, maybe by 6 o'clock, to indicate whether we have an agreement or do not have an agreement. If we do not have an agreement, we will vote on cloture. If we do have an agreement, we will try to get a time agreement and consider all amendments—en bloc?

Mr. DASCHLE. Hopefully.

The PRESIDING OFFICER. Is there objection to the request to set aside the cloture vote and to come back at 6 o'clock on this issue? Without objection, it is so ordered.

Mr. DOLE. Mr. President, I can tell Members now that there will not be any votes for a while. We will try to give an a announcement at 6 o'clock. We hope we can have a short time agreement. If there is an agreement overall on the agriculture bill, we would not be here too late this evening. If not, we would have to come back tomorrow or sometime next week.

So I say to my colleagues that we will let you know as soon as we have any information. And I appreciate your cooperation.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Let me commend the distinguished Senator from South Dakota, and in particular our minority ranking member, the Senator from South Carolina [Mr. HOLLINGS] for the remarkable job he has done in bringing us to the point we achieved today. Were it not for his contribution and leadership and incredible determination over the last several months, we would simply not have achieved what we achieved this afternoon. Senator HOLLINGS deserves commendation on both sides of the aisle. I publicly want to again thank him for the effort that he put forth, for the remarkable teamwork that he demonstrated in allowing us the opportunity to at long last achieve what we have all hoped we could achieve.

So I commend Senator HOLLINGS and others who were involved, certainly the Senator from South Dakota, and I am very pleased with the result this afternoon.

I yield the floor.

RECOGNITION OF RONALD REAGAN'S 85TH BIRTHDAY

Mr. DOLE. Mr. President, I understand a resolution I am about to offer has been cleared on each side. I send it to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 220) in recognition of Ronald Reagan's 85th birthday.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. DOLE. Mr. President, 16 years ago, America was flat on her back. Our economy was a disaster. The only things up were inflation, interest rates, and unemployment—all in or near double digits. Abroad, our resolve was questioned by our allies and doubted by our adversaries.

Many so-called experts—including some in the Government—surveyed the situation, wrung their hands, shook their heads, and pronounced that the United States was in decline: That our best days were far behind us.

But one man knew better. And that man was Ronald Reagan.

Ronald Reagan knew that power belonged with the people, not with the Government. He knew that the best solutions to our problems came not from bureaucrats on the Potomac, but from men and women on the Mississippi, the Colorado, and the Columbia.

Ronald Reagan knew that economic recovery could be achieved not through regulations and redtape, but by allowing the magic of the marketplace to work its wonders.

Ronald Reagan knew that America was right far more often than she was wrong.

Ronald Reagan knew that military strength was not the means to war, but the key to peace.

Ronald Reagan knew that world respect came not from appeasement, but from standing by your friends, by speaking up for freedom, and by drawing the line against dictators.

Ronald Reagan knew that America was still a shining city on a hill, and that our Nation's best days were truly yet to come.

It was this vision that Ronald Reagan presented in 1980 and 1984.

It was this vision that the voters approved in overwhelming margins.

It was this vision that brought hope and opportunity to millions.

It was this vision that revitalized America, and changed the world.

Mr. President, next Tuesday is Ronald Reagan's 85th birthday. And the resolution we pass today will extend to President Reagan the greetings and best wishes of the U.S. Senate.

And I know I speak for all Members of the Senate, when I say that our thoughts and prayers are with the President and Nancy.

Mr. WARNER. Mr. President, I rise tonight to wish Ronald Reagan, one of this country's, indeed, one of the world's, great leaders, a happy 85th birthday. The "Gipper" and his family—and friends joining across the world—will celebrate his birthday on Saturday.

As a Senator in my first term, when President Reagan came to Washington, I found his vision, forthrightness and high principles, to be measures by which all elected officials can aspire. Ronald Reagan's faith in God and his tremendous belief in the common sense of the American people, were sources of great strength and wisdom. His courage and willingness to stand up for

what he believed in were admired by friend and foe alike.

I am proud to say that I consider Ronald Reagan not just a friend, but a teacher and mentor to me and many other Senators back in our early Senate career.

I fondly recall our times together, especially while we were riding horses over my Atoka farm. Our conversations varied from personal stories to serious discussions about the threat of the former Soviet Empire and America's place in the world as a protector of freedom and Democracy. His humor paralleled that of Will Rogers.

Mr. President, I am very proud of the fact that next year, in my home State, the Newport News Shipyard will lay the keel of the Navy's newest aircraft carrier, the U.S.S. *Ronald Reagan*. I wish to join with my good friend from Idaho, Senator KEMPTHORNE, for together we sponsored the legislation that designated the ship with President Reagan's name. It is a rightful designation for his contribution to the demise of the Soviet Union.

I am also pleased that the Reagan Presidency will be honored just a few blocks from the Capitol. The Federal Triangle project under construction at 14th Street and Pennsylvania Avenue, Northwest, will be designated as the Ronald Reagan Building and International Trade Center, thanks to legislation introduced by Majority Leader ROBERT DOLE. I am proud to have been a co-sponsor of this legislation, which has been passed by the Congress and signed into law by the President.

I would like to close my remarks, Mr. President, by paying tribute to Nancy Reagan, a truly magnificent First Lady. In the White House and since President Reagan left office, Nancy Reagan has been a strong voice on significant public issues. Americans everywhere owe her a debt of gratitude for the outstanding work she has done and continues to do to educate the children and youth of this Nation, particularly about the tragedy of drug abuse.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 220) was agreed to.

The preamble was agreed to.

The resolution and its preamble are as follows:

S. RES. 220

Whereas, February 6, 1996 is the 85th Birthday of Ronald Wilson Reagan;

And Whereas, Ronald Reagan was twice elected by overwhelming margins as President of the United States;

And Whereas, Ronald Reagan is loved and admired by millions of Americans, and by countless others around the world;

And Whereas, Ronald Reagan, with the leadership of his wife, Nancy, led a national crusade against illegal drugs;

And Whereas, Ronald Reagan's eloquence united Americans in times of triumph and tragedy;

And Whereas, the thoughts and prayers of the Senate and the country are with Ronald Reagan in his courageous battle with Alzheimer's Disease; Therefore, be it

Resolved, That the Senate of the United States extends its birthday greetings and best wishes to Ronald Reagan.

SEC. 2. That the Secretary of the Senate shall transmit a copy of this resolution to Ronald Reagan.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

THE D.C. APPROPRIATIONS CONFERENCE REPORT

Mr. JEFFORDS. Mr. President, it is with some sadness that I come to the floor this evening. Those of us who have been on the District of Columbia conference committee have now worked some 90 days in trying to get a conference agreement. We have had a very difficult time. We have at times reached an agreement and then had those agreements disappear.

This Congress has placed itself in a special relationship with the District of Columbia by recognizing the incredible problems it has, both with its financing as well with education. We have taken the responsibility of doing what we can to make this city proud and to give it the wherewithal in order to improve its educational system.

I think we have a conference report that certainly, although it is not perfect—and that is obvious from the situation we find ourselves in—is nevertheless one which could bring about a resolution of the problems involved with the educational system. It could also, in a noncontroversial manner, provide the economic wherewithal for the District to be able to move forward.

This is an appropriations bill that includes nearly $5 billion in spending authority for the city of Washington. We were held up by disagreement over a provision of $5 million for a scholarship program, that represents one-tenth of 1 percent of the money involved with this bill. Yet, it does reach such an emotional state with respect to those people who feel one way or the other about the utilization of Federal funds for scholarships to allow young people to go and seek another school in order to, hopefully, advance their education. However, this disagreement over the scholarship program is such a matter.

I had hoped very much, and had expected, that we would be able to take up the D.C. appropriations conference report today. The House passed it yesterday. They did so with a fairly good vote. But I find now, after having verified with my counterpart on the other side of the aisle, what would happen in the event that I attempted to bring up the conference report this evening. There would be no time agreement at all, there would be a filibuster, and there would not be any desire to move that conference agreement, in its present state out of this body.

I wish that we would stop damaging the District of Columbia's efforts to revitalize itself. And keeping in mind that by grabbing control as we have—and I do not disagree with that—over the power to do things, we have taken the responsibility, and I am only thinking of the kids. I have spent many, many hours of my own time in this city by going around from school to school.

I spend every Tuesday reading to a young man in the third grade whom I have seen change and he has become so much more able to participate in class in a meaningful way through knowing English. He is a student to whom English is a second language, I am incredibly impressed with his progress. We have 200 Senate staff members who are going every Tuesday and reading to kids. This program is going on. We are trying to do the best we can. But there is a lot that cannot be done without the ability to reorganize what is going on in the school system.

So I just stand before you very, very discouraged at all the effort that we have put forth to try to bring about a resolution which this body could consider, and hopefully adopt, to now find that that cannot be considered. So I will continue to do all I can to find the answers. I know that they will not be easy. But I also will do everything in my power to assure that we can proceed as best we can under the circumstances. I will work to pass the conference report at some later date, but if that cannot be done, I will do my best to work within the structure we have created with the Control Board and others to see what we can do while we wait for this legislation to pass.

I know the school board in Washington, DC, met today and had some concerns. Before I learned those concerns, I had initiated a call and a meeting with the chairwoman of the school board for tomorrow. I will be meeting with her tomorrow and we will look toward the future.

I am hopeful still that we will find this matter, which is of great national concern, should not be used to deprive those who want to help the schools to move forward. We are nearly halfway through the school year now, much needs to be done, and I hope both sides of this issue will calm down and let us proceed in some manner so that we can help the children of this city.

Mr. President, I yield the floor and I note the absence of a quorum.

The PRESIDING OFFICER (Mr. BENNETT). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. HARKIN. Mr. President, I ask unanimous consent to speak as in morning business.

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

FARM BILL

Mr. HARKIN. Mr. President, the Senate is in session at this late hour—we just finished the telecom bill, a very important bill for our country—but we are in session now because we do not have a farm bill.

I have been on the Agriculture Committee now for 22 years, 10 in the House, 12 in the Senate. I have seen a lot of farm bills. I have worked on a lot of farm bills. Some were contentious, some sort of passed easily. But in every instance—in every single instance—in the House and in the Senate, we worked diligently on both sides of the aisle to try to reach accommodations to get a farm bill through before the end of the year. In most cases, we got it through long before the end of the year.

But I remember some particular ones. I remember the 1981 farm bill when I was in the House. We passed it in the early morning hours of December 17. Why do I remember that? Because my daughter was born about 2 hours later, and I remember being on the floor trying to get the farm bill passed.

The reason I recall that, aside from the fact my daughter was born a couple of hours after we finished the farm bill, was that it was late in the year. It was 1981, a very contentious year in agriculture regarding what kind of farm policy we were going to develop under the leadership of the new administration that had taken over that year. But we got our work done, and we got the farm bill passed and down to the President before the end of the year.

That was with a Democratic House and a Republican Senate and a Republican President. We did not filibuster, we did not hold it up. We did our work, and we got it through before the end of the year.

The hue and cry that came from around the country was that we had waited too long. A lot of the finger pointing was at the Democrats, because we allegedly had waited too long and we did not get the bill through by the end of the year. But we got it through.

Now here we are in February of 1996, and we still do not have a farm bill for this year. I do not want to engage in finger pointing, but I do want to say at least that no Democrat on this side has filibustered a farm bill. We have not held it up.

We passed a farm bill out of the Ag Committee in late September. We could have brought it out on the floor in the month of October. We could have brought it out in the month of November. We could have brought it out in the month of December. But, no, it was not brought up. No, instead, it was taken and put in the budget reconciliation bill so that we did not have an opportunity to really debate it and amend it and fashion a farm program for the future. The President vetoed that bill, as he should have.

So here we are in February, and once again, a farm bill was laid down yesterday. Immediately, a cloture motion was filed to cut off debate, to cut off amendments, to limit the time.

Well, I am not here to filibuster, but I do want some time to speak on the bill, to lay out what it would mean to farmers and rural communities in my State. I want some time to be able to offer amendments that I think are worthwhile. I may not win them, but at least I feel an obligation to my farmers in Iowa to try to craft and fashion a farm bill in their best interests.

Now I understand that at this late hour we are being told that the House is going to go out. The Senate wants to adjourn and come back at the end of February, and we have to pass a farm bill tonight, or we will not be able to get it done because the Senate is going to adjourn for another month. What kind of nonsense is that? We are elected to come here and get the people's legislation passed. I do not know of any compelling reason why we cannot bring the farm bill up, debate it tomorrow, or Saturday if need be. We do not need to be here Saturday; we can debate it Monday and Tuesday, and probably get it done by Tuesday night. At least everybody would have ample opportunity to speak, offer amendments, and have their amendments voted on. Then we can have a final vote on the passage of the bill and send it to conference.

Yet, somehow a gun is being held to our heads tonight, and we are told that if we do not rubberstamp some farm bill that has been crafted in the back rooms—and we do not even know what is in it—that we are going to be held to blame because a farm bill was not passed here on February 1. I am telling you, Mr. President, I find this whole process contrary to everything I believe in, in terms of a democratic Government, and in terms of what I believe in, in terms of the processes here of open and free debate, with amendments, and allowing us to state our case and to try to make the best case we can for our constituents.

So I am sorry, I am just not going to be a part of caving in and rubberstamping something simply because it is late, it is in February, and we have to get a farm bill passed. Our farmers need to know what to do. For Heaven's sake, they need to know what to do. But it was not this Senator, or any Senator on this side of the aisle, that kept the farm bill from coming to the floor in October, November, or December. That was not our call to make. It was not brought up on the floor. It should have been brought up. It should have been brought up in October. Then we could have finished our work and sent it to conference. It may not have been what I wanted, but at least the process would have been fair and open and I could not complain.

I am complaining now because the process is not fair and it is not open. I intend to make it so. I will use whatever power I have as a Senator to make sure we have that kind of an open process here on the farm bill and not be asked to rubberstamp something when we do not even know what is in it.

But the people that are really suffering are our farmers, along with others involved in agriculture. My farmers in Iowa and throughout the Midwest right now have to make decisions, and they are doing it in the blind—what seed to buy, what to plant, how much credit do they need, how much fertilizer they need. How can they make those decisions when they do not even know what kind of farm program we have? They should have known this and could have known this in December or earlier. We could have had a farm bill passed in December. It may not have been what I would have liked, but at least the process could have been fair and open.

We owe it, I believe, to our farmers and rural communities to act in a deliberate manner. We have a 1990 farm bill that was crafted here in a bipartisan fashion. I was not one of those preferring to extend the 1990 farm bill, I must admit. But at this late hour, it seems almost inevitable that some type of extension is probably the most realistic thing we can do. We can make some changes, I believe, that both sides of the aisle would agree with, such as more planting flexibility and getting rid of base acreage restrictions. We could do that. Then farmers would at least have some idea what the rules are because they have already operated under the 1990 farm bill for the past 5 years. They would know what to expect, what to do, and there would be some certainty out there. Perhaps we would have to come back this year, or maybe even next year. Maybe we should extend it 2 years because it looks like this is going to be a short year with everybody out campaigning. Then maybe we can come back next year and craft a longer term farm bill that would take care of us for the next 5 to 7 years. But this process of saying we have to do something tonight because we are going to adjourn in the Senate for the next month and, therefore, bang, we have to do something quickly tonight—we cannot debate it,

look at it, or examine it—what kind of nonsense is that?

So I hope we do not have to adjourn tonight. I see no reason why we cannot be in next week. Those who want to vote to adjourn had better be ready to go back and tell their farmers, no, we thought it was more important to take time off than to debate this farm bill fully, in an open and free debate, with opportunity for amendments to it.

So, Mr. President, perhaps I am just venting frustration, but I believe a lot of others share those frustrations. I hope that in some way I am representing the frustrations of the farmers I represent, because they are frustrated. They do not know what to expect. They would like to have a little certainty, too. Right now, all we are giving them is uncertainty. If we adjourn for a month tonight, they have another month of uncertainty. It is unfair and unconscionable that we would walk out of this place tonight and adjourn without having a full, fair, and open debate on amendments to a farm bill, which cannot take place in 3 hours tonight. It may take tomorrow and it might take Monday. That is fair. I do not know how many days the 1990 farm bill took. I am informed that it took 7 days. The 1985 farm bill took about the same amount of time. We had the telecom bill. How many days did that take? I think a couple of weeks. The farm bill is every bit as important to our farmers as the telecom bill is to the people in telecommunications. I do not think the farm bill needs 7 days, but at least 2 or 3 days, to debate and amend it and have final passage. I do not see why we cannot do that tomorrow, Monday, and Tuesday. There is no reason we cannot do it.

I yield the floor.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. EXON. Mr. President, I ask unanimous consent that I be allowed to speak for approximately 5 minutes on the matter of the agricultural bill.

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

AGRICULTURE

Mr. EXON. Mr. President, I have listened to my distinguished colleague from the neighboring State of Iowa. I want to share with the Senate the fact that my frustrations run very deep, as deep as so eloquently expressed by my colleague from the State of Iowa, Senator HARKIN.

Here we are, Mr. President, 10 minutes after 7:00 on the 1st day of February, and there is rapid talk in this body about adjourning this evening until sometime around February 28. Now, obviously, adjourning here without taking any action whatever on a farm bill is not only wrong, it is not only bad policy, but it is ridiculous.

How do we work ourselves out of the dilemma we find ourselves in right now? Mr. President, it would seem to me that it would be a time for cooler heads to prevail. I think we have two basic options: Either we stay here and work and not adjourn, as has been contemplated, and I suspect that would be the best possible course of action of all the options that we have; or the second option, it seems to me, would be if we are going to adjourn tonight, and if we adjourn I suspect we will have a roll-call vote on adjournment so that we will all know in this body and elsewhere as to who wanted to adjourn when we have important work that we should remain here doing. The other option of not staying here, if we are bound and determined to adjourn, which I will oppose, but if that happens, we are going to leave here without any resolution whatever on the farm bill, would be the worse of all possible worlds. If we are not going to continue to stay here and work and hammer out a compromise of some kind, then I think the next best option would be for a simple 1-year extension of the present farm bill.

The only significant changes that I suggest that we should make in that regard is to accept and provide a simplification of the rules, regulations, and red tape, and truly allow the farmers of America, for the most part, to farm for the 1996 year without all of the complicated restraints that they have. I simply say the simplification of the rules and allowing the farmers more freedom is one part of the Freedom to Farm Act that I generally have supported.

I hope that all would realize and recognize that we either have the option of trying to work out something tonight, which I think is going to be extremely difficult. If we cannot do that, I think we should schedule to be here tomorrow and Saturday, if necessary, and again next week, in an effort to try and come to some kind of a workable compromise that can get the required number of votes, and/or tonight stand to face reality and say it is going to be very difficult to come to some kind of an agreement. Probably the best thing for all sides to do would simply be to recognize and realize that the best thing to do under the circumstances in consideration to the farmers of America, who are anxiously awaiting what we are going to do here with regard to a farm bill, is to have a 1-year extension of the present farm bill with the caveats I have just expressed.

Mr. President, it seems to me, therefore, we once again are up against time constraints—some of them real, some of them imaginary. By and large, I see no reason why we should be adjourning when we should be here working. If adjournment is the way we are going to go, I appeal for all sides to realize and recognize, in the interests of agriculture, while extending the present farm bill for 1 year is not the way I would like to go, it may be the only way for us to go and provide a measure of assurance to the food producers of America that we do, indeed, care and appreciate what they are going through.

Here we are in February talking about a farm bill that should have been passed no later than the beginning of the new fiscal year last October 1. Here we are, Mr. President, as the ranking Democrat on the Budget Committee, starting to make plans for the budget discussions in 1996, and we have not even finished the budget from last year. We are sadly behind what we should be doing—doing it right or wrong.

I think that, by and large, most of the minority, and I hope a large portion of the majority, in the Senate would realize it is time to fish or cut bait. If we cannot come to an agreement, I suggest it would make sense and be reasonable for all sides to agree to an extension of 1 year, with the caveats I have outlined.

FEDERAL TEA TASTERS REPEAL ACT OF 1996

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar 306, S. 1518.

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

The clerk will report.

The bill clerk read as follows:

A bill (S. 1518) to eliminate the Board of Tea Experts by prohibiting funding for the Board and by repealing the Tea Importation Act of 1897.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. DOLE. I ask unanimous consent that the bill be deemed read a third time, passed, the motion to reconsider be laid upon the table, and that any statements be placed at the appropriate place in the RECORD.

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

So the bill (S. 1518) was deemed read the third time and passed, as follows:

S. 1518

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 "Federal Tea Tasters Repeal Act of 1996".

SEC. 2. PROHIBITION OF FUNDING.

None of the funds appropriated or made available to the Federal Drug Administration shall be used to operate the Board of Tea Experts and related activities.

SEC. 3. REPEAL OF TEA IMPORTATION ACT OF 1897.

The Tea Importation Act (21 U.S.C. 41 et seq.) is repealed.

SEC. 4. EFFECTIVE DATE.

This Act shall take effect on the date of enactment of this Act.

AWARDING THE CONGRESSIONAL GOLD MEDAL TO RUTH AND BILLY GRAHAM

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 2657 just received from the House.

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

The clerk will report.

The bill clerk read as follows:

A bill (H.R. 2657) to award a Congressional Gold Medal to Ruth and Billy Graham.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 3315

(Purpose: To strike section 5 of the bill)

Mr. DOLE. Mr. President, I send an amendment to the desk on behalf of Senator FAIRCLOTH and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Kansas [Mr. DOLE], for Mr. FAIRCLOTH, proposes an amendment numbered 3315.

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

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

The amendment is as follows:

On page 4, following the period on line 7, strike all that follows:

Mr. DOLE. Mr. President, I ask unanimous consent that the amendment be agreed to, that the bill be deemed read a third time and passed, as amended, the motion to reconsider be laid upon the table, and that any statements relating to the bill appear at the appropriate place in the RECORD.

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

The amendment (No. 3315) was agreed to.

The bill (H.R. 2657) was deemed read the third time and passed.

THE FARM BILL

Mr. DOLE. Mr. President, let me indicate, while we are waiting for another matter here, we have not been able to reach an agreement on the farm bill. We have had discussions throughout the day. We have had one cloture vote.

What I would propose we do is postpone that cloture vote until after the leaders have conferred on Tuesday and, hopefully by that time, get some paper out there so that people can see what is proposed by Members on each side; if we cannot get an agreement, then have that cloture vote Tuesday and decide what to do after that. But I know there are Members probably waiting around in their offices. I would say there will probably be no further votes this evening, but there may be votes on next Tuesday. We will go out tonight and over until Tuesday; pro forma Monday.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, I want to commend those who have been involved in these discussions. I think we have made a lot of progress in the last several hours. We just had a caucus. I think it is fair to say that much of what we reported to them was very well received. I think the question is whether or not, without having finalized the agreement and without knowing for sure just how it all affects current law, whether or not we are in a position yet tonight to come to closure.

I think we are getting closer. I hope we can continue these negotiations, have an agreement that we could send out to everybody so in the next couple of days they could take a look at it, and then have a vote within a very limited timeframe on Tuesday. I would like to see if we can finish this on Tuesday and limit the votes and try to move this process along.

So, I share the leader's desire to come to closure and his expressed hope that we could do it as early as next Tuesday.

Mr. CRAIG. Will the leader yield?

Mr. DOLE. I will be happy to yield.

The PRESIDING OFFICER. The Senator from Idaho.

A CLEAR FARM POLICY

Mr. CRAIG. Mr. President, I think I and a lot of other Senators are very frustrated at this moment as we have tried to move this issue over the last several weeks.

All of us agree that the agricultural community deserves to hear a clear message from the Congress of the United States that relates to farm policy. I am terribly disappointed that this afternoon we could not gain cloture, that the other side chose to kill freedom to farm. We also put up an excellent alternative to that and that—we could not work with that issue.

Obviously, farm policy in its formation has always been bipartisan. I was confident this afternoon, or at least I thought I could be, that we had worked for several days to build that bipartisan compromise and still maintain the kind of levels of expenditure that sent a clear message to American agriculture that there would be some safety nets but, at the same time, that they were going to move toward the market as they have told us—week after week, month after month, as we have held hearings in the Senate Agriculture Committee this year—that a reinstatement of current policy simply would not work anymore and it should not work.

While I know none of us at this moment are working on a reinstatement of current policy, I am very concerned to see us edging back toward it at a time when agriculture has said to us that is not where we ought to head.

So I hope we can arrive at something over the weekend and into next week. It is my understanding the House may not be able to get there, as we had hoped, so we could at least show the American farm community a timetable that we are all going to be sensitive to. But I am disappointed, and I think we all are, that this cannot be resolved in the fashion we had hoped.

I am going to have to, as I think others on this side are, look a great deal more closely at the deals that are being put together. We, in my opinion—certainly from this Senator's point of view—have gone as far as I know is possible to go without saying to Idaho agriculture we have decided not to do what we told you we were going to do and what most of you had agreed to. I presented legislation yesterday that had the full endorsement of the American Farm Bureau and a variety of other organizations, wheat growers, corn growers and others. I had hoped we could arrive at that in a timely fashion.

It appears we are not there. I hope we are closer than I am led to believe we might be. But, to the leader who, I know, has worked today, and the minority leader, I hope we can get this accomplished and the final plans worked out. Timing is of the essence, that we resolve it. It should have been resolved today.

TEMPORARY EXTENSION IN STATUTORY DEBT LIMIT

Mr. MOYNIHAN. Mr. President, H.R. 2924 is, in effect, a temporary increase in the debt ceiling.

Under the bill, the Secretary of the Treasury may issue Treasury securities in excess of the current $4.9 trillion ceiling in order to pay the March 1996 Social Security benefits. Coupled with the normal end of month redeeming of Treasury securities held by the Social Security trust funds, this bill permits the Federal Government to meet all of its financial obligations on March 1.

The bill provides much-needed time to consider a longer and perhaps permanent increase in the debt ceiling. Congress may not take up this issue again until the week of February 26, and, without this legislation, action

would be required almost immediately to prevent default on February 29 or March 1. That is cutting it too close. Under this bill, we will have until March 15 to work out a long-term increase in the debt ceiling.

And, importantly, this legislation commits the Congress to timely action. Item 1 in the bill's "FINDINGS" states:

(1) Congress intends to pass an increase in the public debt limit before March 1, 1996.

This is a welcome statement of good faith. It will shortly pass the House of Representatives. I urge the Senate to concur.

GUARANTEEING THE TIMELY PAYMENT OF SOCIAL SECURITY BENEFITS IN MARCH 1996

Mr. DOLE. Mr. President, I ask unanimous consent the Senate proceed to the immediate consideration of S. 1555, introduced today by Senators ROTH and DOLE, and that the bill be considered read a third time.

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

The bill (S. 1555) was considered read a third time.

Mr. DOLE. Further, I ask unanimous consent that the Senate proceed now to the consideration of H.R. 2924, the bill be considered, deemed read a third time and passed, the motion to reconsider be laid upon the table, that any statements relating to these measures appear at this point in the RECORD, and that S. 1555 be indefinitely postponed; provided, of course, that H.R. 2924 as received from the House is the same text that I now send to the desk and ask to be printed in the RECORD.

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

The bill (H.R. 2924) was considered, deemed read a third time and passed.

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

H.R. 2924

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

SECTION 1. TIMELY PAYMENT OF MARCH 1996 SOCIAL SECURITY BENEFITS GUARANTEED.

(a) FINDINGS.—

(1) Congress intends to pass an increase in the public debt limit before March 1, 1996.

(2) In the interim, social security beneficiaries should be assured that social security benefits will be paid on a timely basis in March 1996.

(b) ASSURANCE OF SOCIAL SECURITY BENEFIT PAYMENTS.—In addition to any other authority provided by law, the Secretary of the Treasury may issue obligations of the United States before March 1, 1996, in an amount equal to the monthly insurance benefits payable under title II of the Social Security Act in March 1996.

(c) OBLIGATIONS EXEMPT FROM PUBLIC DEBT LIMIT.—

(1) IN GENERAL.—Obligations issued under subsection (b) shall not be taken into account in applying the limitation in section 3101(b) of title 31, United States Code.

(2) TERMINATION OF EXEMPTION—Paragraph (1) shall cease to apply on the earlier of—

(A) the date of the enactment of the first increase in the limitation in section 3101(b) of title 31, United States Code, after the date of the enactment of this Act, or

(B) March 15, 1996.

Mr. ROTH. Mr. President, during the past few weeks, we have been advised in writing by the Secretary of the Treasury, Robert Rubin, that it is unlikely that the Government can continue to meet its obligations on or about March 1, 1996. The Secretary believes that he will not have any difficulty meeting the Government's obligations prior to that time. In view of these circumstances, some have suggested that the March social security payments—not the current checks, for February, but those for March—will not be payable. In order to allay any concerns, I am pleased to join the majority leader along with Senator MCCAIN, in introducing this legislation to ensure Government solvency and payment of all Social Security benefits on a timely basis in March.

I urge my colleagues to support swift passage of this legislation. Two important findings are stated at the beginning of this legislation. Two important findings are stated at the beginning of this piece of legislation which help explain our position. First, Congress intends to pass an increase in the public debt limit before March 1, 1996. Second, in the interim, Social Security beneficiaries should be assured that social security benefits will be paid on a timely basis in March 1996.

Let me be clear, it is this Senator's intention to work toward passage of a debt limit extension before March 1. We will not default on our debts. That I find unthinkable. What this legislation does is simply ensure that timely payment of the March Social Security benefit payments and allow these checks to be mailed and cashed without any delay.

The bill provides temporary relief from the current $4.9 trillion debt limit, and creates new legal borrowing authority not subject to the debt limit for a short period of time. The amount of this new legal borrowing authority is equal to the amount of the full Social Security benefit payments for March, approximately $28 billion.

By creating new borrowing authority, this bill also allows full payment of all other U.S. Government obligations due on March 1, 1996, including veterans benefits, Medicare and SSI payments, Federal employee pay, and military and civil service retirement payments.

Mr. DOLE. What this does do is it makes certain there will be timely payments made. There will not be any delay of payments of Social Security.

I ask unanimous consent a summary of H.R. 2924 and S. 1555 be printed in the RECORD at this point.

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

SUMMARY OF H.R. 2924, SOCIAL SECURITY BENEFIT PAYMENT GUARANTEE

Findings: Congress intends to pass an increase in the public debt limit before March 1, 1996.

Bill ensures the timely payment of the March Social Security benefit payments and allows these checks to be mailed and cashed without any delay.

Bill provides temporary relief from the current $4.9 trillion limit, and creates new legal borrowing authority not subject to the debt limit until March 15, 1996.

The amount of this new legal borrowing authority is equal to the amount of the full Social Security benefit payments for March (approximately $28 billion).

By creating new borrowing authority, this bill also allows full payment of all other U.S. Government obligations due on March 1, 1996, including veterans benefits, Medicare payments and military and civil service retirement payments.

THE FARM BILL

Mr. DOLE. Mr. President, I will yield the floor in just a moment. Farm bills are very difficult to pass. I can recall other years when we have had this same tug of war.

There was a time when farm bills were bipartisan. I am not certain that is the case. There is some bipartisanship now. Many years ago, we sat down in the Ag Committee, we worked out a bill, brought it to the floor, and the committee never wavered. Now most things are done on a party-line basis.

But I want the record to reflect that the President vetoed a farm bill. So, for those on the other side who say "What is going on?" they want us here next week and next week and next week, we are prepared to do anything we can. But if we cannot accomplish anything—we had a cloture vote today. We could have been on the farm bill right now. We could have had a second cloture vote. We had a bipartisan agreement led by Senators LUGAR and LEAHY. We were advised that some of the Members on the other side had been peeled off and we probably could not get cloture on that vote.

So, as we normally try to do, we sat down in a bipartisan way. Was there any progress made? I do not know. But I would share the views expressed by the Senator from Idaho that I think we have gone the extra mile in an effort to go to conference.

The House has not passed a bill. We would like to pass a bill in the Senate. But we are not going to be torpedoed by rhetoric on the other side. And keep in mind, we could have had a farm bill. The President vetoed it. That is why the farmers are concerned. That is why there is a lot of disarray in rural America. We could have had another farm bill today, but I think only two Democrats joined in a cloture vote. So, if we want to get partisan about farm legislation, that is fine. I have heard some

very partisan statements this afternoon. But the bottom line is, we ought to go back where we used to be on farm legislation, sit down, work it out on a bipartisan basis.

Do I think that will happen by Tuesday? I do not know. I will be happy to try to help. But I am not very optimistic, as I see some partisanship setting in around here. Maybe there is some reason for it. But our farmers' winter wheat is planted. Winter wheat had to be planted. We could not wait. We planted our wheat. Now we are relying on the 1949 act. I assume farmers may conclude maybe that act is not so bad when they look at what the prices might be. But that is not how we ought to resolve it.

So we are prepared to accommodate the Democratic leader, who I think certainly in good faith will present something in writing, and see what happens by next Tuesday. If we cannot agree, then we will have another cloture vote. I do not know what will happen with that cloture vote. Hopefully, we will have enough support at that point to get enough votes to go on to the Leahy-Lugar compromise bill.

So I hope my colleagues on both sides will keep in mind that farmers really do not care about the politics. They do not care who stands up and shouts the loudest about who is at fault. All they know is that there is no farm bill. They would like to see us sit down and work it out. There are different philosophies in agriculture like most everything else, but we are prepared to try to accommodate some of the requests of our colleagues on both sides, particularly on the Democratic side, in an effort to get a bill done as quickly as possible.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I understand the frustration. I am a little frustrated, too. I would like to get a farm bill out. But let me make an observation or two.

I do not know, in my 21 years, that we have ever failed to renew a farm bill within the year that it expired. Now we are in the year after the 1990 farm bill expired. This bill should have been completed last September.

We also hear that the President vetoed a farm bill. Well, that farm bill that the President vetoed in reconciliation was a bill that they could not pass out of the Agriculture Committee in the House. So they take that bill and stick it in reconciliation. That was not passed out of the Agriculture Committee. Now, in the Senate, we have not passed an agriculture bill out of the Senate Agriculture Committee that I know of.

So here we are arguing over an agriculture bill that really has never gone through the process. And we are October, November, December, January, and February later. We finally bring it to the floor without knowing exactly what is in it and want cloture on it so we cannot debate it and so we cannot amend it.

The Senator from Vermont, when he was chairman of the Agriculture Committee in 1990, set a record. He completed the agriculture bill in 7 days of debate on the floor—7 days of debate on the floor. Now we want to bring it up 1 day, vote cloture on it, and get it out. No wonder some people are digging their heels in. What might be good for Kentucky may not be good for Utah. But it is a regional bill that we have to bring together and satisfy generally the farmers in those areas. If I were farming, I would be frustrated, too. We have been begging for a farm bill; begging for a farm bill. And all of a sudden we get it on Thursday, want to complete it on Thursday, and go out for 3 weeks.

I say to my friends that they can blame whoever they want to, but this bill is 5 months late, at least 5 months late.

Mr. LEAHY. Mr. President, will the Senator yield?

Mr. FORD. Mr. President, I will yield for a question without losing my right to the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I will note that the distinguished Senator from Kentucky is absolutely right. In the 1985 farm bill—I see my good friend from North Dakota here, and I think he recalls the numbers—but the 1985 farm bill took something like 11 or 12 weeks to complete. There were a lot of sessions, as my friend from Kentucky will recall, until midnight or later. The 1990 farm bill set a record. And with the House, the Senator from Kentucky, the Senator from North Dakota, and others, we passed it in 7 days with the distinguished Senator from Indiana—in 7 days. That was an all-time record. But that was 7 days, as my friends will recall, of very intensive debate on some major policy issues involving tens of billions of dollars.

Today I know is a long day. People may be tired. I know I am. I finished work in Vermont about 1:30 this morning and was on a flight right after 6 o'clock this morning to come down here for this.

The distinguished majority leader speaks of partisanship. It really has not been. Farm legislation, to my recollection, has always been bipartisan. We have worked it today. We had one vote of which everybody knew the outcome, the first vote today on cloture. Everybody knew. That was no surprise. The Republican leader, the Democratic leader, and all knew what that was going to be. We had a second one set up where there was a bipartisan coalition seeking it. But then we sought to make it better and to make it more bipartisan—I say to the distinguished presiding officers and others—by Republicans and Democrats. The Republican leader, the Democratic leader, the Republican chairman of the committee, the Democratic ranking member of the committee, and myself sat down and worked out at least some parameters to get us moving forward. I am convinced there is a bipartisan solution here.

This is very complex legislation. Farmers who have to deal with it know it is very complex. I wish it had been done last year. I urged that it be done last year. I understand the other body had difficulty and could not get a bill out of committee at first. We have not had one out of our committee for a number of reasons. It was not done last year. We can easily do it this year, but it would take a little bit of time to work this out.

There are distinguished Members on both sides of the aisle who have strong views who want to have votes. I have not heard a single one say they want to delay it. But at least they want to explain their amendments and have a vote on it. I might have some of my own. We ought to be able to do that. None is asking to hold it up. It takes a few days.

Somebody raised the novel idea today about working out some kind of compromise and maybe we could see it in writing and read it before we voted on it. I do not think that is a bad idea. That is an idea that might actually catch on around here—that we read a piece of legislation and then vote on it. Who knows what the results might be?

So I tell my friends on the other side of the aisle that this is something where Democrats and Republicans can work together. But while it should have been done last year, let us not make the problem worse by rushing it so much this year that it does not get done right.

I thank the Senator from Kentucky for yielding.

Mr. FORD. Mr. President, I ask unanimous consent that I yield to the Senator from North Dakota for a question, or a statement, without my losing the right to the floor.

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

Mr. CONRAD. I thank the Chair. I thank my colleague from Kentucky.

Mr. President, the Senator from Kansas indicated that the President had vetoed the farm bill. I ask the Senator from Kentucky, is not it a more accurate description that the President vetoed what we call reconciliation which contained the farm bill and which contained a lot more than the farm bill? It had $270 billion of cuts to Medicare, $182 billion of cuts to Medicaid, and a $245 billion tax reduction aimed disproportionately to the wealthiest among us.

Is it not the case that that bill had lots of things in it other than the farm bill?

Mr. FORD. I say to my friend, the Senator is absolutely correct. When you say just pick out one little piece—and the farm bill is a major piece to the farmers—that was in the overall reconciliation bill that contained the massive funding of Government. There were many things in there that even those—it was not bipartisan. We had some on the other side who objected to what was in the reconciliation bill, so voted here, and the President exercised his right and vetoed the legislation. So when you just single out the farm bill, there was much, much more in that bill than just the farm bill.

Mr. CONRAD. I thank the Senator from Kentucky. Is it not also the case that the farm bill part of it was a farm bill that many in farm country did not want? It cut farm programs $12 billion; it meant a reduction in farm income of about 40 percent. And so I remember being at a meeting at the White House with people from across my State urging the President to veto the whole reconciliation bill just because of the farm bill provision.

Mr. FORD. The Senator is absolutely correct. And I might say to him, the President of the American Farm Bureau at that time wrote us a letter saying they were opposed to it also. And I think that is a matter of record. The Senator from Nebraska [Mr. EXON] put it into the RECORD. I think he and the Senator from Iowa [Mr. HARKIN] had a colloquy on the floor and talked about bouncing like the ping-pong ball—the American Farm Bureau's position. I think that confused all of us who were trying to support our farm community.

One thing I found out a long time ago, whatever the American Farm Bureau says I do not follow anymore because my farm bureau at home is autonomous and they do not support anything of the American Farm Bureau until their board approves it or they approve it at their convention. So regardless of what the American Farm Bureau might say, I wait until my Kentucky Farm Bureau endorses that.

But just the idea of representing all of the American Farm Bureau, the head of that organization writing letters on both sides, bouncing back and forth, no wonder we are confused when last year they were opposed to it. That helped it not come out of the committee, I am sure, over there. And then they were for it. And then they want us to be for something they were against at their instructions.

So I think the time for debate and consideration of this bill is more important than I have ever seen it since I have been here. There are radical, radical changes in this bill that in the years to come—and not too many short years—if the freedom to farm bill is passed, the American people will be up in arms when you decouple.

If you do not understand what decoupling is, that is separating the payments, or the income from the commodity from the deficiency payments or the payments to the farmer so the farmer will continue to get the payments every year for 7 years up to $120,000 a year if you are in four different categories, which you can be and you can still raise your crop and still get big prices.

I think when you are doing that—and the farmers have always said they were against a welfare program, just absolutely, teetotally against a welfare program, and they are absolutely, teetotally for a balanced budget amendment, and to do something like that for them and for them to come up here and say this is something we want, I am not sure the leadership is speaking the grassroots attitude of the farmers, particularly of my State.

Now, you can come up here and say we want the money, we want you to pay us, but then decouple that to take away the safety net, take away the price stability of the marketplace, it is just something that is too radical to do immediately. Phased in, maybe. Phased out, maybe. But we need to think through this one. And I think 2 years from now, if we are paying farmers big prices and letting them get big prices for their product, somewhere the American taxpayer who is sending them the money when they are making big money, or making good profit on their crops, says that will not last very long. I think we ought to realize that and do it now and do it right rather than have to come back and be fussed at a year or two from now for doing something that the American taxpayers will not accept.

Mr. CONRAD. I thank the Senator from Kentucky.

Mr. FORD. Mr. President, I yield the floor.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. I will conclude. I know my colleague, the Senator from Iowa, is waiting patiently.

GETTING A GOOD FARM BILL

Mr. CONRAD. I conclude by saying I hope very much that we can finish the farm bill matter by Tuesday of next week. I would have hoped we could have gotten it done today. It was not possible. But it is better to wait a few days and get it right than pass a farm bill that greased the skids from under farm producers and eliminate a program for the future.

That is precisely what this Chamber was faced with today, a plan to eliminate a farm program over time, a plan that would have guaranteed the elimination of farm programs because I believe there would have been a scandal when people discovered farmers were getting large Government payments even when they were having high income as a result of high prices that we are experiencing currently. The key is to have protection for farmers in low price years. That is when they need protection.

I think it is critically important we reach an agreement that provides a safety net in low price years and that also recognizes many farmers are hard-pressed by cash-flow this year because of the requirement to pay back advance deficiencies from last year.

I am hopeful we can achieve an agreement between the two sides that bridges those differences and achieves a settlement that is fair for American farmers, fair for the American taxpayers and that achieves a result that ensures we can pass farm legislation for the future.

I likened earlier today the proposal we had to the Reverend Jim Jones when he handed out the Kool-Aid that was laced with poison. It tasted good going down. When people drank it, they were dead.

Mr. President, there is no reason for us to take that kind of action. It is worth it to take a few extra days to get it right.

I thank the Chair. I thank my colleague from the State of Iowa.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

PASSAGE OF A FARM BILL

Mr. GRASSLEY. In the last hour and 15 minutes I believe, both before the floor leaders talked and since, we have heard people on both sides of the aisle speak about not having a farm bill, why we do not have a farm bill, even who is to blame for not having a farm bill. The fact is we do not have one, and it looks as if we are not going to have one.

We heard earlier during debate how awful it was—we heard this from the other side—that we were not going to be able to pass a farm bill. You have heard many times this evening that the President vetoed a farm bill, a 7-year farm bill in December. The President vetoed it after it passed Congress.

You heard this side of the aisle blamed because we have not passed a farm bill when this afternoon we had 53 votes for the Freedom to Farm Act. A majority of this body supported the Freedom to Farm Act.

Now, it is one thing to say it is too bad we do not have one, we ought to have one, we ought to stay here and work to get one, but it seems to me it takes a lot of gall from the other side of the aisle to blame this side of the aisle that we do not have a farm bill when we either did pass one and the President vetoed it or we demonstrated today that we had the votes to pass another one.

It just does not add up. It just does not make sense. I do not think the

American people are going to buy that argument. They can add. They know what a majority vote is. They know what it means when a President vetoes a bill. They know what it means when the President threatened this week to veto a bill that came out of the House Agriculture Committee by a bipartisan vote, the substance of which was the backbone for the legislation that we had 53 votes for here today. The President did not even wait until it got to his desk, a bipartisan bill. The President threatened to veto it.

It happens that there was a Lugar-Leahy alternative that could have been before this body. What is the Lugar-Leahy bill? It is the freedom to farm bill with a list of about 10 things that the Democrats wanted us to include in the bill, that we included. It was their language, their points. We included them. We never even got to a vote on that today. The President had already sent a letter up here—it has been put in the RECORD by the floor leader—that he was threatening to veto that. And we are being admonished by the other side of the aisle that we should have a bipartisan bill because we have always had farm bills developed in a bipartisan manner?

The Lugar-Leahy bill had added to it just exactly what the other side of the aisle wanted. Well, there may be people on the other side of the aisle who do not like what was in Lugar-Leahy, but they cannot say it was not bipartisan. It seems to me they cannot blame this side of the aisle because we do not have a farm bill, and particularly when the President said he was going to veto it before we ever got to it.

Then we are told that what was bad about the freedom to farm bill that was in the Balanced Budget Act was that it was going to cut $13 billion, three or four times what the President wanted cut, from farm programs in an attempt to balance the budget. But the bill that got 53 votes today only cut $4 billion, and that $4 billion is exactly equal to what the President had been suggesting all last year what should come from programs in an effort to balance the budget.

Mr. President, I think the debate today is bigger than the debate about just the farm bill. The debate today is what the last election was all about, whether or not we are going to continue to do business as usual or whether or not there is going to be some changes. The people in the last election sent a message—no longer business as usual.

It seems to me, as far as agriculture is concerned, no longer business as usual is that we do not continue to rely on 1949 legislation as backup legislation. The 1949 act was written for agriculture of the 1940's and 1950's, when all we were concerned about was domestic consumption and production to meet that domestic demand. It was all based upon allotments, a great deal of Government regulation, and a great deal of decisionmaking, even more than under the 1990 farm bill, here in Washington, DC. That is not the farm environment, the agricultural economic environment of the 1990's, and it surely is not for the next century. The 1990 farm bill is not even a Government program for the next century.

So what we tried to develop this year was a farm program that would bring us around to a point where we could meet the demands for agriculture in the next century and the realities of the world trading environment. That is what freedom to farm is all about, to provide transition payments that are certain payments that will get us from 1996 until the year 2002, with farmers being able to make decisions on what to plant and what to market based upon the marketplace and not on the decisions of faceless bureaucrats in Washington, and, lastly, not to set aside our productive capacity, but to produce for the demands of the world marketplace and to tell our world competition that we are going to do it and compete with every market we can and meet that world competition.

That is what the legislation that we got 53 votes today for is intended to do. But "business as usual" are people, as the vote went today, mostly on the other side of the aisle, as I can see it, who want to maintain Government involvement in the decisionmaking for the farmer, to have the possibility of not producing to capacity to meet the world marketplace, the demands of the hungry around the world, and to make sure that we have a roller coaster of Government support for agriculture—high payments when prices are moderate and no payments when prices are higher.

What is wrong with that, Mr. President, is, as we transition into an agriculture environment that meets world competition and trade, there is not any certainty in that as there is in the freedom to farm bill.

There are some farm organizations, Mr. President, who actually believe that the Government ought to have their fingers into every aspect of agriculture. I believe they will not be satisfied until there is as much regimentation of American agriculture as there is of European agriculture by the European governments.

Business as usual on the farm debate is a desire to maintain the fingers of Government into agriculture to the greatest extent possible. It is all right to do that if that is what you believe. But it is not, it seems to me, right in the process to blame Republicans when you cannot have a farm bill when the President of the other party vetoed it and we had 53 votes on a bipartisan bill to pass it this year or a bipartisan vote to get it out of the House Agriculture Committee earlier this week.

It seems to me it is OK to have that philosophy of maintaining Government's fingers in agriculture, but you should not be blaming us for not passing a farm program. What the major farm organizations of America want, it seems to me, is that we have to have a farm program that meets this new economic environment. That is what freedom to farm is all about.

It seems we heard debate today, again from the other side of the aisle, about sometimes not enough money being in agriculture because the Balanced Budget Act of 1995 would have taken $13 billion out of the baseline.

Then the next time, we are being admonished that we have a program that is going to let farmers receive some payments when prices are high. We present a farm bill that has $6 billion for the year we are in when the program that we accepted from the other side of the aisle would not have any payments this year in the sense that it would be done away with as a result of farmers paying back last year's deficiency payment.

With the certainty of $43 billion over the next 7 years, we have a chance in those parts of rural America where they did not have a good crop last year to benefit from the higher prices of grain this year, but yet they would be caught with writing a check back to the Federal Government for the advance deficiency payment that they got last year.

Our program would solve that. It would have a $6 billion investment in agriculture, it seems to me just exactly what we are hearing the other side of the aisle cry about that our farm program was taking $13 billion out of the baseline.

I hope that we can reach an agreement. The way things developed today, when you have a situation where the Democratic and Republican leaders get together and we on this side of the aisle buy everything that the Democratic leader asked for, and it looks like we have a bipartisan agreement put together, and then the other side cannot even go with a sweetheart deal that we accept—as I said once before on the Lugar-Leahy bill, there were 10 or 12 items that they put on a sheet of paper that they wanted, and we just accepted them. Yet, in the caucus for the other side, they cannot agree to move forward tonight. And when they come out of that caucus, then they come to the floor and blame us when we had 53 votes, a majority vote to pass a bill, they blame us?

That is what I mean when I say I think it takes a lot of gall when we take almost everything they want, I guess, in these two instances, everything they ask for, and then eventually we cannot move forward.

I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

CONSTRUCTING A COMPROMISE FARM PROGRAM

Mr. DORGAN. Mr. President, Ogden Nash wrote a little four line poem about a man who was a drunk and a spouse of his who nagged him about it all the time. I am reminded of that listening to what I have listened to in the last hour or so.

He drinks because she scolds, he thinks.
She scolds because he drinks, she thinks.
And neither will admit what is really true.
He's a drunk and she's a shrew.

I listened today to discussions about who is at fault for failure. I listened to creative inventive discussions in which any one of several people choose to say that "It's her fault," or "his fault" or "their fault."

It is of little use or value, it seems to me, to worry about anything other than how we construct a compromise farm program.

There is a wide range of agreement in this Chamber about a farm program. There ought to be total planting flexibility for farmers. Any new farm program should provide for total planting flexibility on base acres. There is wide agreement on that.

Most of us agree that there ought to be forgiveness of advance deficiency payments for those who suffered crop losses last year. Most of us would agree to some kind of advance deficiency payment that would not have to be repayable in the next year or two. I would have no objection to that.

I would not be pleased with providing payments for people who do not farm. If the requirement for getting a payment is simply to have some land and a bank account, but you do not have to plant a seed and you still get a generous payment, that is wrong. I have some trouble with that. But I have no problem at all with providing some kind of advance or certain payments for farmers in order to recapitalize their farm operation.

My hope had been this evening that we would proceed during this period to have constructed some kind of a compromise. The reason that we are not proceeding late tonight or tomorrow or Saturday or Sunday or Monday, I assume has a lot to do with what a lot of people are doing around the country.

There is a Presidential campaign going on. We have the equivalent of a football team in the U.S. Senate running for the Presidency. They are off around the country campaigning. I understand all that.

I have to tell you, I have enormous respect for the majority leader. I think the majority leader in this Chamber is a remarkable legislator, someone for whom I have had deep respect for many, many years. I had hoped, and I think the minority leader had hoped, and others had hoped, that there would be some method found by which we could reach a compromise. The talks that have been ongoing for the last number of hours have appeared to me to reach some significant agreement.

Will that agreement mean that next Tuesday there will be a compromise? I do not know the answer to that, but I sure hope there will be a compromise, because there is plenty of area for agreement between the aisles.

There is one area in which there is wide disagreement, and it seems to me it is the reason that we have not had a farm program to this point. The freedom to farm bill presupposes that there will be no further farm program. I know some of the supporters say, "No, that's not what we are trying to do." Others are more candid and up front and say, "Sure, that is what we are doing. We will have a buy-out up front with transition payments and we will transition you, and once you are transitioned, there will not be a safety net in the event that prices collapse."

My concern with that is I do not think we will have family farmers in our country if, when prices collapse—and there are plenty of reasons for grain prices to collapse from time to time—there is then not some kind of basic safety net.

The interesting thing about the farmers is they face a so-called free market with a lot of enemies in that free market. They have a big grain trade that would love to knock down prices at every opportunity. They would love to knock down prices the minute prices start to strengthen, and they do it in dozens of different ways. When farmers try to market, they have to market up the narrow neck of a bottle with about a dozen major grain trading firms controlling where that market stream of product goes.

The fact is, they want to buy grain at lower prices, not higher prices, and in dozens of ways, they try to find a way to knock down higher prices when prices firm up.

Do you think millers love to see high prices? No; no, they would like to find a way to knock down prices a bit. Food processors, do they like high grain prices? No, they find a way to knock them down. So every time prices start to firm up—and, yes, even USDA.

I heard an Assistant Secretary about 5 or 6 years ago sidle up to the table in the House Agriculture Committee and say, "We had to take action to release grain, because we thought prices were firming up too much." That is a euphemism for saying, "We over in USDA thought farm prices were getting too high, so we used our leverage and the mechanisms we have to try to trim them down a bit."

The interesting thing is, family farmers never seem to be able to take advantage on any continuing basis of a free market of higher prices, because there is always someone in there to interrupt those higher prices, big grain trading firms, food processors and others. Well, I do not object—in fact I think we must find a much more market-oriented, market-sensitive farm program. Those who say we should are absolutely correct and they will find support from me for that. But I do not believe that we ought to decide that there should be no further price supports in the outyears in order that when international prices drop, family farmers will be left with no ability to deal with that risk.

Frankly, they cannot deal with that risk. Family farmers will not survive. Prices will drop and family farmers will fail and FAPRI, the research agency, says wheat prices will drop to $3.22 next year. USDA predicts a drop in 1998. I do not know the facts. I know wheat prices go up and down. But they go down a lot easier than they go up.

When they go down, the question is, for somebody farming 800 acres of wheat land in the northern great plains, and wheat drops to $3 a bushel and their production costs are $4.50 a bushel, and there is no loan rate, no target price, no marketing loan, no restitution payment, no nothing, what happens to that family farm?

The family farm goes broke. Who farms it? An agrifactory buys it. Corporations farm in this country from California to Maine. That is what will happen if you decide this country has no interest in retaining a safety net for family farms.

Every time I hear somebody—especially somebody from Washington with a white shirt—talking about transitioning somebody—especially a farmer—I suggest you fasten the seatbelt on the tractor seat. If you are going to be transitioned, you better look at what is behind that so-called transition. It may be going to a marketing policy that says:

Let us have a buyout and make some big payments up front in exchange for no further help, even some minimum safety net in the long-term.

There does need to be a farm program enacted by the U.S. Senate and the U.S. House, and it needs to be done soon. I do not want to revisit the question of who did what and why. I can make a strong case that this is the first day of the 104th Congress we have had a debate on the farm bill on the floor of the Senate. I know one was put in the reconciliation bill, but it was not debated on the floor. I am not interested in revisiting that because it is not very important.

What is important is the question of what do we do now, how quickly can we do it, and can we do it in a way that advantages the rural economies in this country. Can we do it in a way that especially tries to provide basic help to family-size farmers when prices drop.

It is my expectation and my hope that, with the leadership of Senator DOLE and Senator DASCHLE, and the work that has been ongoing today, in which I think there has been some fair

amount of agreement, between now and next Tuesday, provide a proposal. We could provide to both caucuses an approach that provides a bridge, or deals with filling in the gaps between the divergent proposals, and come to the floor and truly, in a bipartisan way, join hands and say this makes sense and meets the test.

This does what some in this Chamber have counseled, which is to make a more market-oriented farm program work. It provides more flexibility and it moves into the future with a more modernistic program that is more market-sensitive. It still retains, for those concerned about whether we will have family farmers in the future, a basic safety net of some consequence, so that when prices drop, family farmers will be able to ride out those times.

I come from a town of 300 people and from an area that is a family farming area. I suppose some people can say, "Of what importance is it whether our farms are farmed by family farmers or whether they are farmed by one large giant corporation that farms two counties at a time?"

I think there is plenty of reason for us to believe, for both social and economic reasons, in the retention of the opportunity to farm, and that to have a network of family farms dotting these prairies in America, dotting the northern great plains, makes a lot of sense. It supports a lifestyle that I think is admired by a lot of Americans. Turn on the news in any major city in the country and ask yourself if what you hear there compares well with what you understand is going on in our small towns and out on our farms.

Does the news compare in terms of family values and good living, living in circumstances relatively free from crime, living in neighborhoods and farm areas where you know all of your neighbors. The fact is that there are a lot of reasons to care about whether we have a network of family farms in our future. The answer to that question depends on what kind of farm program we develop here in the U.S. Congress.

Mr. President, let me conclude by saying that it is not my intention to do anything other than suggest that all of us find a way to serve the common interests that we have in rural America. There are farm families who depend on us, and they depend on us to do the right thing. There are mixed messages coming from different groups, commodity groups and farm organizations. Some like this approach and some like that approach. It seems to me that there is a basis for compromise.

I hope that between now and next Tuesday, we will reach out and find that basis and, on Tuesday, move to a conference committee, a piece of farm legislation passed by the U.S. Senate in a bipartisan manner.

Mr. President, I yield the floor.

Mrs. KASSEBAUM. Mr. President, I just say, in answer to the Senator from North Dakota, I feel confident that Senators on both sides of the aisle want to reach an agreement on a substantial, constructive farm bill. Nothing is more important, and it is prime legislation. I feel sure that I can speak on behalf of Senators on my side of the aisle that would say we are going to reach that agreement, and we will all work together in good faith to achieve what is very important, coming from a farm State, as I do myself.

MORNING BUSINESS

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, with Senators permitted to speak therein for up to 5 minutes each.

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

NATIONAL APPRECIATION WEEK FOR CATHOLIC SCHOOLS

Mr. PRESSLER. Mr. President, during this National Appreciation Week for Catholic Schools I would like to take a few moments to recognize the high quality and the hard work of the Catholic School System.

Our thanks and praise should go to the Catholic Schools for their special efforts to put children first. In the midst of increased school drop-outs, illiteracy, teenage pregnancy, drug-abuse, youth violence and growing pressures on teenagers and children—Catholic Schools provide their students a safe and healthy environment for learning. These schools give pupils an advantage by helping them develop a solid moral foundation.

In today's challenging society, mere words and good intentions are not enough. Catholic Schools' actions demonstrate their commitment to children. With a 99.98 percent graduation rate and 85 percent college matriculation rate, South Dakota Catholic Schools are proving that a solid combination of educational and spiritual guidance is the key to healthy living. In assisting pupils to build better lives, Catholic Schools reaffirm the value of life.

Catholic Schools extend the lessons we try to teach children at home: respect and love of our fellow neighbors, respect of the individual, personal discipline, individual responsibility and concern for the larger community. Catholic schools reinforce these family values which are the key to strong communities. We want the best for our families, our communities, and South Dakota. We must work to put the best tools in the hands of the future—our children. The Catholic schools give students the tools to be responsible adults and concerned citizens.

I want to thank all the individuals who have contributed to Catholic School Systems' continued success and growth—the teachers, administrators, and of course the parents, many being graduates of Catholic schools themselves. One special week each year is a modest way to pay special tribute and thanks to the Catholic Schools across our country for the service they provide to our communities and our future.

GOOD THINGS ARE HAPPENING IN MALTA, MONTANA

Mr. BAUCUS. Mr. President, at a time when we hear so much about what is wrong with America, I want to take a moment to talk about a place where good things are happening. That place is Malta, Montana.

Malta is a small community in Northern Montana, up along what we in Montana call the "Hi-Line". Like any small Montana town, it is a place where people work hard and don't think twice about helping out a neighbor or a friend in need.

This past Christmas Eve, a fire destroyed Malta's high school and junior high school. But folks in Malta pitched right in to get a temporary school up and running.

Students, teachers, and others from the community have spent the past month salvaging lost items and fixing up temporary school sites. Almost every Montana community has helped by sending items to start up the new schools. Also, Federal and State Agencies, Veterans groups, private as well as small businesses and many other organizations have contributed to this effort.

And I was privileged to spend a day working as part of this effort. While the entire community deserves credit, I would like to recognize three individuals who have taken a leading role in this undertaking. First, I would like to acknowledge the Principal of Malta High, Marty Tyler, who quickly took control of the situation and led the students and the community in the effort to rebuild the schools. For example, Principal Tyler and members of the student council collected about 4,000 bricks to construct an entrance sign when the new school is built. During my work day at the Malta schools I participated in building windbreaks in front of doors and collecting bricks with Schoolboard Chairman Doug Ost and School Superintendent Bill Parker. Both of whom deserve a big thanks for the commitment and support they have given to the Malta School District.

Finally, this fire also prompted the creation of PRIDE, People Rebuilding Investing and Developing Education, a local group to offer advice and manpower to the school district. I would like to extend my sincere thanks for their community involvement.

Mr. President, it is an honor and a privilege for me to recognize the

achievements of the students, teachers, administrators, and citizens of the Malta community and all others who have helped to get this project off to a great start.

A STRONG NATIONAL GUARD

Mr. HOLLINGS. Mr. President, over the last month I've traveled to every county in South Carolina. And one of the things that I heard from people was that they want America to keep a strong National Guard.

As a veteran, I know that a strong National Guard is vital to national security. Time and again, National Guard troops proved themselves to be as competent—if not more so—as regular troops in the active military. Air National Guard troops from South Carolina routinely are rated among the best in the service. They flew countless missions in the Persian Gulf War and flew them with skill, accuracy and expertise. Army National Guard troops from South Carolina proved themselves to be ready to mobilize and fight almost at the drop of a hat.

Mr. President, a strong National Guard also makes common sense. In these days where dollars are stretched thin, we can get three qualified and highly trained guardsmen for the cost of one active-duty soldier. Perhaps more importantly, however, having a strong Guard builds community support for the military. Think about it—the men and women who serve in the National Guard work in towns and counties every day across the country. They work in stores, construction sites, mills, factories and offices. And they set the example of public service for everyone. When their units are called up, their co-workers all turn out to support their efforts.

Mr. President, a couple of weeks ago when I was in Laurens, South Carolina, Rich Browne, the local newspaper editor, and I discussed the value of a strong Guard. His comments in a recent column are to-the-point. I hope every Senator would read this wise column and resist efforts to reduce the size of our National Guard units.

Mr. President, I ask that Rich Browne's column from the January 4 edition of the Laurens County Advertiser be reprinted in the CONGRESSIONAL RECORD.

The column follows:

AVOIDING MILITARY ADVENTURES

[From the Laurens County Advertiser by Rich Browne]

This should be an interesting year for the U.S. military.

With the active duty services once again calling on reserves to support the efforts to police the peace in Bosnia, according to news reports, the Department of Defense once again is leading a charge to reduce the role of National Guard units in preparing for the defense of the nation.

Well, the truth be known, the Department of the Army would like for all the combat arms units in the National Guard to just go away—they are a threat to the active Army's jobs. I saw this first-hand in Desert Storm and despite the Pentagon's contention that it would save the military a billion dollars per year to shift the focus of reserve units from fighting units to support units, the Army wants to deny that it would be cheaper and more effective to reduce the active component even further while increasing the number of troops in the reserve components.

However, don't look for this to happen and I'll tell you why.

First, it drastically would cut the number of active duty staff officer positions at the Pentagon and they are the ones who are drawing up the plans to downsize the military. No one, and I mean no one, is willingly going to say "Eliminate me and destroy my career," when an option can be made to eliminate someone else's job (even if they do it at less than half the cost).

Second, it is a matter of control. Because of its dual state-federal role, the National Guard is not totally under the control of federal army, something senior staff members resent and dream up ways to eliminate. Even though, again speaking from personal experience, Guard and reserve units often meet or exceed the standards set for active duty units, despite the fact they don't practice at the job 270 days a year.

Third, it limits the options of the executive branch to use the military in questionable operations. Note that the hue and cry about the use of U.S. forces in the Balkans and places like Somalia and Haiti are muted when the troops used are professional, full-time volunteers when compared to the times when the political leadership has to bite the bullet to tap into every village and hamlet to send forces in harm's way.

The civilian and military leadership in the Pentagon knows these things full well and, hence, would rather keep their jobs and control of careers, while keeping open the options for ticket-punching operations that are so vital to career progression.

The argument is that the combat units in the National Guard won't go to war and are ill-prepared to fight if they are sent, which—to borrow a phrase from retired Gen. H. Norman "Stormin' Norman" Schwarzkopf—is just so much bovine scatology.

When the Army went to war in the Persian Gulf, its units were no more prepared than many National Guard units. Most used the months preceding the ground attack to "train up" in the desert and bring their troops up to the needed "combat readiness."

The three National Guard armored brigades that were mobilized during Desert Storm where held in the U.S. not so much because their training was not up to snuff, but because if they had gone to the desert and acquitted themselves well . . . well, it would have disproved the myth that reserve soldiers can't perform up to the same standards as active duty soldiers.

Imagine what Congress and the budget cutters would have thought then. Gee, for 40 cents on the dollar, we can field a capable force that doesn't need all the full-time auxiliary services like housing, medical care and other benefits that we have to give the active duty force. We might be able to get a lot more bang for our buck.

Lay aside those arguments, and the arguments about all the support and benefits to national defense that come from a truly citizen army, and there is one vital reason why the political leadership in Washington and the Pentagon should not be allowed to reduce the Army to just professional soldiers: It removes the political cost on military adventures overseas.

If the civilian leadership has to go to every hamlet and village to draw men (and now women) to carry rifles and man tanks and artillery pieces, then it has to be able to justify the mission to the American people. This can be a tough sell and can be avoided if it is just a matter of sending in the professionals that have slipped under the radar of the folks back home. Hey, they volunteered for the job and it goes with the territory.

But don't look for that argument to be made. Even though we learned that lesson in Vietnam, when we didn't have large scale mobilizations of the reserve components and paid the price in 58,000 lives, we have forgotten it again. Gone, now, is the leadership that created the "Total Force", the Army that was built so that the civilian leadership couldn't commit U.S. forces in substantial numbers without paying the political price of getting the American people on board.

The new leadership wants to be able to go anywhere, anytime and not worry about support back home. It saves their careers.

HONORING BLACK HISTORY MONTH

Mr. HOLLINGS. Mr. President, I rise today to salute the fine work South Carolina Educational Television is doing to promote Black History Month. On Wednesday, February 21, SC ETV will feature the ninth annual Black History Teleconference live from the campus of Benedict College in Columbia, S.C.

"The Struggle Continues: African-American Women as Nurturing and Contributing Forces in America" will feature eight South Carolina high school seniors who will question a panel of nationally acclaimed African-American leaders. The 90-minute teleconference will be broadcast live via satellite to more than 500 school districts nationwide, colleges, and universities.

The eight high school panelists for South Carolina are Dion Alexander of Woodruff High School, LaShonda R. Davis of Bishopville High School, Felicia DuRante of Mauldin High School, Latasha Johnson of Baptist High School, Tahnee Johnson of Walterboro High School, Juontonio Pinckney of Battery Creek High School, Lemekia Stewart of Lockhart High School, and Joey Walker of Silver Bluff High School. I send my congratulations to each of them for their academic and civic achievements.

Also, I would like to commend Dr. Marianna Davis of Keenan High School in Columbia. She has been the driving force behind this annual event. She is an inspiring role model for our youth because she encourages them to set high goals and to work hard to reach them.

Mr. President, I also commend Henry Cauthen, president of South Carolina ETV; Dr. Davis; the students; and the panelists of "The Struggle Continues" for their continuing devotion to cultural excellence in broadcasting. We

are very proud of our fine educational network in South Carolina. It serves as an example for the Nation in presenting this teleconference during Black History Month.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, about 4 years ago I commenced these daily reports to the Senate to make a matter of record the exact Federal debt as of close of business the previous day.

In that report, February 27, 1992, the Federal debt stood at $3,825,891,293,066.80, as of close of business the previous day. The point is, the Federal debt has escalated by $1,161,545,065,098.40 since February 26, 1992.

As of the close of business yesterday, Wednesday, January 31, 1996, the Federal debt stood at exactly $4,987,436,358,165.20. On a per capita basis, every man, woman and child in America owes $18,930.74 as his or her share of the Federal debt.

BOX SCORE ON IMPORTS OF FOREIGN OIL BY THE UNITED STATES

Mr. HELMS. Mr. President, the American Petroleum Institute reports that, for the week ending January 26, the U.S. imported 6,895,000 barrels of oil each day, 5 percent more than the 6,550,000 barrels imported during the same period 1 year ago.

Americans now rely on foreign oil for more than 50 percent of their needs, and there are no signs that this upward trend will abate.

Since a barrel of oil is 55 gallons, this means that the United States purchased 379,225,000 gallons of oil from foreign countries this past week.

Anybody else interested in restoring domestic production of oil—by U.S. producers using American workers? If the American people don't become concerned perhaps they had better ponder the economic calamity that will occur in America if and when foreign producers shut off our supply, or double the already enormous cost of imported oil flowing into the United States—now 6,895,000 barrels a day.

UNITED STATES-GERMANY AVIATION RELATIONS

Mr. PRESSLER. Mr. President, I rise today to discuss a critically important international aviation matter I have raised in this body on numerous occasions. I refer to the significant opportunity that has presented itself to fully liberalize our aviation relations with the Federal Republic of Germany.

I am delighted to inform my colleagues that this morning the United States and Germany agreed on a framework for an open skies agreement. This is a major step in liberalizing aviation relations with one of our most important trading partners. A United States-Germany open skies agreement would produce significant new air service opportunities for all U.S. passenger carriers. Now that the mutually agreed upon structure for a liberalized air service agreement is in place, a round of formal talks has been scheduled for February 22 in Washington to finalize any remaining details.

Mr. President, I would like to praise both the Department of Transportation and the State Department for the excellent work they are doing in pursuing this opportunity. Also, I would be remiss if I failed to recognize the outstanding leadership German Transport Minister Matthias Wissmann has provided. I appreciate fully that Germany's membership in the European Union creates an added challenge in accomplishing our shared goal of securing an open skies agreement. For that reason, I commend Minister Wissmann for the great political courage he and the German Government have shown in pursuing this initiative.

An open skies agreement with Germany is tremendously significant since it would benefit the U.S. economy, our airline industry and consumers. Let me briefly expand on each point.

First, both immediately and from a long-term perspective, a United States-Germany open skies agreement would produce significant economic benefits for the United States. Due to the competitiveness of U.S. passenger and cargo carriers, they consistently generate for the United States significant net trade surpluses. I fully expect the same will continue to be true under a fully liberalized aviation regime with Germany. In fact, the performance of our cargo carriers under the liberalized air cargo agreement we signed with Germany in 1993 has been very impressive.

Germany also would benefit greatly from such an agreement. To confirm this point, one need only look to the Netherlands which continues to reap enormous economic benefits from the open skies agreement we signed with the Dutch several years ago. Unquestionably, the economic benefits of open skies agreements are a two-way street. I believe a United States-Germany open skies agreement is an excellent long-term economic investment for both countries.

Second, an open skies agreement with Germany would create tremendous new international air service opportunities for the U.S. airline industry. As I have previously explained to this body, such an agreement would generate both direct and indirect benefits for all U.S. passenger carriers.

In terms of direct benefits, an open skies agreement with Germany would immediately produce new air service opportunities between the United States and Germany. Is there pent-up demand among U.S. passenger carriers to serve Germany? Absolutely. Recently, eight U.S. passenger carriers sought to offer 316 roundtrip flights between the United States and Germany each week during the 1996 summer season. Under the current bilateral aviation agreement, however, U.S. passenger carriers can only offer 276 weekly roundtrip flights to Germany. Under an open skies agreement, there would be no such limit and the number of roundtrip frequencies would be set by market demand, not governments.

Equally important, German airports would provide well-situated gateway opportunities for our carriers to serve points throughout Europe, the Middle East, Africa and the booming Asia-Pacific market. Is it realistic to think that German airports will provide key gateways to the rapidly expanding Asia-Pacific market? Absolutely. In fact, Japan Airlines recently announced it intends to initiate new service between Osaka and Frankfurt. Nonstop service is presently available from Frankfurt-Main Airport to cities throughout the Asia-Pacific market including Hong Kong, Seoul, Bangkok and Singapore. Moreover, non-stop service to the Asia-Pacific market also is currently available from Munich Airport. These examples illustrate my point well.

With respect to indirect benefits, an open skies agreement with Germany would be an important catalyst for further liberalization of air service opportunities throughout Europe. Since it is such a critical fact, let me reiterate a point I have made in this body before. An open skies agreement with Germany—in combination with liberalized air service agreements we already secured with the Netherlands in 1992 and with nine other European countries last year—would mean nearly half of all passengers traveling between the United States and Europe would be flying to or from European countries with open skies regimes. Under such a scenario, competition would be our best ally in opening the remaining restrictive air service markets in Europe.

Will an open skies agreement with Germany, or any other country for that matter, benefit all U.S. passenger carriers equally? Of course not. A market-oriented framework only guarantees carriers the opportunity to compete. As should be the case, the market will determine which carriers will benefit most under an open skies agreement with Germany. Overall, however, I do predict with confidence that the U.S. aviation industry as a whole will benefit immensely from unrestricted opportunities to serve Germany.

Third, undoubtedly consumers in the United States and Germany would be the biggest winners. Due to enhanced service options as well as the assurance

of competitive air fares, consumers always benefit most under open skies agreements.

In conclusion, I am very pleased that we are well on our way to an open skies agreement with Germany. Such an agreement would be in the best economic interest of the United States and it would create considerable new international air service opportunities for all U.S. passenger carriers. Of great importance to me, consumers would reap significant benefits as well. I hope an open skies agreement with Germany will soon be in hand.

Let me add that I know some of my colleagues are frustrated that we have not made more progress liberalizing air service opportunities with several other major trading partners. I share this frustration but do not believe it results from a lack of effort on the part of our negotiators. In fact, our successful talks with the Germans illustrate a critical element which has been lacking in those other negotiations. I refer to the keen vision the Germans have shown in recognizing that the economic benefits of an open skies agreement with the United States are a two-way street.

In this regard, I believe my colleagues who are frustrated about the continued reluctance of the British to permit U.S. carriers greater access to London Heathrow Airport should be very pleased by this development with Germany. As I said earlier, competition will be our best ally in expanding air service opportunities with European countries such as the United Kingdom that continue to restrict the access of U.S. carriers. An open skies agreement with Germany will add great force to this market dynamic.

TRIBUTE TO LOWELL KRASSNER

Mr. LEAHY. Mr. President, I rise today in honor of the late Lowell Krassner of Burlington, VT, who passed away unexpectedly on January 15, 1996. As a longtime activist with the Vermont chapter of the Sierra Club, Lowell dedicated much of his life and energy to the conservation and stewardship of our natural resources—both in Vermont and nationally.

Lowell, together with his wife and partner Diane Geerken, worked tirelessly to protect the Vermont they loved, making major contributions to the eventual passage of the Vermont Wilderness Act of 1983 and the Green Mountain National Forest Management Plan of 1986.

Lowell and Diane functioned as a two-person citizen oversight committee, making sure that the actions of State and Federal public lands and natural resource managers were carefully reviewed. Indeed, friends and colleagues have often remarked how their South Burlington home served as both a hub of environmental activism and a Vermont conservation archive for so many years.

Lowell stood as a staunch defender of the Long/Appalachian Trail. He could also be both a strong supporter and sharp critic of the U.S. Forest Service, depending on the issue at hand.

In his commitment to the environment, Lowell Krassner also looked well beyond the Green Mountains, Lake Champlain, and the Connecticut River. He was well read on the various national environmental debates of the day—clean water, clean air, endangered species, wetlands, ANWR, Forest Service timber policy—and readily shared his views with his congressional representatives.

Lowell was particularly concerned with the recent attacks on our Nation's environmental laws represented by such actions as the timber salvage rider on the fiscal 1995 rescission legislation.

Over the last few years, Lowell immersed himself in the work of the Northern Forest Lands Council and strongly supported legislation to implement the council's recommendations.

Lowell Krassner will be truly missed, not only by his family and the Vermont chapter of the Sierra Club, but also by those many of us who counted on his unswerving commitment and honesty in furthering the cause we share—the wise stewardship of our public lands and natural resources.

JOYCE ROUILLE

Mr. LEAHY. Mr. President, I would like to let the entire Senate know how proud I am of Joyce Rouille, a wonderful person and someone who I am fortunate enough to call my friend. Joyce was recently named the Volunteer of the Week by the Burlington Free Press for her work at the Community Health Center in Burlington, VT. While Joyce may technically be retired, anyone who knows her will attest to her constant devotion to her family, church, and community. The time and love she spends each day on other people would exhaust any normal person. Joyce and Jack have shown all of us how to be good parents and good citizens.

I ask unanimous consent that the article appearing in the Burlington Free Press be printed in the CONGRESSIONAL RECORD.

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

[From the Burlington Free Press, Jan. 22, 1996]

VOLUNTEER OF THE WEEK

(By Beth Gillespie)

Joyce Rouille is enhancing her retirement by helping parents at the Community Health Center of Burlington.

As coordinator of the CHC library, Rouille helps ensure that patients have easy access to the hundreds of parenting books and other materials.

She keeps track of the books patients take out, sends notices for overdue items and generally keeps library materials organized. She also helps with filing, billing, mailing and other clerical work in the center's main office.

"Joyce does anything we ask her to," says CHC director Alison Calderara. "She's totally committed and always here when we need her. It's been really nice to have her around."

Rouille lives in Burlington with her husband, John. She enjoys sewing, seasonal crafts, gardening and quilting.

"After you stop working, you don't want to just sit in a chair and do nothing. I really do enjoy working at the center—the staff are very outgoing and friendly," Rouille says.

NATIONAL PRAYER BREAKFAST

Mr. WARNER. Mr. President, each year we celebrate in the Nation's Capital a National Prayer Breakfast. It was my privilege to attend today, the 44th consecutive gathering. The President of the United States and the First Lady, together with the Vice President and his wife are, as they were today, regular attendees. Leaders from many countries, leaders from every State join with members of the judiciary, executive, and legislative branches of our government. It is invariably an inspirational, memorable event.

As is customary, Members of Congress preside and today Senator ROBERT BENNETT, Utah, whose father likewise was a distinguished U.S. Senator, contributed masterfully as a master of ceremonies. Senators and House Members share in the program.

Strong messages were given by all, especially President Clinton and Vice President GORE. The Senate participants were Senator CAROL MOSELEY-BRAUN, Illinois, who read beautifully from the scriptures and Senator ALAN SIMPSON who spoke with deep sincerity and humility.

But the most memorable contribution of all was from the principal speaker, Senator SAM NUNN, Georgia. The audience, at the breakfast and watching television, all across America, were given a stirring, uplifting message. Remarks that are deserving to be recorded for present and future generations the world over.

It is with pride and humility that I ask unanimous consent to have printed in the RECORD the remarks of my two valued friends, Senator SIMPSON and Senator NUNN.

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

REMARKS BY SENATOR SIMPSON, NATIONAL PRAYER BREAKFAST, FEBRUARY 1, 1996

Mr. President, First Lady Hillary, Mr. Vice President and President of our Senate and Tipper Gore, Distinguished guests. Greetings, my fellow seekers, discoverers, and wanderers (not necessarily in that order!) always a grand morning.

One of the great honors of my life was to give the principle address at this national prayer breakfast in 1989. I was filled with

trepidation that a seeker like me would be asked.

The night before, the Reverend Billy Graham, one of the most loving, inspirational, caring men in this world, called and said, "Alan, we are praying for you." I said, "You're praying for me! I'm doing plenty of that for myself!" So typical of Billy Graham.

Long ago in public life I learned where to turn when I didn't know where to turn. One source.

The Senate prayer breakfast group gathers every Wednesday morning for a convivial half hour between 8 and 9:00. Our leaders are Bob Bennett, the Republican from Utah and Dan Akaka a Democrat from Hawaii. Rare gentlemen both.

The presentor of the day—after an opening prayer—shares much of himself or herself with us for fifteen or twenty minutes and then a time of discussion and fellowship. Promptly at the hour of nine we close with a prayer as we stand with hands joined around the tables. Sometimes the theme is the Bible. Sometimes it's public life. Sometimes it's about family and our jobs but always it's about ourselves and the impact of that greater force in our lives—a higher being. All faiths. All philosophies. All believers.

These are always very moving times. We share much with each other and we gain much from each other.

It helps us endure in the partisan and political world in which we have chosen to labor. Kindness, civility, tolerance and forgiveness all are part of the essence of our gatherings. We try to put aside harsh judgment and criticism.

I remember the words of a wonderful couplet my mother used to share.

There is so much good in the worst of us.
And so much bad in the best of us.
That it ill behooves any of us
To find fault with the rest of us.

I like that one. I knew you would!

We also talk about our human frailties. We talk about how easy it is to fall for the blandishments of flattery and be overcome by ego.

I have often said that those who travel the high road of humility in Washington DC are not really troubled by heavy traffic!

It is always a very uplifting time. Yes, actually too a time of sharing of our own vulnerabilities. It was Will Rogers, our great American humorist, who said, "It's great to be great but it is greater to be human."

We are very privileged to be able to serve in the United States Senate. A special obligation. People do observe us. We are scrutinized. (Indeed we are!) We hope to do more than just talk a good game. We need to live the things we learn and share.

Let me close with a poem that is something we try to take from the weekly Senate prayer breakfast group and something we might hope to remember from this marvelous convocation today. That little poem.

We'd rather see a sermon than hear one any day,
We'd rather you would walk with us than merely show the way.
The eye is a better pupil and more willing than the ear.
Fine counsel is confusing, but example's always clear.
We can soon learn how to do it if you'll let us see it done,
We can watch you well in action, but your tongue too fast may run
And the lecture you deliver may be very wise and true,
But we'd rather get our lessons by observing what you do.

Now there's "the word" for the day!
God bless you all.

REMARKS OF SENATOR NUNN

Thank you Bob Bennett, President and Mrs. Clinton, Vice President and Mrs. Gore, fellow sinners. Have I left anyone out? I say to my good friend, Alan Simpson, Billy Graham called me also, Alan. He said, as he did in his message, that he was praying for us all. But, he felt particularly compelled to pray for Alan Simpson and for me. Alan, I don't know what he meant by that, but you and I appreciate it.

A few years ago during the Bresznev era, Dr. Billy Graham returned from a highly publicized trip to Moscow and was confronted when he returned by one of his critics with these words, "Dr. Graham, you have set the church back 50 years." Billy Graham lowered his head and replied, "I am deeply ashamed. I have been trying very hard to set the church back 2,000 years."

Today we represent different political parties, different religions and different nations, but as your invitation states, we gather as brothers and sisters in the spirit of Jesus who lived 2,000 years ago, and who lives in our hearts and minds today.

The first prayer breakfast was held in 1953 in a world of great danger. President Eisenhower was newly inaugurated and had just returned from Korea where our young soldiers were fighting desperately. World Communism was on the move. Eastern Europe and the Baltics were locked behind the Iron Curtain. All across the globe, the lights of religious freedom and individual rights were going out, and the specter of nuclear destruction loomed over our planet.

I wonder this morning how those who attended that first national prayer breakfast 43 years ago would have reacted if God had given them a window to see the world of the 1980's and 1990's.

They would have seen truly amazing things: Catholic nuns kneeling to pray in the path of 50-ton tanks—the power of their faith bringing down the Philippine dictatorship; the Iron Curtain being smashed, not by tanks of war, but by the hands of those who built it and those who were oppressed by it; the Cold War ending, not in a nuclear inferno, but in a blaze of candles in the churches of Eastern Europe, in the singing of hymns and the opening of long-closed synagogues. I believe that God gave Joseph Stalin the answer to his question, "How many divisions does the Pope have?"

They also would have seen a black man in South Africa emerge from prison after 26 years and become the President of his nation, personifying forgiveness and reconciliation; the first hesitant but hopeful steps toward peace between Jews and Arabs in the Middle East, and between Protestants and Catholics in Northern Ireland. They would see that in 1996 we are blessed to live in a world where more people enjoy religious freedom than at any other time in history. Can we doubt this morning that a loving God has watched over us and guided us through this dangerous and challenging period?

During the early days of the Russian parliament, the Duma, I joined several other Senators in attending a meeting with a number of newly elected members of that body. The second day, a few of us were invited to a very small "prayer breakfast" with a group of Duma members who were just forming a fellowship, no doubt stimulated by Doug Coe. As in the larger meeting the day before, the breakfast discussion started with a degree of coldness and tension. One of the Russians, in obvious sadness and a little embarrassment, remarked that Russia was in great economic distress and that the United States was the only remaining superpower. It was clear that this was a very sensitive point for them. It had been abundantly clear the day before.

Senator Dirk Kempthorne and I then pointed out that in the real sense there is only one superpower in the world, our heavenly Father who watches over us all. The tension immediately eased and the spirit of fellowship was built, and we prayed together to that superpower, the God who loves us all.

Our world is a strange and tragic place. It is very ironic in many ways. The Cold War is now over, but in a tragic sense, the world has now been made safer for ethnic, tribal, and religious vengeance and savagery. Such tragedy has come to the people of Somalia, Bosnia, Rwanda, Burundi, Sudan, Haiti and others.

At home, the pillar of our national strength, the American family, is crumbling. Television and movies saturate our children with sex and violence. We have watered down our moral standards to the point where many of our youth are confused, discouraged and in deep trouble. We are reaping the harvest of parental neglect, divorce, child abuse, teen pregnancy, school dropouts, illegal drugs, and streets full of violence.

It's as if our house, having survived the great earthquake we call the Cold War, is now being eaten away by termites. Where should we turn this morning and in the days ahead?

Our problems in America today are primarily problems of the heart. The soul of our nation is the sum of our individual characters. Yes, we must balance the federal budget and there are a lot of other things we need to do at the Federal level, but unless we change our hearts we will still have a deficit of the soul.

The human inclination to seek political solutions for problems of the heart is nothing new. It is natural. Two thousand years ago, another society found itself in deeper trouble than our own. An oppressive empire strangled liberties. Violence and corruption were pervasive.

Many of the people of the day hoped for the triumphant coming of a political savior, a long-expected king to establish a new, righteous government. Instead, God sent his son, a baby, born in a stable. Jesus grew up to become a peasant carpenter in a backwater town called Nazareth. He condemned sin but made it clear that he loved the sinner. He befriended beggars and prostitutes and even tax collectors while condemning the hypocrisy of those in power. He treated every individual with love and dignity and taught that we should do the same. He died like a common criminal, on a cross, and gave us the opportunity for redemption and the hope of eternal life.

He also put the role of government in proper perspective when he said, "Render unto Caesar that which is Caesar's and unto God that which is God's."

Shortly after I announced that I would not seek reelection, a reporter asked me, "You've been in the Congress for 24 years; what do you consider to be your greatest accomplishment?" I paused for a moment and replied, "Keeping my family together for 24 years and helping my wife Colleen raise two wonderful children, Michelle and Brian." Upon hearing this, the reporter scoffed, "Don't give me that soft sound-bite stuff. What laws did you get passed?"

When he said that, I had several thoughts—only a couple of them I can share with you

this morning. Four years ago, my daughter, Michelle, and a few of her friends started an organization in Atlanta called Hands on Atlanta, making it exciting, efficient and fun for young people to volunteer their time to help those in need. Now, about 5 years later, 10,000 volunteers each month render about 20,000 hours of personal, one-on-one service. What laws have I passed that have had this impact?

I also thought about the difference between being a Senator and being a father. When we in the Senate make a mistake, we have checks and balances—99 other Senate colleagues, plus the House of Representatives, plus the President, plus a final review by the Supreme Court. But, when we as parents make a mistake with our children, where are the checks and where are the balances?

Congress can pass laws cracking down on those who refuse to support their children. But we cannot force husbands to honor their wives, wives to love their husbands, and both parents to nurture their children. Congress can pass laws on civil rights and equal rights, but we cannot force people of different races to love each other as brothers. Congress can promote fairness and efficiency in our tax code, but we cannot force the rich to show compassion toward the poor. We can join with our NATO allies to separate the warring factions in Bosnia, as we are doing, and give them a breathing space, but we cannot force Muslims, Croats and Serbs to live together as brothers in peace.

I recently heard a story on the radio. It happened in Bosnia, but I think it has meaning for all of us. A reporter was covering that tragic conflict in the middle of Sarajevo, and he saw a little girl shot by a sniper. The back of her head had been torn away by the bullet. The reporter threw down his pad and pencil, and stopped being a reporter for a few minutes. He rushed to the man who was holding the child, and helped them both into his car.

As the reporter stepped on the accelerator, racing to the hospital, the man holding the bleeding child said, "Hurry, my friend, my child is still alive."

A moment or two later, "Hurry, my friend, my child is still breathing."

A moment later, "Hurry, my friend, my child is still warm."

Finally, "Hurry. Oh my God, my child is getting cold."

When they got to the hospital, the little girl had died. As the two men were in the lavatory, washing the blood off their hands and their clothes, the man turned to the reporter and said, "This is a terrible task for me. I must go tell her father that his child is dead. He will be heartbroken."

The reporter was amazed. He looked at the grieving man and said, "I though she was your child."

The man looked back and said, "No, but aren't they all our children?"

Aren't they all our children?

Yes, they are all our children. They are also God's children as well, and he has entrusted us with their care in Sarajevo, in Somalia, in New York City, in Los Angeles, in my hometown of Perry, Georgia and here in Washington, D.C.

In the book of Micah, the prophet asks, "Shall I give my firstborn for my transgressions, the fruit of my body for the sin of my soul?"

The cruelest aspect of our wars and our sins is what they do to our children. Jesus said, "Suffer the little children to come unto me * * * For of such is the kingdom of God." Too often today we shorten this commandment to—suffer—little children.

Mrs. Clinton, thank you for the emphasis you have put on children and the spotlight you have shined on our challenges. You are great.

The world is watching America today. People around the world are watching not just our President or our Congress or our economy or even our military deployments. They are watching our cities, our towns, and our families to see how much we value our children, and whether we care enough to stop America's moral and cultural erosion. Do we in America in 1996 love our neighbors as ourselves as explained by Bob Bennett as our theme for the morning and by Tom Lantos and his personal example?

I do not have the answer to these questions this morning, and I don't pretend to. These problems can be solved only in the hearts and minds of our people and one child at a time. I do, however, have a few observations.

The Cold War provided us with a clarity of purpose and a sense of unity as a people. Our survival as a nation was at stake. We came together often in fear. The challenges that confront us today are far different, but the stakes are the same. I pray that our children, all of our children, will be the bridge that brings us together, not in fear, but in love.

Each year millions of our children are abused, abandoned and aborted. Millions more receive little care, discipline and almost no love. While we continue to debate our deeply-held beliefs as to which of these sins should also be violations of our criminal code, I pray that we as parents, as extended families, and as communities, will come together to provide love and spiritual care to every mother and to every child, born or unborn.

Government at every level must play a role in these challenges, but I do not believe that it will be the decisive role. What, then, are our duties as leaders, not just in the world of politics and government, but in every field represented here this morning and throughout our land? Like basketball stars Charles Barkley and Dennis Rodman, we are role models whether we like it or not.

I believe that the example we set, particularly for our young people, may be the most important responsibility of public service. We must demonstrate with our daily lives that it is possible to be involved in politics and still retain intellectual honesty and moral and ethical behavior.

We are all sinners, so we will slip and we will fall. But I have felt God's sustaining hand through every phase of my life—growing up in Perry, Georgia, raising a family, my relationship with my wife Colleen, in Senate floor debates, in committee meetings, visiting our troops in war, or being part of a mission for peace.

In the years ahead, when I think back on my public service, I am certain that my most cherished memories will be those moments spent with my colleagues in the Senate prayer breakfasts and in my meetings with leaders from around the world, usually arranged by Doug Coe, in the spirit of Jesus.

I have also been blessed by many friends in the Senate and also a small fellowship with a group of Senate brothers like the late Dewey Bartlett, Republican of Oklahoma; Lawton Chiles, Democrat of Florida; Pete Domenici, Republican of New Mexico; Harold Hughes, Democrat of Iowa; and Mark Hatfield, Republican of Oregon. No one can accuse that group of being of like minds politically.

Yet, these brothers have listened to my problems, shared in my joys, held me accountable and upheld me in their prayers. Fellowship in the spirit of Jesus does amazing things. It puts political and philosophical differences, even profound differences, in a totally different perspective.

I believe that 2,000 years ago Jesus was speaking to each of us when he delivered his Sermon on the Mount. And, my prayer this morning for our leaders and our nation is in the spirit of his words then.

May we who would be leaders always be aware that we must first be servants. May we who compete in the arena of government and politics remember that we are commanded to love our enemies and pray for those who persecute us. I can't find any exception for the news media or our opponents. May we who seek to be admired by others remember that when we practice our piety before men in order to be seen by them, we will have no reward in heaven. May we who have large egos and great ambitions recall that the Kingdom of Heaven is promised to those who are humble and poor in spirit. May we who depend on publicity as our daily bread recall that when we do a secret kindness to others, our Father, who knows all secrets, will reward us. May the citizens whom we serve as stewards of government be sensitive to the fact that we are human beings subject to error and that while we need their critiques, we also desperately need their prayers. May we never forget that the final judgment of our tenure here on earth will not be decided by a majority vote, and that an election is not required to bring us home.

May God bless each of you.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Kalbaugh, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 10:32 a.m., a message from the House of Representatives, delivered by Ms. Goetz, 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. 2036. An act to amend the Solid Waste Disposal Act to make certain adjustments in the land disposal program to provide needed flexibility, and for other purposes.

The message also announced that the House agrees 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. 2546) making appropriations for the government of the District of Columbia and other activities chargeable in

whole or in part against the revenues of said District for the fiscal year ending September 30, 1996, and for other purposes.

ENROLLED BILL SIGNED

The message further announced that the Speaker has signed the following enrolled bill:

H.R. 2353. An act to amend title 38, United States Code, to extend certain expiring authorities of the Department of Veterans' Affairs relating to delivery of health and medical care, and for other purposes.

The enrolled bill was signed subsequently by the President pro tempore [Mr. THURMOND].

At 4:49 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 652) to provide for a procompetitive, deregulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition, and for other purposes.

At 8:32 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 141. Concurrent resolution providing for the adjournment of the two Houses.

At 8:46 p.m., a message from the House of Representatives, delivered by Mr. Hays, 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. 2924. An act to guarantee the timely payment of Social Security benefits in March 1996.

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent and referred as indicated:

H.R. 2036. An act to amend the Solid Waste Disposal Act to make certain adjustments in the land disposal program to provide needed flexibility, and for other purposes; to the Committee on Environment and Public Works.

REPORTS OF COMMITTEE

The following report of committee was submitted:

By Mr. HATFIELD, from the Committee on Appropriations:

Special Report entitled "Revised Allocation to Subcommittees of Budget Totals from the Concurrent Resolution for Fiscal Year 1996" (Rept. No. 104–228).

By Mr. CHAFEE, from the Committee on Environment and Public Works, without amendment:

H.R. 2005. A bill to direct the Secretary of the Interior to make technical corrections in maps relating to the Coastal Barrier Resources System (Rept. No. 104–229).

The committee of conference submitted a report on the disagreeing votes of the two Houses to the bill (S. 652) to provide for a procompetitive, deregulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition, and for other purposes (Rept. No. 104–230).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on Armed Services:

DEPARTMENT OF ENERGY

Derrick L. Forrister, of Tennessee, to be an Assistant Secretary of Energy (Congressional and Intergovernmental Affairs).

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE AIR FORCE

The following named officer for appointment to the grade of general while assigned to a position of importance and responsibility under title 10, United States Code, Section 601:

To be general

Lt. Gen. Eugene E. Habiger, [redacted] United States Air Force.

The following named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of Title 10, United States Code, Section 1370:

To be lieutenant general

Lt. Gen. Stephen B. Croker, [redacted] United States Air Force.

The following named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of Title 10, United States Code, Section 1370:

To be lieutenant general

Lt. Gen. Arlen D. Jameson, [redacted] United States Air Force.

The following named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601:

To be lieutenant general

Maj. Gen. Michael D. McGinty, [redacted] United States Air Force.

The following named officers for appointment in the Regular Air Force of the United States to the positions and grade indicated under title 10, U.S.C., section 8037:

THE JUDGE ADVOCATE GENERAL OF THE UNITED STATES AIR FORCE

To be major general

Brig. Gen. Bryan G. Hawley, [redacted]

THE DEPUTY JUDGE ADVOCATE GENERAL OF THE UNITED STATES AIR FORCE

To be major general

Brig. Gen. Andrew M. Egeland, Jr. [redacted]

The following named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United State Code, Section 601:

To be lieutenant general

Maj. Gen. Phillip J. Ford, [redacted] United States Air Force.

The following named officer for reappointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601:

To be lieutenant general

Lt. Gen. Kenneth A. Minihan, [redacted] United States Air Force.

IN THE ARMY

The following named officer for appointment to the grade of general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601(a):

To be general

Lt. Gen. Henry H. Shelton, [redacted] United States army.

The following named officer for appointment to the grade of lieutenant general in the United States Army while assigned to a position of importance and responsibility under title 10, U.S.C., section 601(a):

To be lieutenant general

Maj. Gen. John M. Keane, [redacted] United States Army.

The following named officer for appointment to the grade of lieutenant general in the United States Army while assigned to a position of importance and responsibility under title 10, U.S.C., section 601(a):

To be lieutenant general

Maj. Gen. Patrick M. Hughes, [redacted] United States Army.

NAVY

The following named officer to be placed on the retired list of the United States Navy in the grade indicated under section 1370 of title 10, U.S.C.

To be vice admiral

Vice Adm. David B. Robinson, 450–64–1881.

The following named officer to be placed on the retired list of the United States Navy in the grade indicated under section 1370 of title 10, U.S.C.

To be vice admiral

Vice Adm. John B. LaPlante, [redacted]

The following named officer to be placed on the retired list of the United States Navy in the grade indicated under section 1370 of title 10, U.S.C.

To be vice admiral

Vice Adm. John M. McConnell, [redacted]

(The nominations were reported with the recommendation that they be confirmed, subject to the nominees' 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 time by unanimous consent, and referred as indicated:

By Mr. BROWN:

S. 1549. A bill to improve regulation of the purchase and sale of municipal securities,

and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HELMS:

S. 1550. A bill to eliminate the duties on 2-Amino-3-chlorobenzoic acid, methyl ester; to the Committee on Finance.

By Mr. DORGAN (for himself, Mr. HOLLINGS, Mr. DASCHLE, Mr. CONRAD, and Mr. KERREY):

S. 1551. A bill to restore the broadcast ownership rules under the Communications Act of 1934 to the status quo ante the enactment of the Telecommunications Act of 1996; to the Committee on Commerce, Science, and Transportation.

By Mr. DASCHLE:

S. 1552. A bill to amend the Railroad Retirement Act of 1974 to prevent the canceling of annuities to certain divorced spouses of workers whose widows elect to receive lump sum payments; to the Committee on Labor and Human Resources.

By Mr. MCCAIN:

S. 1553. A bill to provide that members of the Armed Forces performing services for the peacekeeping effort in the Republic of Bosnia and Herzegovina shall be entitled to certain tax benefits in the same manner as if such services were performed in a combat zone; to the Committee on Finance.

By Mr. COCHRAN:

S. 1554. A bill to amend the Fair Labor Standards Act of 1938 to clarify the exemption for houseparents from the minimum wage and maximum hours requirements of that Act, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. DOLE (for himself, Mr. ROTH, Mr. MCCAIN, and Mr. DOMENICI):

S. 1555. A bill to guarantee the timely payment of social security benefits in March 1996; read twice.

By Mr. KOHL (for himself and Mr. SPECTER):

S. 1556. A bill to prohibit economic espionage, to provide for the protection of United States proprietary economic information in interstate and foreign commerce, and for other purposes; to the Committee on the Judiciary.

By Mr. SPECTER (for himself and Mr. KOHL):

S. 1557. A bill to prohibit economic espionage, to provide for the protection of United States vital proprietary economic information, and for other purposes; to the Select Committee on Intelligence.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SPECTER (for himself, Mr. SIMON, Mr. DOLE, Mr. LAUTENBERG, Mrs. BOXER, Mr. COCHRAN, Mr. HEFLIN, Ms. MIKULSKI, Ms. SNOWE, Mr. GRASSLEY, Mr. THURMOND, Mr. GLENN, Mr. BRADLEY, Mr. KENNEDY, Mr. KERRY, Mr. REID, Mr. MACK, Ms. MOSELEY-BRAUN, Mr. SARBANES, Mrs. FEINSTEIN, Mr. COHEN, Mrs. MURRAY, Mr. BIDEN, Mr. PRESSLER, Mr. LEVIN, Mr. THOMAS, Mr. DODD, and Mr. WARNER):

S. Res. 219. A resolution designating March 25, 1996 as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy"; to the Committee on the Judiciary.

By Mr. DOLE (for himself, Mr. DASCHLE, and Mr. WARNER):

S. Res. 220. A resolution in recognition of Ronald Reagan's 85th birthday; considered and agreed to.

By Mr. DOLE (for himself and Mr. DASCHLE):

S. Res. 221. A resolution to authorize testimony by a former Senate employee; considered and agreed to.

S. Res. 222. A resolution to authorize the production of documents by the Permanent Subcommittee on Investigations; considered and agreed to.

By Mrs. HUTCHISON (for herself and Mr. GRAMM):

S. Res. 223. A resolution to commemorate the sesquicentennial of Texas statehood; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BROWN:

S. 1549. A bill to improve regulation of the purchase and sale of municipal securities, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

THE MUNICIPAL SECURITIES INVESTOR PROTECTION ACT OF 1996

Mr. BROWN. Mr. President, I rise to offer a bill to protect municipal securities investors.

The Securities Act of 1933, and the Exchange Act of 1934 were drafted in response to the stock market crash of 1929. Congress passed the 1933 and 1934 acts to prevent fraud in the securities markets and ensure uniform and reliable information for investors. At that time however, Congress decided to exempt the relatively insignificant municipal securities market from new laws, because unlike corporations, the States, cities, and counties issuing bonds could back their obligations with their power to raise taxes.

Now, with over 52,000 municipal issuers, and $1.2 trillion in outstanding debt obligations, the municipal securities market in one of the largest unregulated markets in the world. Complex financing arrangements are created behind the shelter of the municipal securities exemption. Over 70 percent of all municipal bonds are revenue bonds, backed not by tax revenues, but the isolated revenues of special projects like toll roads, powerplants and airports. Revenue bonds for major projects can exceed $1 billion, and are often bought and sold internationally by individuals, corporations, banks, and governments. These revenue bonds present many of the same investment risks as corporate enterprises, but because they are municipal securities, they are subject only to voluntary market guidelines and the SEC's authority to prevent fraud.

Since its inception, people have questioned whether the Security and Exchange Commission's lack of authority over the municipal securities market was adequate to protect investors. A 1993 staff report of the Securities and Exchange Commission examined that question and commented on the shortcomings of the SEC's authority: "Because of the voluntary nature of municipal issuers disclosure, there is a marked variance in the quality of disclosure, during both the primary offering stage and in the secondary market." Other groups have echoed the SEC's sentiment. The Public Securities Association testified that, "secondary market information is difficult to come by even for professional municipal credit analysts, to say nothing of retail investors." The SEC staff concluded that while the SEC could take steps to improve disclosure, any comprehensive changes to the existing system would require congressional action.

The SEC took an indirect step toward improving municipal securities disclosure when it began enforcing 15c2–12 last summer. That rule requires municipal securities dealers to contract with issuers for the provision of disclosure documents and annual reports. These regulations however, fall short of the protections offered investors in the 1933 and 1934 acts because they do not give the SEC the authority to review municipal disclosures, regulate content, or require continuing disclosure of financial information.

This bill would take additional steps toward full disclosure. Under my proposal, a municipal security issuer who offers more than $1 billion in related securities, but does not pledge its taxing authority toward repayment of the obligations, must conform to the registration and continuous reporting requirements of the Securities Act of 1933 and the Exchange Act of 1934. In other words, when a municipal issuer acts like a corporation by pledging the revenues of a particular project toward repayment of debt, it should be treated like a corporation.

Recent collapses in the municipal securities market underline the need for congressional action:

New York: After issuing record levels of debt from 1974 through 1975, New York City was unable to issue additional debt to cover maturing obligations. As a result, $4 billion of the city's short-term bonds lost over 45 percent of their value by December 1975, and interest rates for municipalities across the Northeast and Mid-Atlantic regions rose 0.05 percent. The subsequent SEC investigation uncovered distorted financial information including a systematic overstatement of revenues.

Washington Public Power Supply System: With an initial cost estimate of $2.25 billion to build nuclear reactors, the Washington Public Power Supply System issued bonds between 1977 and 1981. By the time the final bond sale was issued, the project's estimated cost exceeded $12 billion. Construction was halted, the WPPSS went into default, and the SEC began investigating the WPPSS's disclosure practices.

The SEC found that the WPPSS had mislead investors by not releasing reports about cost overruns, that underwriters failed to critically analyze the information provided by the WPPSS, that bond rating agencies failed to conduct due diligence to confirm WPPSS information, and that attorneys provided unqualified legal opinions as to the validity of the financing agreements. Ultimately no enforcement action was taken because several class action civil suits concluded with the Federal district court approving a $580 million global settlement.

Orange County: In 1994, a lack of disclosure led many investors of Orange County bonds to be surprised when the Orange County investment fund declared bankruptcy. The fund's risky investments in derivatives led to a loss of over $1.7 billion and put every debt obligation of the county at risk.

Denver International Airport: Original plans called for Denver to finance its new $1.3 billion international airport with bonds backed by operation revenues following its October 1993 opening. The actual cost of the Denver International Airport [DIA] exceeded $4.8 billion and construction delays postponed its opening to February 28, 1995. Questions regarding contracting practices, construction problems, and delays caused by its high-technology baggage system led to several Federal and State investigations and class action lawsuits, including an investigation by the SEC to review Denver's knowledge and disclosure of delays with the baggage system.

These examples demonstrate how the voluntary nature of the municipal market is failing to adequately inform investors. Whereas updated, accurate information is readily available to investors of corporate securities, municipal securities investors are often caught offguard and unaware of the risks associated with their investment. Current law only encourages municipalities to comply with the voluntary guidelines of the Government Finance Officers Association, and only requires disclosure of facts so as not to violate the antifraud provisions of the 1933 and 1934 acts. In other words, municipal issuers are under no obligation to provide annual financial information, conform to generally accepted accounting principals, or report conflicts of interest. In addition, disclosure is only necessary to avoid making a material misstatements of fact, a standard which some commentators argue is met by remaining silent even as material events and facts change. The end result can be uniformed investors who suffer losses from undisclosed risks.

This legislation is designed to protect investors by requiring municipal issuers who act like corporations to meet the same requirements as corporations. Instead of receiving guidance from voluntary standards, municipalities and investors would have the benefit of mandatory guidelines and requirements for judging what information needs to be disclosed and what form it needs to take. Instead of relying on documents which can be outdated and unaudited, investors would be able to review the latest numbers when analyzing risk. The end result would be greater information for investors, more security for issuers, and lower cost for consumers.

In Denver's case, the requirements of the 1933 and 1934 acts could have eliminated some of the problems the city now faces. Since issuers under the 1933 act are strictly liable for misinformation in their documents, the city would have taken extra precautions to accurately disclose information in a timely manner—a practice which could have prevented the facts driving the current SEC investigation. Investors would be more willing to invest because they would be able to easily obtain current, audited financial information similar in form and content to other offerings. Finally, without the specter of pending lawsuits and investigations, the cost of borrowing would go down saving millions of dollars for the city and allowing it to lower rents to airlines. Lower rents in turn would allow the airlines to pass savings on to consumers in the form of lower ticket prices.

As the Denver example shows, everyone can benefit from the accurate and continuous disclosure required of corporations by the securities acts. If municipalities are going to operate like corporations, and back securities with revenues from specific projects, then the investing public deserves to receive complete and updated information regarding those revenues. This bill takes the commonsense approach of bringing municipalities who offer revenue bonds totaling more than $1 billion, under the same rules and regulations as faced by private companies.

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

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

S. 1549

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 "Municipal Securities Investor Protection Act of 1996".

SEC. 2. TREATMENT OF MUNICIPAL SECURITIES IN THE SECURITIES ACT OF 1933.

Section 3 of the Securities Act of 1933 (15 U.S.C. 77c) is amended by adding at the end the following new subsection:

"(d)(1) Notwithstanding subsection (a)(2), a security issued by a municipal issuer shall only be exempt from the provisions of this title—

"(A) if the municipal issuer pledges the full faith and credit or the taxing power of that municipal issuer to make timely payments of principal and interest on the obligation; or

"(B) if the municipal issuer—

"(i) offers or sells such securities in a single transaction in an aggregate principal amount equal to less than $1,000,000,000; or

"(ii) offers or sells such securities in a series of related transactions, and at the time of the offer or sale of such securities, does not reasonably anticipate that the aggregate principal amount of the series of related transactions will exceed $1,000,000,000.

"(2) For purposes of this subsection—

"(A) the term 'municipal issuer' means—

"(i) a State, the District of Columbia, or a Territory of the United States; or

"(ii) a public instrumentality or political subdivision of an entity referred to in clause (i);

"(B) the term 'series of related transactions' means a series of separate securities offerings made—

"(i) as part of a single plan of financing; or

"(ii) for the same general purpose; and

"(C) the term 'reasonably anticipate' shall have the meaning provided that term by the Commission by regulation, taking into consideration, as necessary or appropriate—

"(i) the public interest;

"(ii) the protection of investors; and

"(iii) the need to prevent the circumvention of the requirements of this subsection.".

SEC. 3. TREATMENT OF MUNICIPAL SECURITIES IN THE SECURITIES EXCHANGE ACT OF 1934.

(a) IN GENERAL.—Section 3(a)(12) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(12)) is amended—

(1) in subparagraph (A), by striking clause (ii) and inserting the following:

"(ii) any security issued by a municipal issuer with respect to which the municipal issuer—

"(I) pledges the full faith and credit or the taxing power of that municipal issuer to make timely payments of principal and interest on the obligation; or

"(II)(aa) offers or sells such securities in a single transaction in an aggregate principal amount equal to less than $1,000,000,000; or

"(bb) offers or sells such securities in a series of related transactions, and at the time of the offer or sale of such securities, does not reasonably anticipate that the aggregate principal amount of the series of related transactions will exceed $1,000,000,000;";

(2) in subparagraph (B)(ii), by striking "municipal securities" and inserting "the securities described in subparagraph (A)(ii)";

(3) by redesignating subparagraph (C) as subparagraph (D); and

(4) by inserting after subparagraph (B) the following:

"(C) For purposes of subparagraph (A)(ii)—

"(i) the term 'municipal issuer' means—

"(I) a State or any political subdivision thereof, or an agency or instrumentality of a State or any political subdivision thereof; or

"(II) any municipal corporate instrumentality of a State;

"(ii) the term 'series of related transactions' means a series of separate securities offerings made—

"(I) as part of a single plan of financing; or

"(II) for the same general purpose; and

"(iii) the term 'reasonably anticipate' shall have the meaning provided that term by the Commission by regulation, taking into consideration, as necessary or appropriate—

"(I) the public interest;

"(II) the protection of investors; and

"(III) the need to prevent the circumvention of the requirements of subparagraph (A)(ii).".

(b) TREATMENT OF MUNICIPAL SECURITIES THAT ARE NOT EXEMPTED SECURITIES.—The

third sentence of section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(d)) is amended by inserting before the period the following: ", except that, with respect to a class of municipal securities that are not exempted securities, the duty to file under this subsection may not be suspended by reason of the number of security holders of record of that class of municipal securities".

(c) REPORTING PRIOR TO THE SALE OF SECURITIES.—Section 15B(d)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-4(d)(1)) is amended—

(1) by striking "(d)(1) Neither" and inserting "(d)(1)(A) Except as provided in subparagraph (B), neither"; and

(2) by adding at the end the following new subparagraph:

"(B) Subparagraph (A) does not apply to an issuer of any municipal security that is not an exempted security.".

SEC. 4. TREATMENT OF CERTAIN MUNICIPAL SECURITIES IN THE TRUST INDENTURE ACT OF 1939.

Section 304(a)(4) of the Trust Indenture Act of 1939 (15 U.S.C. 77ddd(a)(4)) is amended by striking "of subsection 3(a) thereof" and inserting "of subsection (a), or subsection (d) of section 3 of that Act".

By Mr. DASCHLE:

S. 1552. A bill to amend the Railroad Retirement Act of 1974 to prevent the canceling of annuities to certain divorced spouses of workers whose widows elect to receive lump sum payments; to the Committee on Labor and Human Resources.

THE RAILROAD RETIREMENT AMENDMENT ACT OF 1996

Mr. DASCHLE. Mr. President, today I am introducing legislation on behalf of Valoris Carlson of Aberdeen, SD, and the handful of others like her whose lives have been terribly disrupted. This legislation will right a wrong that was not due to any error or deception on Valoris' part, but due to an administrative error by the Railroad Retirement Board [RRB].

In 1984 Valoris, as the divorced spouse of a deceased railroad employee, applied for a survivor's pension. The RRB failed to check if a lump sum withdrawal had previously been made on the account at the time of her former spouse's death—even though Valoris clearly stated on her application that there was a surviving widow. In fact, a lump sum payment had been made, but not identified. The RRB began paying Valoris $587 per month in 1984 and continued to pay her benefits for 11 years. Only recently did they discover that an error had been made over a decade ago.

Not until 1995 was Valoris told she was not eligible for the pension she was awarded in 1984. Had the RRB reviewed their records, they would have seen that a lump-sum payment had been made on that account. Valoris, who was married for 26 years, lost her eligibility to the widow of the railroad worker who had been married to him for only 3 years. Valoris made an honest application for benefits. The RRB failed to do their job properly, resulting in 11 years of "overpayments" to Valoris.

These payments affected Valoris' planning for the future. Valoris planned her retirement on that modest sum of $587. Had she been told she was not eligible for benefits, she would have worked longer to build up her own Social Security benefits. Her railroad divorced widow's pension has been her only steady income. She has picked up a few dollars here and there by renting out rooms in her home, but without her pension income, Valoris does not know how she will live.

The bill I am introducing today will address the errors made by the RRB that have disrupted the life of Valoris Carlson and others like her. The RRB advises that 17 other widows are similarly situated, and their pensions would also be restored by this bill.

The bill, which was developed with technical assistance from the RRB, would allow the 18 women impacted by the RRB's administrative error to begin receiving their monthly benefits again. It requires them to repay the lump sum, but they are allowed to do so through a marginal withholding from their monthly benefit. The monthly withholding can be waived if it would cause excessive hardship for a widow.

Mr. President, I will work to enact this legislation as quickly as possible to restore the benefits to those women who are now suffering as a result of the Government's mistakes. There is no excuse for further delay in providing these Americans with benefits they were led to expect by the RRB.

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:

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 "Railroad Retirement Amendment Act of 1996".

SEC. 2. PROTECTION OF DIVORCED SPOUSES.

(a) IN GENERAL.—Section 6(c) of the Railroad Retirement Act of 1974 is amended—

(1) in the last sentence of paragraph (1), by inserting "(other then to a survivor in the circumstances described in paragraph (3))" after "no further benefits shall be paid"; and

(2) by adding at the end the following:

"(3) Notwithstanding the last sentence of paragraph (1), benefits shall be paid to a survivor who—

"(A) is a divorced wife; and

"(B) through administrative error received benefits otherwise precluded by the making of a lump sum payment under this section to widow;

if that divorced wife makes an election to repay to the Board the lump sum payment. The Board may withhold up to 10 percent of each benefit amount paid after the date of the enactment of this paragraph toward such reimbursement. The Board may waive such repayment to the extent the Board determines it would cause an unjust financial hardship for the beneficiary.".

(b) APPLICATION OF AMENDMENT.—The amendment made by this section shall apply with respect to any benefits paid before the date of enactment of this Act as well as to benefits payable on or after the date of the enactment of this Act.

By Mr. McCAIN:

S. 1553. A bill to provide that members of the Armed Forces performing services for the peacekeeping effort in the Republic of Bosnia and Herzegovina shall be entitled to certain tax benefits in the same manner as if such services were performed in a combat zone; to the Committee on Finance.

TAX RELIEF LEGISLATION

Mr. McCAIN. Mr. President, as we continue to debate a balanced budget, 20,000 of our service men and women are participating in Operation Joint Endeavor in war torn Bosnia and Herzegovina.

The bill I am introducing today is designed to provide some peace of mind to our troops and their families. This bill is identical to H.R. 2778 introduced earlier this month by Congressman BUNNING from Kentucky. Specifically, this bill would provide a tax exemption and additional benefits for our service men and women serving in Bosnia, which is but a small gesture showing our support.

I hope and pray that this operation will remain a peaceful deployment, but the fact remains that the lives of our military personnel are continually at risk from landmines, sniper fire, or accident in this peacekeeping operation.

I know personally the character of the Americans who take up arms to defend our Nation's interests and to advance our democratic values. I know of all the battles, all the grim tests of courage and character, that have made our Armed Forces the envy of our allies and enemies alike.

Our people are our greatest asset. They make sacrifices day after day, and are prepared to make the ultimate sacrifice. Without the "can do" attitude our military personnel persistently display, we would not have the finest military force in the world today. As our troops carry out their assigned duties in Bosnia, we must do our part to let them know how much their dedication and efforts are appreciated by the American people.

Because it is a peacekeeping mission, Bosnia has not been declared a "combat zone" by the Department of Defense. Had the designation been made, tax exemptions and other benefits, as well as hazardous duty pay, would automatically be invoked without this bill. This bill would ensure that tax and certain other benefits are provided. I want to point out, however, that it does not authorize hazardous duty pay which would entail a very significant cost. In these times of fiscal constraint, we must take a conscientious

look at the financial impact on the Federal budget of this initiative and how this standard may be applied to future peacekeeping or other non-combat missions.

I hope that the potential danger to our troops remains low. If, however, any U.S. soldiers were to be fatally injured while serving in this peacekeeping operation, this bill would provide additional benefits to their families.

Mr. President, the men and women participating in Operation Restore Hope in Somalia did not receive these benefits, and unfortunately some of those men lost their lives in a mission gone tragically awry. This bill is intended to help relieve some of the financial burdens on our service men and women caused by their deployment and allay the economic concerns of their families. I believe this measure deserves our careful and full review, and I intend to seek expeditious consideration of this legislation.

By Mr. COCHRAN:

S. 1554. A bill to amend the Fair Labor Standards Act of 1938 to clarify the exemption for houseparents from the minimum wage and maximum hours requirements of that Act, and for other purposes; to the Committee on Labor and Human Resources.

THE FAIR LABOR STANDARDS ACT OF 1938 AMENDMENT ACT OF 1996

• Mr. COCHRAN. Mr. President, today I am introducing legislation to provide a specific exemption for houseparents from the minimum wage and overtime requirements of the Fair Labor Standards Act. This bill will provide significant relief to orphanages and group homes throughout the United States.

Houseparents are men and women who work and live in a group home setting to care for, nurture, and supervise children. These children may live at the home for any number of reasons. They may be abused, neglected, orphaned, or homeless. The importance of houseparents in providing a family-like, healthy environment for these children cannot be overstated. It is the love, hard work, and dedication of these people that enables the children at the home to enjoy a caring and stable environment.

As compensation for their services, houseparents receive a very unconventional package of benefits, including a fixed annual salary, food, housing, and transportation. The Department of Labor, however, has determined that these men and women are also entitled to overtime wages.

For example, in Mississippi, the Department of Labor determined that since houseparents at a particular home answered long-distance calls, opened out-of-State mail, and took the children on trips across the State line that houseparents were engaged in commerce and therefore covered by the minimum wage and overtime provisions of the Fair Labor Standards Act. This interpretation has threatened the houseparent system by placing an unbearable burden on the extremely limited resources of non-profit group homes.

The legislation I am introducing today will remedy this situation by providing nonprofit group homes with a specific exemption for houseparents from minimum wage and overtime requirements. Without such an exemption, these homes would be forced to use a shift model of employment where quasi-houseparents work 8 hour shifts to care for the children. This alternative would not furnish the same family-like setting for these children that the houseparent system provides.

It is important to note that this measure creates only a very narrow exemption from the Fair Labor Standards Act. This bill would only exempt those houseparents who meet the following criteria: First, the houseparents must be employed by nonprofit homes; second, the group home in question must be the children's primary residence; third, the houseparents must reside with the children at the home for a minimum of 72 hours per week; and fourth, the houseparent must receive board and lodging from the home, free of charge, and be compensated, on a crash basis, at an annual rate of not less than $8,000.

This legislation will allow nonprofit group homes to continue to provide the best possible care for children. I hope my colleagues will carefully consider it and join me in support of its enactment.•

By Mr. KOHL (for himself and Mr. SPECTER):

S. 1556. A bill to prohibit economic espionage, to provide for the protection of United States proprietary economic information in interstate and foreign commerce, and for other purposes; to the Committee on the Judiciary.

THE ECONOMIC ESPIONAGE ACT OF 1996

• Mr. KOHL. Mr. President, we have a problem in America today: The systematic pilfering of our country's economic secrets by our trading partners which undermines our economic security. It would not be unfair to say that America has become a full-service shopping mall for foreign governments and companies who want to jump start their businesses with stolen trade secrets.

Sadly, we are under-unequipped to fight this new war. Our laws have glaring gaps, allowing people to steal our economic information with vitual impunity.

So I introduce the Industrial Espionage Act of 1996 with Senator SPECTER. I am also pleased to cosponsor with Senator SPECTER the Economic Security Act of 1996. Together these laws will enable Federal law enforcement agencies to catch and vigorously prosecute anyone who tries to steal proprietary information from American companies. Our two measures should be read together as a unified approach to the problem. They are not panaceas, but they are an effort to deal with this problem systematically and comprehensively. The Department of Justice and the FBI have also been extremely helpful in drafting these pieces of legislation, and we look forward to working with them as we move these measures forward.

Mr. President, businesses spend huge amounts of money, time, and thought developing proprietary economic information—their customer lists, pricing schedules, business agreements, manufacturing processes. This information is literally a business's lifeblood. And stealing it is the equivalent of shooting a company in the head. But these thefts have a far broader impact than on the American company that falls victim to an economic spy. The economic strength, competitiveness, and security of our country relies upon the ability of industry to compete without unfair interference from foreign governments and from their own domestic competitors. Without freedom from economic sabotage, our companies loose their hard-earned advantages and their competitive edge.

The problem is not new. But with expanding technology and a growing global economy, economic espionage is entering its boom years. American companies have estimated that in 1992, they lost $1.8 billion from the theft of their trade secrets. A 1993 study by the American Society for Industrial Security found a 260-percent increase in the theft of proprietary information since 1985. And the theft of these secrets is not random and disorganized. The press has reported that one government study of 173 nations discovered that 57 of them were trying to get advanced technologies from American companies. The French intelligence service has even admitted to forming a special unit devoted to obtaining confidential information from American companies.

Let me give you a few examples. Just last year, a former employee of two major computer companies admitted to stealing vital information on the manufacture of microchips and selling it to China, Cuba, and Iran. For almost a decade, he copied manufacturing specifications—information worth millions of dollars. And armed with it, the Chinese, Cubans, and Iranians have been able to close the gap on our technology leads. Late last year, the FBI arrested this man and charged him with the interstate transportation of stolen property and mail fraud. It appears that the charges may be a bit of a stretch because he did not actually steal tangible property. He only stole ideas.

Not all of the theft is sponsored by foreign governments. Domestic theft is

as reprehensible and as threatening as theft by foreign governments. For example, in Arizona, an engineer for an automobile air bag manufacturer was arrested in 1993 for selling manufacturing designs, strategies, and plans. He asked the company's competition for more than half a million dollars—to be paid in small bills. And he sent potential buyers a laundry list of information they could buy: $500 for the company's capital budget plan; $1,000 for a piece of equipment; $6,000 for planning and product documents.

Sadly, current civil remedies are inadequate to deal with these problems. Although many companies can privately sue those who have stolen from them, these private remedies are too little, too late. A private suit against a foreign company or government often just goes nowhere, and the company continues to use the stolen information without pause.

Similarly, our current criminal laws are not specifically targeted at protection of proprietary economic information. Most of our Federal theft statutes deal with tangible property and not intellectual property. Federal prosecutors have done a valiant job finding laws they can use against these people, but they need something stronger and more coherent than what they have gerry-rigged.

Mr. President, the Industrial Espionage Act and the Economic Security Act provide the solution we need. These measures are simple, straightforward, and effective. They carefully define proprietary economic information—the data that corporations privately develop and need to maintain in secrecy. People who steal that information in order to harm the business that rightfully owns and developed it are subject to criminal penalties. They can serve up to 15 years in jail. And if the theft is sponsored by a foreign government, the penalties are even harsher. Moreover, the bills include forfeiture provisions, so that people will not benefit from their illegal acts. They authorize the President to impose sanctions on countries that engage in these activities. And they assure companies that their proprietary information will not seep out during a criminal prosecution.

We need to take steps to stem the flow of information out of our country. We need a new law that definitively and harshly punishes anyone who steals information from American companies. Over the coming months, these measures will provide a framework for our discussions about the best way to solve this problem, and we plan to hold hearings on them in both the Intelligence and Judiciary Committees.•

• Mr. SPECTER. Mr. President, I am pleased to join Senator KOHL as a cosponsor of this bill to make theft of proprietary information a crime. Senator KOHL is also a cosponsor of a bill I have introduced to cover economic espionage by foreign governments or those acting on their behalf and this bill is designed to protect that same vital economic information from theft by nongovernmental entities and individuals.

While economic espionage by foreign governments presents a clear issue of national concern, the economic cost of industrial espionage by domestic and nongovernment-owned foreign corporations may be even greater. Federal law already provides some sanctions to protect technology and innovation within the United States. For example, we accord protection to patents, trademarks, and copyrights. The Federal Government will not enter into a contract with a bidder who has inside information of another bidder's price. There are also laws in some States that specifically address the theft of proprietary information.

These laws may not, however, be adequate. Thus, I am also joining Senator KOHL in cosponsoring legislation to provide criminal penalties in title 18 of the United States Code for cases in which corporations and individuals, foreign or domestic, steal proprietary information from U.S. entities. While the bill I have introduced amending the National Security Act of 1947 focuses on our Nation's economic security against foreign governments, similar arguments can be made that protection is also needed for domestic economic interests from theft by nongovernmental sources. Moreover, even where there are strong indications that a foreign government is behind the theft of proprietary information, it may not be possible in all cases to prove such government involvement.

The normal recourse for protecting proprietary information from theft by private sector sources is through civil remedies governed by State law. Some businesses and Federal law enforcement agencies, however, believe that current State laws are inadequate and fail to provide remedies, particularly with respect to the kind of intangible proprietary information that is typical in today's computer age. They argue that comprehensive federal criminal sanctions are needed at this time to provide an adequate deterrent.

While I believe there are legitimate questions about the need for federal criminal penalties in this context, I am also convinced the issue needs to be considered. It may be that after thorough review, criminal penalties are the best means of deterring the misappropriation of proprietary information by individuals or business competitors. On the other hand, we may determine that a more efficient response would be to create a federal civil cause of action or to leave it to State law to develop sanctions against such theft if not committed by, or done on behalf of, a foreign government.

As part of this effort to address the economic threat from the theft of proprietary information from U.S. businesses, I therefore believe we need to consider how to address such thefts when carried out by the private sector. As a result, I am cosponsoring this second bill, with the expectation that it will generate discussion and debate and assist us in developing the best approach to this problem. I look forward to working with all interested parties to reach such a result.•

By Mr. SPECTER (for himself and Mr. KOHL):

S. 1557. A bill to prohibit economic espionage, to provide for the protection of United States vital proprietary economic information, and for other purposes; to the Select Committee on Intelligence.

THE ECONOMIC SECURITY ACT OF 1996

• Mr. SPECTER. Mr. President, I am introducing a bill today, along with my colleague, Senator KOHL, entitled the "Economic Security Act of 1996," which amends the National Security Act of 1947 to protect against the theft of vital proprietary economic information by or for foreign governments.

The bill would punish those who steal vital proprietary economic information from a U.S. owner for the benefit of a foreign government or a corporation, institution, instrumentality, or agent that is owned or guided by a foreign government. It provides penalties of up to $500,000 in fines or 25 years in prison, except that corporations working on behalf of a foreign government can be fined up to $10,000,000. The law would ensure that fruits of the espionage would be forfeited, and that victims would receive some restitution from funds recovered. This bill also provides for a ban for up to 5 years on the importation into, or export from, the United States of any product produced, made, assembled, or manufactured by a person convicted under this provision.

To address concerns by industry that criminal proceedings might result in the disclosure of the very trade secret the prosecution is aimed at protecting, the bill also gives courts authority to enter protective orders and take any other such measures as may be necessary, consistent with the applicable rules and laws. It also provides for an interlocutory appeal by the United States from a decision or order of a district court authorizing the disclosure of vital proprietary economic information.

The bill provides for extraterritorial jurisdiction where the offender is a U.S. person or the victim of the offense is a U.S. owner and the offense was intended to have, or had, a direct or substantial effect in the United States. In addition, the bill adds this newly created crime to the list of offenses in title 18, chapter 119, of the United

States Code—Wire and Electronic Communications Interception and Interception of Oral Communications—so that it may be investigated with authorized wire, oral, or electronic intercepts.

We have drafted this new provision as an amendment to the National Security Act of 1947 to emphasize the importance of this issue to the national security of our Nation. Anyone who doubts that this is a national security issue need only stop to consider why foreign governments would devote so much effort to obtaining this information from U.S. companies. The reality is that U.S. economic and technological information may be far more valuable to a foreign government than most of the information that is classified in the United States today. The March 1990 and February 1995 national security strategies published by the White House focus on economic security as an integral part not only of U.S. national interest but also of national security.

Economic espionage by foreign governments targeting U.S. industry and innovation is an issue the Senate Select Committee on Intelligence has been examining for some time. The Committee has held a number of hearings which addressed this issue and has met extensively with the intelligence and law enforcement communities. In 1992, then-Director of Central Intelligence Robert M. Gates told the Committee:

> We know that some foreign intelligence services have turned from politics to economics and that the United States is their prime target. We have cases of moles being planted in U.S. high-tech companies. We have cases of U.S. businessmen abroad being subjected to bugging, to room searches, and the like * * * [W]e are giving a very high priority to fighting it.

This reflects a shift from the traditional counterintelligence efforts directed at military, ideological, or subversive threats to national security. Beginning as early as 1990, the Intelligence and Counterintelligence Communities have been directed to detect and deter foreign intelligence targeting of U.S. economic and technological interests, including efforts to obtain U.S. proprietary information from companies and research institutions that form our strategic industrial base. These counterintelligence efforts, however, must be complemented by, and carefully coordinated with, a coherent and rigorous law enforcement effort. It is to strengthen this aspect of the fight against economic espionage that I introduce this bill today.

Some foreign governments have been quite open about the importance they attach to obtaining U.S. commercial secrets. Former French Intelligence Director Pierre Marion, for example, was quoted in a recent Foreign Affairs article as saying about the French-United States relationship: "In economics, we are competitors, not allies. America has the most technical information of relevance. It is easily accessible. So naturally your country will receive the most attention from the intelligence services."

It is important to emphasize that no one country can be singled out for engaging in economic espionage. While there are a handful of well-publicized incidents involving a few countries, the problem is actually much more widespread. FBI tells us that 23 countries are being actively investigated and that there has been a 100 percent increase in the number of investigative matters relating to economic espionage in the United States during the past year—from 400 to 800. Thus, this bill is not aimed at any one country, or even a handful of countries. It is designed to address a widespread threat from a broad spectrum of countries, including traditional counterintelligence adversaries and traditional allies.

Last year, the Congress included in the Intelligence Authorization Act for fiscal year 1995 a requirement that the President submit an annual report on the activities of foreign governments to obtain commercial secrets from U.S. companies and how the U.S. Government counters this threat. The Intelligence Committee received the first report in July 1995, accompanied by a classified annex.

According to the report, prepared by the National Counterintelligence Center in coordination with relevant agencies, "economic and technological information is often not specifically protected by Federal laws, making it difficult to prosecute thefts of propriety technology or intellectual property. Law enforcement efforts instead must rely on less specific criminal laws—such as espionage, fraud and stolen property, and export statutes—to build prosecutable cases." At our request, the FBI has provided some examples of the difficulties caused by this patchwork of laws.

According to the Bureau, there have been three specific declinations of prosecution over the past year. In the first, passage to a foreign power of proprietary economic information was declined for lack of a specific statute. In the second case, the unauthorized disclosure of a confidential U.S. Trade Representative document was not prosecuted because the document was not considered to contain "national defense information" as required by the espionage statute. In a third case, a foreign government-owned corporation attempted to use its position of power after a merger to gain access to proprietary economic information despite a specific prohibition in the sales agreement which would have provided for a "Chinese wall" between the foreign government corporation and the information. Again, the U.S. Attorney declined to prosecute because of the lack of a specific statutory basis. These examples do not include cases that were not fully investigated because of the lack of adequate statutory basis.

A legal review by the Administration has shown that there is currently no specific criminal statute that would apply to many of the 800 cases involving 22 foreign countries currently being investigated.

The National Counterintelligence Center Report states that "the aggregate losses that can mount as a result of [Foreign economic espionage] efforts can reach billions of dollars per year constituting a serious national security concern." Determining the full qualitative and quantitative scope and impact of economic espionage is difficult. Industry victims have reported the loss of hundreds of millions of dollars, lost jobs, and lost market share. However, U.S. industry may in fact be under-reporting these occurrences because of the negative impact publicity of a loss could have on stock values and customers' confidence, as well as the risk of broader exposure of the trade secret itself.

The industries that have been the targets in most cases of economic espionage, according to this report, include those "of strategic interest to the Untied States because they produce classified products for the Government, produce dual use technology used in both the public and private sectors, and are responsible for leading-edge technologies, critical to maintaining U.S. economic security."

Mr. President, these are complex issues and I do not assume that this bill represents the prefect solution. However, I believe this bill represents a reasonable and carefully tailored approach to addressing an issue of tremendous importance.●

ADDITIONAL COSPONSORS

S. 332

At the request of Mr. CONRAD, the name of the Senator from Minnesota [Mr. WELLSTONE] was added as a cosponsor of S. 332, a bill to provide means of limiting the exposure of children to violent programming on television, and for other purposes.

S. 743

At the request of Mrs. HUTCHISON, the names of the Senator from Hawaii [Mr. INOUYE] and the Senator from Oklahoma [Mr. INHOFE] were added as cosponsors of S. 743, a bill to amend the Internal Revenue Code of 1986 to provide a tax credit for investment necessary to revitalize communities within the United States, and for other purposes.

S. 793

At the request of Mr. SIMPSON, the names of the Senator from Michigan [Mr. LEVIN] and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 793, a bill to amend the

Internal Revenue Code of 1986 to provide an exemption from income tax for certain common investment funds.

S. 953

At the request of Mr. CHAFEE, the names of the Senator from Pennsylvania [Mr. SPECTER], the Senator from Missouri [Mr. ASHCROFT], the Senator from Pennsylvania [Mr. SANTORUM], the Senator from Louisiana [Mr. BREAUX], the Senator from Maryland [Mr. SARBANES], the Senator from California [Mrs. FEINSTEIN], and the Senator from California [Mrs. BOXER] were added as cosponsors of S. 953, a bill to require the Secretary of the Treasury to mint coins in commemoration of black revolutionary war patriots.

S. 1093

At the request of Mr. REID, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 1093, a bill to prohibit the application of the Religious Freedom Restoration Act of 1993, or any amendment made by such act, to an individual who is incarcerated in a Federal, State, or local correctional, detention, or penal facility, and for other purposes.

S. 1095

At the request of Mr. MOYNIHAN, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of S. 1095, a bill to amend the Internal Revenue Code of 1986 to extend permanently the exclusion for educational assistance provided by employers to employees.

S. 1219

At the request of Mr. MCCAIN, the name of the Senator from Washington [Mrs. MURRAY] was added as a cosponsor of S. 1219, a bill to reform the financing of Federal elections, and for other purposes.

S. 1271

At the request of Mr. CRAIG, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of S. 1271, a bill to amend the Nuclear Waste Policy Act of 1982.

At the request of Mr. LEVIN, his name was added as a cosponsor of S. 1271, supra.

S. 1392

At the request of Mr. BAUCUS, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 1392, a bill to impose temporarily a 25-percent duty on imports of certain Canadian wood and lumber products, to require the administering authority to initiate an investigation under title VII of the Tariff Act of 1930 with respect to such products, and for other purposes.

S. 1439

At the request of Mrs. MURRAY, her name was added as a cosponsor of S. 1439, a bill to require the consideration of certain criteria in decisions to relocate professional sports teams, and for other purposes.

S. 1519

At the request of Mr. DOLE, the names of the Senator from Alaska [Mr. STEVENS], the Senator from Michigan [Mr. ABRAHAM], the Senator from New Hampshire [Mr. SMITH], and the Senator from Arizona [Mr. KYL] were added as cosponsors of S. 1519, a bill to prohibit United States voluntary and assessed contributions to the United Nations if the United Nations imposes any tax or fee on United States persons or continues to develop or promote proposals for such taxes or fees.

S. 1534

At the request of Mr. HATFIELD, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of S. 1534, a bill to amend the Public Health Service Act to provide additional support for and to expand clinical research programs, and for other purposes.

S. 1541

At the request of Mr. LUGAR, the names of the Senator from Utah [Mr. HATCH], the Senator from Missouri [Mr. BOND], the Senator from Oklahoma [Mr. INHOFE], the Senator from Indiana [Mr. COATS], the Senator from Kentucky [Mr. MCCONNELL], the Senator from Michigan [Mr. ABRAHAM], the Senator from Missouri [Mr. ASHCROFT], and the Senator from Idaho [Mr. KEMPTHORNE] were added as cosponsors of S. 1541, a bill to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes.

At the request of Mr. CHAFEE, his name was added as a cosponsor of S. 1541, supra.

AMENDMENT NO. 3184

At the request of Mr. STEVENS, his name was added as a cosponsor of amendment No. 3184 proposed to S. 1541, a bill to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes.

At the request of Mr. CHAFEE, his name was added as a cosponsor of amendment No. 3184 proposed to S. 1541, supra.

SENATE RESOLUTION 219—TO DESIGNATE GREEK INDEPENDENCE DAY

Mr. SPECTER (for himself, Mr. SIMON, Mr. DOLE, Mr. LAUTENBERG, Mrs. BOXER, Mr. COCHRAN, Mr. HEFLIN, Ms. MIKULSKI, Ms. SNOWE, Mr. GRASSLEY, Mr. THURMOND, Mr. GLENN, Mr. BRADLEY, Mr. KENNEDY, Mr. KERRY, Mr. REID, Mr. MACK, Ms. MOSELEY-BRAUN, Mr. SARBANES, Mrs. FEINSTEIN, Mr. COHEN, Mrs. MURRAY, Mr. BIDEN, Mr. PRESSLER, Mr. LEVIN, Mr. THOMAS, Mr. DODD, and Mr. WARNER) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 219

Whereas the ancient Greeks developed the concept of democracy, in which the supreme power to govern was invested in the people;

Whereas the Founding Fathers of the United States of America drew heavily upon the political experience and philosophy of ancient Greece in forming our representative democracy;

Whereas the founders of the modern Greek state modeled their government after that of the United States in an effort to best imitate their ancient democracy;

Whereas Greece is one of only three nations in the world, beyond the former British Empire, that has been allied with the United States in every major international conflict this century;;

Whereas 1996 will mark the historic first official state visit to the United States of an elected head of state of Greece;

Whereas these and other ideals have forged a close bond between our two nations and their peoples;

Whereas March 25, 1996 marks the 175th anniversary of the beginning of the revolution which freed the Greek people from the Ottoman Empire; and

Whereas it is proper and desirable to celebrate with the Greek people, and to reaffirm the democratic principles from which our two great nations were born: Now, therefore, be it

Resolved, That March 25, 1996 is designated as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy". The President is requested to issue a proclamation calling upon the people of the United States to observe the day with appropriate ceremonies and activities.

• Mr. SPECTER. Mr. President, today I am submitting a resolution to designate March 25, 1996, as "Greek Independence Day: A Celebration of Greek and American Democracy."

One hundred and seventy-five years ago, the Greeks began the revolution that would free them from the Ottoman Empire and return Greece to its democratic heritage. It was, of course, the ancient Greeks who developed the concept of democracy in which the supreme power to govern was vested in the people. Our Founding Fathers drew heavily upon the political and philosophical experience of ancient Greece in forming our representative democracy. Thomas Jefferson proclaimed that, "to the ancient Greeks * * * we are all indebted for the light which led ourselves out of Gothic darkness." It is fitting, then, that we should recognize the anniversary of the beginning of their efforts to return to that democratic tradition.

The democratic form of government is only one of the most obvious of the many benefits we have gained from the Greek people. The ancient Greeks contributed a great deal to the modern world, particularly to the United States of America, in all areas of art, philosophy, science, and law. Today, Greek-Americans continue to enrich our culture and make valuable contributions to American society, business, and government.

It is my hope that strong support for this resolution in the Senate will serve as a clear goodwill gesture to the people of Greece with whom we have enjoyed such a close bond throughout history. Similar resolutions have been

signed into law each of the past several years, with overwhelming support in both the House of Representatives and the Senate. Accordingly, I urge my Senate colleagues to join me in supporting this important resolution.●

SENATE RESOLUTION 220—IN RECOGNITION OF RONALD REAGAN'S 85TH BIRTHDAY

Mr. DOLE (for himself, Mr. DASCHLE, and Mr. WARNER) submitted the following resolution; which was considered and agreed to:

S. RES. 220

Whereas, February 6, 1996 is the 85th Birthday of Ronald Wilson Reagan;

And Whereas, Ronald Reagan was twice elected by overwhelming margins as President of the United States;

And Whereas, Ronald Reagan is loved and admired by millions of Americans, and by countless others around the world;

And Whereas, Ronald Reagan, with the leadership of his wife, Nancy, led a national crusade against illegal drugs;

And Whereas, Ronald Reagan's eloquence united Americans in times of triumph and tragedy;

And Whereas, the thoughts and prayers of the Senate and the country are with Ronald Reagan in his courageous battle with Alzheimer's Disease; Therefore, be it

Resolved, That the Senate of the United States extends its birthday greetings and best wishes to Ronald Reagan.

Section 2 That the Secretary of the Senate shall transmit a copy of this resolution to Ronald Reagan.

SENATE RESOLUTION 221—TO AUTHORIZE TESTIMONY BY FORMER SENATE EMPLOYEE

Mr. DOLE (for himself and Mr. DASCHLE) submitted the following resolution; which was considered and agreed to:

S. RES. 221

Whereas, the plaintiff in *Margaret C. Carlson* v. *Mike Eassa, et al.*, No. MDA 7203, a civil action pending in the Superior Court of California, County of Monterey, is seeking testimony through submission of a declaration by Amy L. Silvestri, a former employee of the Senate on the Staff of Senator William V. Roth, Jr.;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That Amy L. Silvestri is authorized to submit a declaration in the case of *Margaret C. Carlson* v. *Mike Eassa, et al.*, except concerning matters for which a privilege should be asserted.

SENATE RESOLUTION 222—TO AUTHORIZE THE PRODUCTION OF DOCUMENTS BY THE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. DOLE (for himself and Mr. DASCHLE) submitted the following resolution; which was considered and agreed to:

S. RES. 222

Whereas, the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs conducted an investigation into allegations concerning the Department of Justice's handling of a computer software contract with INSLAW, Inc.;

Whereas, in the case of *INSLAW, Inc., et al.* v. *United States of America*, Cong. Ref. No. 95-338X, pending in the United States Court of Federal Claims, counsel for the plaintiffs have requested that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs provide copies of records from its investigation;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That the chairman and ranking minority member of the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, acting jointly, are authorized to provide records to all parties in the case of *INSLAW, Inc., et al.* v. *United States of America*, except concerning matters for which a privilege should be asserted.

SENATE RESOLUTION 223—TO COMMEMORATE THE SESQUICENTENNIAL OF TEXAS STATEHOOD

Mrs. HUTCHISON (for herself and Mr. GRAMM) submitted the following resolution; which was considered and agreed to:

S. RES. 223

Whereas 1995 marks 150 years since the United States of America admitted Texas as the 28th State in the Union;

Whereas the sesquicentennial of Texas statehood is a truly momentous occasion that allows all Texans to reflect on their State's proud heritage and bright future;

Whereas acting on the advice of President John Tyler, the United States Congress adopted a joint resolution on February 28, 1845, inviting the Republic of Texas to enter the Union as a State with full retention of its public lands; today, a century and a half later, Texas enjoys the distinction of being the only State admitted with such extensive rights;

Whereas the citizens of the Republic of Texas were deeply committed to the goals and ideals embodied in the United States Constitution, and, on June 16, 1845, the Congress of the Republic of Texas was convened by President Anson Jones to consider the proposal of statehood;

Whereas Texas took advantage of the offer, choosing to unite with a large and prosperous Nation that could more effectively defend the borders of Texas and expand its flourishing trade with European countries; by October 1845, the Congress of the Republic of Texas had approved a State constitution, charting a bold new destiny for the Lone Star State;

Whereas the proposed State constitution was sent to Washington, DC, and on December 29, 1845, the United States of America formally welcomed Texas as a new State; the transfer of governmental authority, however, was not complete until February 19, 1846, when Anson Jones lowered the flag that had flown above the Capitol for nearly 10 years and stepped down from his position as president of the Republic of Texas; and

Whereas with the poignant retirement of the flag of the Republic, Texas emerged as a blazing Lone Star in America's firmament, taking its place as the 28th State admitted into the Union: Now, therefore, be it

Resolved, That the Senate—

(1) commemorate the sesquicentennial of Texas statehood; and

(2) encourage all Texans to observe such day with appropriate ceremonies and activities on this historic occasion.

The Secretary of the Senate shall transmit a copy of this resolution to the Texas Congressional Delegation, to the Governor of Texas, to the National Archives, and to the Texas Archives.

AMENDMENTS SUBMITTED

THE AGRICULTURAL MARKET TRANSITION ACT OF 1996

FEINGOLD AMENDMENTS NOS. 3186–3191

(Ordered to lie on the table.)

Mr. FEINGOLD submitted six amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill (S. 1541) to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes; as follows:

AMENDMENT NO. 3186

At the appropriate place insert the following:

Subtitle ___—Agricultural Promotion Accountability

SEC. ___1. SHORT TITLE.

This subtitle may be cited as the "Agricultural Promotion Accountability Act of 1996".

SEC. ___2. PURPOSE.

The purpose of this subtitle is to make agricultural promotion boards and councils more responsive to producers whose mandatory assessments support the activities of such boards and councils, to improve the representation and participation of such producers on such boards and councils, to ensure the independence of such boards and councils, to ensure the appropriate use of promotion funds, and to prevent legislatively authorized agricultural promotion and research boards from using mandatory assessments to directly or indirectly influence legislation or governmental action or policy.

SEC. ___3. DEFINITIONS.

In this subtitle:

(1) INFLUENCING LEGISLATION OR GOVERNMENTAL ACTION OR POLICY.—The term "influencing legislation or governmental action or policy" includes—

(A) establishing, administering, contributing to, or paying the expenses of a political party campaign, political action committee, or other organization established for the purpose of influencing the outcome of an election;

(B) attempting to influence—

(i) the outcome of any Federal, State or local election, referendum, initiative, or similar procedure through a cash contribution, in-kind contribution, endorsement, publicity or public relations activity or similar activity;

(ii) the introduction, modification, or enactment of any Federal or State legislation or signature or veto of any enrolled Federal or State legislation, including through—

(I) communication with any member or employee of a legislative body or agency or with any governmental official or employee who may participate in the formulation of the legislation, including engaging State or local officials in similar activity (not including a communication to an appropriate government official in response to a written request by the official for factual, scientific, or technical information relating to the conduct, implementation, or results of promotion, research, consumer information and education, industry information, or producer information activities under a promotion program);

(II) planning, preparing, funding, or distributing any publicity or propaganda to affect the opinion of the general public or a segment of the public in connection with a pending legislative matter; or

(III) urging members of the general public or any segment of the general public to contribute to, or participate in, any mass demonstration, march, rally, fund-raising drive, lobbying campaign, letter-writing campaign, or telephone campaign in connection with a pending legislative matter;

(C) carrying out a legislative liaison activity, including attendance at a legislative session or committee hearing to gather information regarding legislation or to analyze the effect of legislation, if the activity is carried on in support of, or in knowing preparation for, an effort to influence legislation or government action or policy;

(D) carrying out an opinion survey of the general public or a segment of the public, general research, or information gathering, if carried out in support of, or in knowing preparation for, an effort to influence legislation or government action or policy; or

(E) attempting to influence any agency action or agency proceeding, as the terms are defined in section 551 of title 5, United States Code, through—

(i) communication with any government official or employee who may participate in the action or proceeding (not including a communication to an appropriate government official in response to a written request by the official for factual, scientific, or technical information relating to the conduct, implementation, or results of promotion, research, consumer information or education, or industry information of producer information activities under a promotion program);

(ii) planning, preparing, funding, or distributing any publicity or propaganda to affect the opinions of the general public or any segment of the general public in connection with the action or proceeding; or

(iii) urging members of the general public or any segment of the general public to contribute to, or participate in, any mass demonstration, march, rally, fundraising drive, lobbying campaign, letter-writing campaign, or telephone campaign in connection with the action or proceeding.

(2) PROMOTION PROGRAM.—The term "promotion program" means—

(A) the cotton research and promotion program established under the Cotton Research and Promotion Act (7 U.S.C. 2101 et seq.);

(B) the potato research, development, advertising, and promotion program established under the Potato Research and Promotion Act (7 U.S.C. 2611 et seq.);

(C) the egg research, consumer and producer education, and promotion program established under the Egg Research and Consumer Information Act (7 U.S.C. 2701 et seq.);

(D) the beef promotion and research program established under the Beef Research and Information Act (7 U.S.C. 2901 et seq.);

(E) the wheat research and nutrition education program established under the Wheat and Wheat Foods Research and Nutrition Education Act (7 U.S.C. 3401 et seq.);

(F) the dairy promotion program established under the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4501 et seq.);

(G) the honey research, promotion, and consumer education program established under the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4601 et seq.);

(H) the pork promotion, research, and consumer information program established under the Pork Promotion, Research, and Consumer Information Act (7 U.S.C. 4801 et seq.);

(I) the watermelon research, development, advertising, and promotion program established under the Watermelon Research and Promotion Act (7 U.S.C. 4901 et seq.);

(J) the pecan promotion, research, industry information, and consumer information program established under the Pecan Promotion and Research Act of 1990 (7 U.S.C. 6001 et seq.);

(K) the mushroom promotion, research, and consumer and industry information program established under the Mushroom Promotion, Research, and Consumer Information Act of 1990 (7 U.S.C. 6101 et seq.);

(L) the lime research, promotion, and consumer information program established under the Lime Research, Promotion, and Consumer Information Act of 1990 (7 U.S.C. 6201 et seq.);

(M) the soybean promotion, research, consumer information, and industry information program established under the Soybean Promotion, Research, and Consumer Information Act (7 U.S.C. 6301 et seq.);

(N) the fluid milk advertising and promotion program established under the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6401 et seq.);

(O) the flowers and greens promotion, consumer information, and related research program established under the Fresh Cut Flowers and Fresh Cut Greens Promotion and Information Act of 1993 (7 U.S.C. 6801 et seq.);

(P) the sheep promotion, research, consumer information, education, and industry information program established under the Sheep Promotion, Research, and Information Act of 1994 (7 U.S.C. 7101 et seq.); and

(Q) any other coordinated program of promotion, research, industry information, and consumer information that is funded by mandatory assessments on producers and designed to maintain and expand markets and uses for an agricultural commodity, as determined by the Secretary.

(3) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

SEC. ___4. INFLUENCING LEGISLATION OR GOVERNMENTAL ACTION OR POLICY.

(a) IN GENERAL.—A board or council established by a promotion program may not use any funds collected by the board or council for the purpose of directly or indirectly influencing legislation or governmental action or policy, except for the development and recommendation of amendments to the promotion program to the Secretary.

(b) CONFORMING AMENDMENTS.—

(1) COTTON.—Section 7(h) of the Cotton Research and Promotion Act (7 U.S.C. 2106(h)) is amended by striking "influencing governmental policy or action" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ___3(1) of the Agricultural Promotion Accountability Act of 1996)".

(2) POTATOES.—Section 308(f)(3) of the Potato Research and Promotion Act (7 U.S.C. 2617(f)(3)) is amended by striking "influencing governmental policy or action" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ___3(1) of the Agricultural Promotion Accountability Act of 1996)".

(3) EGGS.—Section 8(h) of the Egg Research and Consumer Information Act (7 U.S.C. 2707) is amended by striking "influencing governmental policy or action" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ___3(1) of the Agricultural Promotion Accountability Act of 1996)".

(4) BEEF.—Section 5(10) of the Beef Research and Information Act (7 U.S.C. 2904(10)) is amended—

(A) by striking "influencing governmental action or policy" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ___3(1) of the Agricultural Promotion Accountability Act of 1996)"; and

(B) by inserting "to the Secretary" before the period at the end.

(5) WHEAT.—Section 1706(i) of the Wheat and Wheat Foods Research and Nutrition Education Act (7 U.S.C. 3405(i)) is amended by striking "influencing governmental policy or action" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ___3(1) of the Agricultural Promotion Accountability Act of 1996)".

(6) DAIRY.—Section 113(j) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(j)) is amended by striking "influencing governmental policy or action" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ___3(1) of the Agricultural Promotion Accountability Act of 1996),".

(7) HONEY.—Section 7(h) of the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4606(h)) is amended by striking "influencing governmental policy or action" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ___3(1) of the Agricultural Promotion Accountability Act of 1996)".

(8) PORK.—Section 1620(e) of the Pork Promotion, Research, and Consumer Information Act (7 U.S.C. 4809(e)) is amended by striking "influencing legislation" and all that follows through the period at the end and inserting the following: "directly or indirectly influencing legislation or governmental action or policy (as defined in section ___3(1) of the Agricultural Promotion Accountability Act of 1996), except to recommend amendments to the order to the Secretary.".

(9) WATERMELONS.—Section 1647(g)(3) of the Watermelon Research and Promotion Act (7 U.S.C. 4906(g)(3)) is amended by striking "influencing governmental policy or action"

and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ___3(1) of the Agricultural Promotion Accountability Act of 1996)".

(10) PECANS.—Section 1910(g)(1) of the Pecan Promotion and Research Act of 1990 (7 U.S.C. 6005(g)(1)) is amended—

(A) in the matter preceding paragraph (1)—

(i) by striking "to," and inserting "for the purpose of,"; and

(ii) by striking "to—" and inserting "for the purpose of—";

(B) in paragraph (1), by striking "influence legislation or governmental action" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ___3(1) of the Agricultural Promotion Accountability Act of 1996)";

(C) in paragraph (2), by striking "engage" and inserting "engaging"; and

(D) in paragraph (3), by striking "engage" and inserting "engaging".

(11) MUSHROOMS.—Section 1925(h) of the Mushroom Promotion, Research, and Consumer Information Act of 1990 (7 U.S.C. 6104(h)) is amended by striking "influencing legislation or governmental action or policy" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ___3(1) of the Agricultural Promotion Accountability Act of 1996)".

(12) LIMES.—Section 1955(g) of the Lime Research, Promotion, and Consumer Information Act of 1990 (7 U.S.C. 6204(g)) is amended by striking "influencing legislation or governmental policy or action" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ___3(1) of the Agricultural Promotion Accountability Act of 1996)".

(13) SOYBEANS.—Section 1969(p) of the Soybean Promotion, Research, and Consumer Information Act (7 U.S.C. 6304(p) is amended—

(A) in paragraph (1), by striking "influencing legislation or governmental action or policy" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ___3(1) of the Agricultural Promotion Accountability Act of 1996)"; and

(B) in paragraph (2)—

(i) in subparagraph (A), by inserting "to the Secretary" before the semicolon; and

(ii) in subparagraph (B), by inserting ", in response to a request made by the officials," after "officials".

(14) MILK.—Section 1999H(j)(1) of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6407(j)(1)) is amended by striking "influencing legislation or governmental action or policy" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ___3(1) of the Agricultural Promotion Accountability Act of 1996)".

(15) FLOWERS AND GREENS.—Section 5(i) of the Fresh Cut Flowers and Fresh Cut Greens Promotion and Information Act of 1993 (7 U.S.C. 6804(i)) is amended by striking "influencing legislation or government action or policy" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ___3(1) of the Agricultural Promotion Accountability Act of 1996)".

(16) SHEEP.—Section 5(l)(1) of the Sheep Promotion, Research, and Information Act of 1994 (7 U.S.C. 7104(*l*)(1)) is amended by striking "influencing legislation or government action or policy" and inserting "directly or indirectly influencing legislation or governmental action or policy (as defined in section ___3(1) of the Agricultural Promotion Accountability Act of 1996)".

SEC. ___5. PROMOTING THE IMAGE OF AN INDUSTRY PROHIBITED.

(a) IN GENERAL.—A board or council established by a promotion program may not use any funds collected by the board or council for the purpose of enhancing the image of an industry, except that the board or council may promote the image of a product with the express intent of stimulating demand for and sales of an agricultural product in the marketplace.

(b) CONFORMING AMENDMENTS.—

(1) BEEF.—Section 3(9) of the Beef Research and Information Act (7 U.S.C. 2902(9)) is amended by striking ", increased efficiency" and all that follows through "industry" and inserting "and increased efficiency".

(2) PECANS.—Section 1907(12) of the Pecan Promotion and Research Act of 1990 (7 U.S.C. 6002(12)) is amended by striking ", increased efficiency" and all that follows through "industry" and inserting "and increased efficiency".

(3) MUSHROOMS.—Section 1923(7) of the Mushroom Promotion, Research, and Consumer Information Act of 1990 (7 U.S.C. 6103(7)) is amended by striking ", increased efficiency" and all that follows through "industry" and inserting "and increased efficiency".

(4) SOYBEANS.—Section 1967(7) of the Soybean Promotion, Research, and Consumer Information Act (7 U.S.C. 6302(7)) is amended by striking ", and activities" and all that follows through "industry".

SEC. ___6. LIMITATIONS ON CONTRACTING.

(a) PERMITTED CONTRACTS OR AGREEMENTS.—Notwithstanding any other provision of law, a board or council established by a promotion program shall not be limited to contracting with, or entering into an agreement with, an established national nonprofit industry-governed organization.

(b) COMPETITIVE BIDDING.—It is the policy of Congress that boards and councils should, to the extent practicable, use competitive bidding in the awarding of contracts and grants for activities authorized under a promotion program.

(c) INDEPENDENCE OF BOARDS AND COUNCILS.—

(1) APPLICATIONS AND RECOMMENDATIONS NOT BINDING.—Notwithstanding any other provision of law, a board or council established by a promotion program shall not be bound by a proposed application for a board or council contract or a recommendation or advice of a potential contractor or a national nonprofit industry-governed organization on the use of board or council receipts.

(2) INTERLOCKING BOARDS OR MEMBERSHIP.—Notwithstanding any other provision of law, no person shall be eligible to be a member of any board or council established by a promotion program (including operating and nominating committees) if the person serves in any decision making capacity, such as that of a member of the board of directors, executive committee, or other committee, for an entity that enters into a contract or other agreement with the board or council.

(3) REQUIREMENTS FOR CONTRACTING.—A contractor or grantee of a board or council may not use funds collected through mandatory assessments under a promotion program to fund any staff (including expenses or other activities of the staff) who, in part, engage in 1 or more activities to influence legislation or governmental action or policy.

(d) PRODUCER APPROVAL OF RELATIONSHIPS WITH BOARDS OR COUNCILS.—

(1) IN GENERAL.—Except as provided in paragraph (2) and notwithstanding any other provision of law, the entering into of a permanent cooperative arrangement or the establishment of a joint committee (including an arrangement that is advisory in nature) by a board or council established by a promotion program with a national nonprofit industry-governed organization shall require the prior approval of at least ⅔ of the eligible producers under the promotion program.

(2) EXCEPTION.—Paragraph (1) shall not apply to a cooperative arrangement or joint committee—

(A) that was established prior to January 1, 1995; or

(B) that includes representatives or participation from all producer-, processor-, or handler-governed national nonprofit organizations (including general farm organizations) that represent any but an insignificant number of producers, processors, or handlers paying assessments under the promotion program to the board or council, as determined by the Secretary.

(3) PERMANENT COOPERATIVE ARRANGEMENT.—In this subsection, the term "permanent cooperative arrangement" means a formal or informal, written or unwritten agreement or understanding establishing a relationship, a liaison, a sole source contract, or an operational mechanism under which a board or council shares staff, facilities, or other resources or carries out coordinated activities with any entity on a more or less permanent and exclusive basis.

(e) FUNGIBILITY OF BOARD OR COUNCIL FUNDS.—

(1) IN GENERAL.—The Inspector General of the Department of Agriculture shall conduct an annual review of contractual arrangements between each board or council established by a promotion program and any entity or association that engages in activities to influence legislation or governmental action or policy and receives a significant amount of funding from the board or council as determined by the Secretary.

(2) SCOPE OF REVIEW.—A review under paragraph (1) shall examine whether any funds collected by the board or council are used to directly or indirectly fund or subsidize an entity or association that engages in influencing legislation or governmental action or policy.

(3) REPORT.—The Secretary shall submit a report on the findings of any review under this subsection and make recommendations for any actions that should be taken as a result of the findings to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. ___7. PERIODIC REFERENDA.

(a) IN GENERAL.—Notwithstanding any other provision of law, not less than 4 nor more than 6 years after the date of enactment of this Act or the date on which the Secretary determines the results of the most recent referendum for a promotion program, whichever is earlier, and not less than once every 5 years thereafter, the Secretary shall conduct a referendum to determine whether to approve or terminate the order under the promotion program and whether refunds should be made under the order.

(b) PROCEDURE.—The referendum under subsection (a) shall be conducted using the same eligibility and other procedures as the referendum used to approve the original order under the promotion program, except that, notwithstanding any other provision of law, no greater than a simple majority of eligible producers shall be required to approve the making of refunds to producers.

(c) TERMINATION.—

(1) IN GENERAL.—If the percentage of persons voting to approve the order does not equal or exceed the percentage of persons necessary to approve the continuation of the original order under the promotion program, the Secretary shall terminate the order.

(2) TIME OF TERMINATION.—The Secretary shall terminate the order at the end of the marketing year during which the referendum is conducted.

(d) REFUNDS.—If the making of refunds is approved in a referendum under subsection (a), the Secretary shall establish a procedure for making the refunds not later than 180 days after the date of the referendum.

(e) COOPERATIVE ASSOCIATION.—Notwithstanding subsection (b), a cooperative association may not vote on behalf of the members of the association in a referendum conducted under this section.

(f) INACTIVE PROMOTION PROGRAMS.—The Secretary shall not conduct a referendum of a promotion program under this section if the Secretary determines that the promotion program is not active.

AMENDMENT NO. 3187

At the appropriate place insert the following:

SEC. ___. DAIRY PROMOTION PROGRAM IMPROVEMENT.

(a) FUNDING OF DAIRY PROMOTION AND RESEARCH PROGRAM.—

(1) DECLARATION OF POLICY.—The first sentence of section 110(b) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4501(b)) is amended—

(A) by inserting after "commercial use" the following: "and on imported dairy products"; and

(B) by striking "products produced in" and inserting "products produced in or imported into".

(2) DEFINITIONS.—Section 111 of the Act (7 U.S.C. 4502) is amended—

(A) in subsection (k), by striking "and" at the end;

(B) in subsection (l), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following new subsections:

"(m) the term 'imported dairy product' means—

"(1) any dairy product, including milk and cream and fresh and dried dairy products;

"(2) butter and butterfat mixtures;

"(3) cheese;

"(4) casein and mixtures; and

"(5) other dairy products;

that are imported into the United States; and

"(n) the term 'importer' means a person that imports an imported dairy product into the United States.".

(2) FUNDING.—

(A) REPRESENTATION ON BOARD.—Section 113(b) of the Act (7 U.S.C. 4504(b)) is amended—

(i) by designating the first through ninth sentences as paragraphs (1) through (5) and paragraphs (7) through (10), respectively;

(ii) in paragraph (1) (as so designated), by striking "thirty-six" and inserting "38";

(iii) in paragraph (2) (as so designated), by striking "Members" and inserting "Of the members of the Board, 36 members"; and

(iv) by inserting after paragraph (5) (as so designated) the following new paragraph:

"(6) Of the members of the Board, 2 members shall be representatives of importers of imported dairy products. The importer representatives shall be appointed by the Secretary from nominations submitted by importers under such procedures as the Secretary determines to be appropriate.".

(B) ASSESSMENT.—Section 113(g) of the Act is amended—

(i) by designating the first through fifth sentences as paragraphs (1) through (5), respectively; and

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

"(6)(A) The order shall provide that each importer of imported dairy products shall pay an assessment to the Board in the manner prescribed by the order.

"(B) The rate of assessment on imported dairy products shall be determined in the same manner as the rate of assessment per hundredweight or the equivalent of milk.

"(C) For the purpose of determining the assessment on imports under subparagraph (B), the value to be placed on imported dairy products shall be established by the Secretary in a fair and equitable manner.".

(C) RECORDS.—The first sentence of section 113(k) of the Act is amended by striking "person receiving" and inserting "importer of imported dairy products, each person receiving".

(D) REFERENDUM.—Section 116 of the Act (7 U.S.C. 4507) is amended by adding at the end the following new subsection:

"(d)(1) On the request of a representative group comprising 10 percent or more of the number of producers subject to the order, the Secretary shall—

"(A) conduct a referendum to determine whether the producers favor suspension of the application of the amendments made by section 2 of the Dairy Promotion Program Improvement Act of 1995; and

"(B) suspend the application of the amendments until the results of the referendum are known.

"(2) The Secretary shall continue the suspension of the application of the amendments made by section 2 only if the Secretary determines that suspension of the application of the amendments is favored by a majority of the producers voting in the referendum who, during a representative period (as determined by the Secretary), have been engaged in the production of milk for commercial use.".

(b) PERIODIC REFERENDA.—Section 115(a) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4506(a)) is amended—

(1) in the first sentence, by striking "Within the sixty-day period immediately preceding September 30, 1985" and inserting "Every 5 years"; and

(2) in the second sentence, by striking "six months" and inserting "3 months".

(c) PROHIBITION ON BLOC VOTING.—Section 117 of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4508) is amended—

(1) in the first sentence, by striking "Secretary shall" and inserting "Secretary shall not"; and

(2) by striking the second through fifth sentences.

AMENDMENT NO. 3188

At the appropriate place insert the following:

SEC. . LOCATION ADJUSTMENTS FOR MINIMUM PRICES FOR CLASS I MILK

Section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) in paragraph (A)—

(A) in clause (3) of the second sentence, by inserting after "the locations" the following: "within a marketing area subject to the order"; and

(B) by striking the last 2 sentences and inserting the following: "Notwithstanding paragraph (18) or any other provision of law, when fixing minimum prices for milk of the highest use classification in a marketing area subject to an order under this subsection, the Secretary may not, directly or indirectly, base the prices on the distance from, or all or part of the costs incurred to transport milk to or from, any location that is not within the marketing area subject to the order, unless milk from the location constitutes at least 50 percent of the total supply of milk of the highest use classification in the marketing area. The Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the criteria that are used as the basis for the minimum prices referred to in the preceding sentence, including a certification that the minimum prices are made in accordance with the preceding sentence."; and

(2) in paragraph (B)(c), by inserting after "the locations" the following: "within a marketing area subject to the order".

AMENDMENT NO. 3189

At the appropriate place insert the following:

SEC. . MILK MANUFACTURING MARKETING ADJUSTMENT.

Subsections (a) and (b) of section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) are amended to read as follows:

"(a) DEFINITIONS.—In this section:

"(1) FEDERAL MAKE ALLOWANCE.—The term 'Federal make allowance' means the allowance for the processing of milk that is permitted under a Federal program to establish a Grade A price for manufacturing butter, nonfat dry milk, or cheese.

"(2) PERSON.—The term 'person' includes a cooperative.

"(3) STATE MAKE ALLOWANCE.—The term 'State make allowance' means the allowance for the processing of milk that is permitted by a State for manufacturing butter, nonfat dry milk, or cheese.

"(b) MILK MANUFACTURING MARKETING ADJUSTMENT.—Notwithstanding any other provision of law, if a person collects a State make allowance that is higher than the Federal make allowance and the milk or product of milk that is subject to the allowance is purchased by the Commodity Credit Corporation, regardless of the point of sale, the Corporation shall reduce the support purchase price for the milk and each product of the milk by an amount that is equal to the difference between the State make allowance and the Federal make allowance for the milk and product, as determined by the Secretary of Agriculture.".

AMENDMENT NO. 3190

At the appropriate place insert the following:

SEC. . SPECIAL RESEARCH GRANTS PROGRAM.

(a) IN GENERAL.—Section 2(c)(2) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(c)(2)) is amended—

(1) in subparagraph (A), by striking "or" at the end;

(2) in subparagraph (B), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(C) unless the project to receive the grant has been subject to a competitive selection process and a scientific peer review evaluation by qualified scientists in the Federal

Government, colleges and universities, State agricultural experiment stations, and the private sector.".

(b) APPLICATION.—The amendments made by subsection (a) shall apply only in the case of a project that has not been specifically authorized, or for which no funds have been made available, as of the date of enactment of this Act.

AMENDMENT NO. 3191

At the appropriate place insert the following:

SEC. 7. COMPETITIVE MATCHING GRANT PROGRAM FOR APPLIED RESEARCH.

(a) PURPOSE.—The purpose of this section is to convert the current special grants program administered by the Secretary under subsection (c) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(c)) into a competitive matching grant program for applied research in coordination with the research priorities outlined in section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101).

(b) TITLE CHANGES.—The Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i) is amended—

(1) In the section heading, by striking ", SPECIAL, AND FACILITIES" after "COMPETITIVE";

(2) In subsection (a)(2), by striking ", Special, and Facilities" after "Competitive"; and

(3) In the heading of subsection (b) by striking "Competitive" and inserting "National research initiative".

(c) COMPETITIVE GRANT PROGRAM FOR APPLIED RESEARCH.—Section 2(c) (7 U.S.C. 450i)(c)) is amended—

(1) In the heading, by striking "SPECIAL GRANTS" and inserting "COMPETITIVE GRANTS FOR APPLIED RESEARCH";

(2) In paragraph (1) by striking "grants," and all that follows, including subparagraphs (A) and (B), and inserting "competitive grants for applied research in the research priority areas identified in section 1402 of National Agricultural Research, Extension, and Teaching Policy Act of 1977.";

(3) In paragraph (3), by striking all that follows "MATCHING FUNDS.—" and inserting "The Secretary may establish such matching requirements for grants made pursuant to this section as the Secretary deems appropriate. Such matching requirements established by the Secretary may be met with unreimbursed indirect costs and in-kind contributions, except that the Secretary may include an evaluation preference for projects for which the applicant proposes funds for the direct costs of the project to meet the required match."; and

(4) In paragraph (4), by striking all text after "(4)" and inserting "ELIGIBLE INSTITUTIONS.—For purposes of this subsection, "eligible institutions" mean State agricultural experiment stations, land-grant colleges and universities, research foundations established by land-grant colleges and universities, colleges and universities receiving funds under the Act of October 10, 1962 (16 U.S.C. 582a, *et seq.*), and accredited schools or colleges of veterinary medicine.".

DOMENICI AMENDMENT NO. 3192

(Ordered to lie on the table.)

Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

On page 52, line 16, strike "New Mexico." and insert the following: "New Mexico and that, in the case of the 1996 and subsequent crops, Valencia peanuts not physically produced in the State shall not be eligible to participate in the pools of the State, except that a resident of the State who entered a quantity of Valencia peanuts physically produced outside the State in the pools of the State during the 1995 crop year shall be eligible to enter not more than the same quantity of Valencia peanuts physically produced outside the State in the pools of the State."

STEVENS (AND MURKOWSKI) AMENDMENTS NOS. 3193–3194

Mr. STEVENS (for himself and Mr. MURKOWSKI) submitted two amendments intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra, as follows:

AMENDMENT NO. 3193

At the appropriate place in the amendment, insert the following:

SEC. . WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

The Consolidated Farm and Rural Development Act is amended by inserting after section 306C (7 U.S.C. 1926c) the following:

"SEC. 306D. WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

"(a) IN GENERAL.—The Secretary may make grants to the State of Alaska for the benefit of rural or Native villages in Alaska to provide for the development and construction of water and wastewater systems to improve the health and sanitation conditions in those villages.

"(b) MATCHING FUNDS.—To be eligible to receive a grant under subsection (a), the State of Alaska shall provide equal matching funds from non-Federal sources.

"(c) CONSULTATION WITH THE STATE OF ALASKA.—The Secretary shall consult with the State of Alaska on a method of prioritizing the allocation of grants under subsection (a) according to the needs of, and relative health and sanitation conditions in, each village.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 1996 through 2002.".

AMENDMENT NO. 3194

At the appropriate place in the substitute, insert the following:

SEC. . WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

The Consolidated Farm and Rural Development Act is amended by inserting after section 306C (7 U.S.C. 1926c) the following:

"SEC. 306D. WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

"(a) IN GENERAL.—The Secretary may make grants to the State of Alaska for the benefit of rural or Native villages in Alaska to provide for the development and construction of water and wastewater systems to improve the health and sanitation conditions in those villages.

"(b) MATCHING FUNDS.—To be eligible to receive a grant under subsection (a), the State of Alaska shall provide equal matching funds from non-Federal sources.

"(c) CONSULTATION WITH THE STATE OF ALASKA.—The Secretary shall consult with the State of Alaska on a method of prioritizing the allocation of grants under subsection (a) according to the needs of, and relative health and sanitation conditions in, each village.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 1996 through 2002.".

BRYAN AMENDMENTS NOS. 3195–3198

(Ordered to lie on the table.)

Mr. BRYAN submitted four amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3195

In Title I, strike the section 107 beginning on page 1–67, line 1 through page 1–73, line 11.

AMENDMENT NO. 3196

In Title II, Section 202, on page 2–2, line 8, strike "$100,000,000" and insert "$2,000,000" where appropriate.

AMENDMENT NO. 3197

In Title II, Section 202, on page 2–2, line 8, strike "$100,000,000" and insert "$70,000,000" where appropriate.

AMENDMENT NO. 3198

In Title I, strike the section 106 beginning on page 1–50, line 6 through page 1–66, line 24.

BAUCUS AMENDMENT NO. 3199

(Ordered to lie on the table.)

Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

Amend section 110 by adding the following at the end:

(d) NONRECOURSE MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS.—In the case of the 2003 and subsequent crops of wheat and feed grains, the Secretary shall provide marketing loans to producers of such crops.

(1) AVAILABILITY OF NONRECOURSE LOANS.—

(A) AVAILABILITY.—For each of the 1996 through 2002 crops, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for wheat and feed grains produced on the farm. The loans shall be made under the terms and conditions that are prescribed by the Secretary and at the loan rate established under subsection (2) for the commodity.

(B) ELIGIBLE PRODUCTION.—The following production shall be eligible for a marketing assistance loan under this section:

(i) In the case of a marketing assistance loan for a contract commodity, any production by a producer who has entered into a production flexibility contract.

(2) LOAN RATES.—

(A) WHEAT.—

(i) LOAN RATE.—The loan rate for wheat shall be—

(I) not less than 90 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately five preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) FEED GRAINS.—

(i) LOAN RATE.—The loan rate for a marketing assistance loan for corn shall be—

(I) not less than 90 percent of the simple average price received by producers of corn as determined by the Secretary, during the marketing years for the immediately five

preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(II) OTHER FEED GRAINS.—The loan for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of commodity in relation to corn.

(3) TERM OF LOAN.—In the case of wheat and feed grains, a marketing assistance loan 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.

(4) REPAYMENT.—

(A) REPAYMENT RATES FOR WHEAT AND FEED GRAINS.—The Secretary shall permit a producer to repay a marketing assistance loan under subsection (a) for wheat, corn, grain sorghum, barley, and oats at a level that the Secretary determines will—

(i) minimize potential loan forfeitures;

(ii) minimize the accumulation of stocks of the commodities by the Federal Government;

(iii) minimize the costs incurred by the Federal Government in storing the commodities; and

(iv) allow the commodities produced in the United States to be marketed freely and competitively, both domestically and internationally.

(5) LOAN DEFICIENCY PAYMENTS.—

(A) AVAILABILITY.—The Secretary may make loan deficiency payments available to producers who, although ineligible to obtain a marketing assistance loan under subsection (a) with respect to a loan commodity, agree to forego obtaining the loan for the commodity in return for payments under this subsection.

(B) COMPUTATION.—A loan deficiency payment shall be computed by multiplying—

(i) the loan payment rate under paragraph (3) for the loan commodity; by

(ii) the quantity of the loan commodity that the producers on a farm are eligible to place under loan but for which the producers forego obtaining the loan in return for payments under this subsection.

(C) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

(i) the loan rate established under subsection (2) for the loan commodity; exceeds

(ii) the rate at which a loan for the commodity may be repaid under subsection (d).

(6) SOURCE OF LOANS.—

(A) IN GENERAL.—The Secretary shall provide the loans authorized by this section and the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) through the Commodity Credit Corporation and other means available to the Secretary.

(B) PROCESSORS.—Whenever any loan or surplus removal for any agricultural commodity is carried out through purchases from or loans or payments to processors, the Secretary shall, to the extent practicable, obtain from the processors such assurances as the Secretary considers adequate that the producers of the commodity have received or will receive the maximum benefit from the loan or surplus removal operation.

(7) ADJUSTMENTS OF LOANS.—

(A) IN GENERAL.—The Secretary may make appropriate adjustments in the loan levels for differences in grade, type, quality, location, and other factors.

(B) LOAN LEVEL.—The adjustments shall, to the maximum extent practicable, be made in such manner that the average loan level for the commodity will, on the basis of the anticipated incidence of the factors, be equal to the level of support determined as provided in this section or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.).

(8) PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.—

(A) IN GENERAL.—Except as provided in paragraph (2), no producer shall be personally liable for any deficiency arising from the sale of the collateral securing any nonrecourse loan made under this section or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et. seq.), unless the loan was obtained through a fraudulent representation by the producer.

(B) LIMITATIONS.—Paragraph (1) shall not prevent the Commodity Credit Corporation or the Secretary from requiring the producer to assume liability for—

(i) a deficiency in the grade, quality, or quantity of a commodity stored on a farm or delivered by the producer;

(ii) a failure to properly care for and preserve a commodity; or

(iii) a failure or refusal to deliver a commodity in accordance with a program established under this section or the Agricultural Adjustment Act of 1938.

(C) ACQUISITION OF COLLATERAL.—The Secretary may include in a contract for a nonrecourse loan made under this section or the Agricultural Adjustment Act of 1938 a provision that permits the Commodity Credit Corporation, on and after the maturity of the loan or any extension of the loan, to acquire title to the unredeemed collateral without obligation to pay for any market value that the collateral may have in excess of the loan indebtedness.

(D) SUGARCANE AND SUGAR BEETS.—A security interest obtained by the Commodity Credit Corporation as a result of the execution of a security agreement by the processor of sugarcane or sugar beets shall be superior to all statutory and common law liens on raw cane sugar and refined beet sugar in favor of the producers of sugarcane and sugar beets from which the sugar was derived.

(9) EXCEPTION.—Notwithstanding the provisions of the previous section, the provisions of this section shall be applicable to 1996 through 2002 crops if the provisions of title I of this Act are rendered inapplicable to such crops of wheat and feed grains.

EXON AMENDMENT NO. 3200

(Ordered to lie on the table.)

Mr. EXON submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Section 110 is amended by adding at the end the following:

"(d) PERMANENT LAW.—Title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301 et seq.) is amended by adding after section 307 the following:

'SEC. 308. MARKETING LOANS.

'(a) IN GENERAL.—Except as provided in subsection (c) in the case of the 1996 and subsequent crops, the Secretary shall make available to producers on a farm a nonrecourse marketing assistance loan for crops of wheat, feed grains, upland cotton, rice, and oilseeds (hereafter referred "loan crops") 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 subsection (b).

'(b) LOAN RATE.—The loan rate shall be not less than 95 percent of the simple average price received by producers of loan crops, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops for the specific loan crop.

'(c) SUSPENSION.—The provisions of this section are suspended for the 1996 through 2002 crops of wheat, feed grains, upland cotton, rice, and oilseeds.'"

BAUCUS AMENDMENT NO. 3201

(Ordered to lie on the table.)

Mr. BAUCUS submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place, insert the following: "Notwithstanding the provisions of the Federal Crop Insurance Act, the Secretary shall ensure that crop insurance is made available to producers so that protection at the 75 percent level of coverage shall be available at the rate for which coverage at the 65 percent level is available on the date prior to the date of enactment."

GREGG (AND OTHERS) AMENDMENT NO. 3202

(Ordered to lie on the table.)

Mr. GREGG (for himself, Mr. REID, Mr. SANTORUM, and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike section 107 on page 70.

WELLSTONE AMENDMENTS NOS. 3203–3204

(Ordered to lie on the table.)

Mr. WELLSTONE submitted two amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3203

Amend Title I by adding to the end the following:

SEC. 112. ADJUSTMENT TO LOAN RATE CAPS.

"(a) ATTRIBUTION.—Notwithstanding the provisions of sections 1001 and 1001A of the Food Security Act of 1985 (7 U.S.C. 1308 and 1308–1) in the case of the 1996 through 2002 crops of wheat, feed grains, and oilseeds, the Secretary shall attribute payments specified in section 1001 of Food Security Act of 1985 to persons who receive the payments directly, and attribute payments received by entities to the individuals who own such entities in proportion to their ownership interest in the entity."

"(b) ADJUSTMENTS IN CONTRACT ACCOUNTS AND LOAN GUARANTEE AUTHORITY.—For the crops after the Secretary has implemented subsection (a), the Secretary shall—

"(1) notwithstanding the provisions of this Title, reduce the Contract Payment wheat and feed grains provided in section 103 for each fiscal year by $80,000,000; and

"(2) use such savings generated in paragraph (1) to carry out a program to issue guarantee against the risk of non-payment arising out of loans taken out by agricultural producers to finance the purchase of stock or membership capital in cooperative associations engaged in value added, food, or

industrial-use processing of agricultural commodities."

AMENDMENT NO. 3204

Amend Title I by adding to the end the following:

SEC. 112. ADJUSTMENT TO LOAN RATE CAPS.

"(a) ATTRIBUTION.—Notwithstanding the provisions of sections 1001 and 1001A of the Food Security Act of 1985 (7 U.S.C. 1308 and 1308–1) in the case of the 1996 through 2002 crops of wheat, feed grains, upland cotton, rice, and oilseeds, the Secretary shall attribute payments specified in section 1001 of Food Security Act of 1985 to persons who receive the payments directly, and attribute payments received by entities to the individuals who own such entities in proportion to their ownership interest in the entity."

"(b) ADJUSTMENTS IN CONTRACT ACCOUNTS AND LOAN RATE CAPS.—For the crops after the Secretary has implemented subsection (a), the Secretary shall—

"(1) notwithstanding the provisions of this Title, reduce the Contract Payment Account provided in section 103 for each fiscal year by $140,000,000; and

"(2) increase the loan rate caps in section 104 as follows:

"(A) $3.25 per bushel for wheat;

"(B) $2.25 per bushel for corn;

"(C) $0.60 per pound for upland cotton;

"(D) $7.00 per hunderweight for rice;

"(E) $5.10 per bushel for soybeans; and

"(F) $.10 per pound for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed."

MOYNIHAN (AND MIKULSKI) AMENDMENT NO. 3205

(Ordered to lie on the table.)

Mr. MOYNIHAN (for himself and Ms. MIKULSKI) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 1–73, strike line 9 and insert the following:

(1) EMERGENCY RELIEF FOR SUGARCANE REFINERS.—Section 902(a) of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1446g note) is amended by adding at the end the following: "The Secretary of Agriculture shall permit the importation of additional raw cane sugar, from individuals who held quotas under part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa et seq.) on the day before the date of enactment of the Agricultural Market Transition Act, during such time as the Secretary determines that the domestic price of raw cane sugar exceeds 115 percent of the loan rate determined under section 107 of the Agricultural Market Transition Act.".

(j) CROPS.—This section (other than subsections (h) and (i)).

DORGAN AMENDMENTS NOS. 3206–3207

(Ordered to lie on the table.)

Mr. DORGAN submitted two amendments intended to be proposed by him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3206

SECTION 1. SHORT TITLE.

This Act may be referred to as the "Agricultural Act of 1996.".

SEC. 2. FINDINGS.

The Congress findings that failure to enact timely legislation extending farm and related programs will:

(a) Cause economic uncertainty to family farmers across the country who represent the backbone of American Agriculture;

(b) Create instability in commodity markets;

(c) Result in lost export markets for U.S. agricultural commodities; and

(d) Prevent the Secretary of Agriculture from administering such programs in an orderly and efficient manner.

SEC. 3. AUTHORITY FOR 1996 AGRICULTURAL PROGRAMS.

(a) IN GENERAL.—Notwithstanding any other provisions of law except as provided in this Act and the amendments made by this Act, the provisions of the Agricultural Adjustment of 1938 (7 U.S.C. 1281 et seq.), the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), the Food Security Act of 1985 (Public Law 99–198), and the Food, Agriculture, Conservation and Trade Act of 1990 (Public Law 101–624) and each program that was authorized or reauthorized by any of the Acts, that were applicable on September 30, 1995, shall be applicable for 1996.

(b) FLEXIBILITY.—Amend section 504 of the Agricultural Act of 1949 (7 U.S.C. 1464) by—

(1) Striking subsections (c), (d), and (e) and inserting the following:

"(c) NON-PAYMENT ACRES.—In the case of the 1996 crops, any crop or conserving crop specified in subsection (b)(1) may be planted on the acres of a crop acreage base that is not eligible for payment under this Act.";

"(d) LOAN ELIGIBILITY.—In the case of the 1996 crops, producers on a farm with crop acreage base may plant any program crop on the crop acreage base and shall be eligible to receive purchases, loans, and loan deficiency payments for the program crop.".

SEC. 4. MISCELLANEOUS PROVISIONS.

(a) PAYMENTS.—Section 114(a)(2) of the Agricultural Act of 1949 (7 U.S.C. 1445(j)(a)(2)) is amended by adding at the end the following:

"(K) 1995 DISASTERS.—In the case of the producers who were prevented from planting, or incurred a reduced yield of 20 percent or more of, the 1995 crop due to weather or related condition, the Secretary may settle claims for the repayment by producers required under subparagraph (G) or (H) on terms determined by the Secretary to be fair and equitable, except that no claim shall be reduced by more than $3,500."

(b) CONSERVATION.—Section 1231(b)(4) of the Food Security Act of 1985 (16 U.S.C. 3831(b)(4)) 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) if the Secretary determines that such lands will be used to store water for flood control in a closed basin."

(c) ADVANCED PAYMENTS.—

(1) IN GENERAL.—In the case of 1996 crops, advanced payments shall be made in accordance with the formula described in paragraph (2).

(2) FORMULA.—Payments authorized under this subsection shall be based on a rate equal to 50 percent of the average deficiency payment rate for the 1990 through 1994 crops.

(3) NONREFUNDABLE.—Payments authorized under this subsection shall not be refundable.

AMENDMENT NO. 3207

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 "Farm Security Act of 1996".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—COMMODITY PROGRAMS

Sec. 101. Wheat, feed grain, and oilseed program.
Sec. 102. Upland cotton program.
Sec. 103. Rice program.
Sec. 104. Peanut program.
Sec. 105. Dairy program.
Sec. 106. Sugar program.
Sec. 107. Sheep industry transition program.
Sec. 108. Suspension of permanent price support authority.
Sec. 109. Extension of related price support provisions.
Sec. 110. Crop insurance administrative fee.
Sec. 111. Effective date.

TITLE II—CONSERVATION

Sec. 201. Conservation reserve program.
Sec. 202. Environmental quality incentives program.

TITLE III—NUTRITION ASSISTANCE

Sec. 301. Food stamp program.
Sec. 302. Commodity distribution program; commodity supplemental food program.
Sec. 303. Emergency food assistance program.
Sec. 304. Soup kitchens program.
Sec. 305. National commodity processing.

TITLE I—COMMODITY PROGRAMS

SEC. 101. WHEAT, FEED GRAIN, AND OILSEED PROGRAM.

(a) IN GENERAL.—Title I of the Agricultural Act of 1949 (7 U.S.C. 1441 et seq.) is amended by adding the end the following:

"SEC. 116. MARKETING LOANS AND LOAN DEFICIENCY PAYMENTS FOR 1996 THROUGH 2002 CROPS OF WHEAT, FEED GRAINS, AND OILSEEDS.

"(a) DEFINITIONS.—In this section:

"(1) COVERED COMMODITIES.—The term 'covered commodities' means wheat, feed grains, and oilseeds.

"(2) FEED GRAINS.—The term 'feed grains' means corn, grain sorghum, barley, oats, millet, rye, or as designated by the Secretary, other feed grains.

"(3) OILSEEDS.—The term 'oilseeds' means soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or as designated by the Secretary, other oilseeds.

"(b) ADJUSTMENT ACCOUNT.—

"(1) DEFINITION OF PAYMENT BUSHEL OF PRODUCTION.—In this subsection, the term 'payment bushel of production' means—

"(A) in the case of wheat, 7/10 of a bushel;

"(B) in the case of corn, a bushel; and

"(C) in the case of other feed grains, a quantity determined by the Secretary.

"(2) ESTABLISHMENT.—The Secretary shall establish an Adjustment Account (referred to in this subsection as the 'Account') for making—

"(A) payments to producers of the 1996 through 2002 crops of covered commodities who participate in the marketing loan program established under subsection (c); and

"(B) payments to producers of the 1994 and 1995 crops of covered commodities that are authorized, but not paid, under sections 105B and 107B prior to the date of enactment of this section.

"(3) AMOUNT IN ACCOUNT.—The Secretary shall transfer from funds of the Commodity Credit Corporation into the Account—

"(A) $3,000,000,000 for fiscal year 1996; and

"(B) $3,900,000,000 for each of fiscal years 1997 through 2002;

to remain available until expended.

"(4) PAYMENTS.—The Secretary shall use funds in the Account to make payments to

producers of wheat and feed grains in accordance with this subsection.

"(5) TIER 1 SUPPORT.—

"(A) IN GENERAL.—The producers on a farm referred to in paragraph (2) shall be entitled to a payment computed by multiplying—

"(i) the payment quantity determined under subparagraph (B); by

"(ii) the payment factor determined under subparagraph (C).

"(B) PAYMENT QUANTITY.—

"(i) IN GENERAL.—Subject to clause (ii), the payment quantity for payments under subparagraph (A) shall be determined by the Secretary based on—

"(I) 90 percent of the 5-year average of the quantity of wheat and feed grains produced on the farm;

"(II) an adjustment to reflect any disaster or other circumstance beyond the control of the producers that adversely affected production of wheat or feed grains, as determined by the Secretary; and

"(III) an adjustment for planting resource conservation crops on the crop acreage base for covered commodities, and adopting conserving uses, on the base not enrolled in the environmental reserve program provided in paragraph (6).

"(ii) LIMITATIONS.—The quantity determined under clause (i) for an individual, directly or indirectly, shall not exceed 30,000 payment bushels of wheat or feed grains and may be adjusted by the Secretary to reflect the availability of funds.

"(C) PAYMENT FACTOR.—

"(i) WHEAT.—The payment factor for wheat under subparagraph (A) shall be equal to the difference between a price established by the Secretary, of not to exceed $4.00 per bushel, and the greater of—

"(I) the marketing loan rate for the crop of wheat; or

"(II) the average domestic price for wheat for the crop for the calendar year in which the crop is normally harvested.

"(ii) CORN.—The payment factor for corn under subparagraph (A) shall be equal to the difference between a price established by the Secretary, of not to exceed $2.75 per bushel, and the greater of—

"(I) the marketing loan rate for the crop of corn; or

"(II) the average domestic price for corn for the crop for the calendar year in which the crop is normally harvested;

"(iii) OTHER FEED GRAINS.—The payment factor for other feed grains under subparagraph (A) shall be established by the Secretary at such level as the Secretary determines is fair and reasonable in relation to the payment factor for corn.

"(D) ADVANCE PAYMENT.—

"(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), the Secretary shall make available to producers on a farm 50 percent of the projected payment under this subsection at the time the producers agree to participate in the program.

"(ii) 1995 PAYMENTS.—In the case of producers on a farm who were prevented from planting, or incurred a reduced yield of 20 percent or more of, the 1995 crop due to weather or related condition, the Secretary may settle claims for the repayment by the producers on terms determined by the Secretary to be fair and equitable, except that no claim shall be reduced by more than $3,500.

"(iii) 1996 PAYMENTS.—

"(I) IN GENERAL.—In the case of 1996 crops, advanced payments shall be made in accordance with the formula under subclause (II).

"(II) FORMULA.—Payments authorized under this clause shall be based on a rate equal to 50 percent of the average deficiency payment rate for the 1990 through 1994 crops.

"(III) NONREFUNDABLE.—Payments authorized under this clause shall not be refundable.

"(6) ENVIRONMENTAL RESERVE PROGRAM.—

"(A) IN GENERAL.—The Secretary may enter into 1 to 5 year contracts with producers on a farm referred to in paragraph (2) for the purposes of enrolling flexible acreage base for conserving use purposes.

"(B) LIMITATION.—Flexible acreage base enrolled in the environmental reserve program shall not be eligible for benefits provided in paragraph (5)(B).

"(c) MARKETING LOANS.—

"(1) IN GENERAL.—The Secretary shall make available to producers on a farm marketing loans for each of the 1996 through 2002 crops of covered commodities produced on the farm.

"(2) ELIGIBILITY.—

"(A) IN GENERAL.—To be eligible for a loan under this subsection, the producers on a farm may not plant covered commodities on the farm in excess of the flexible acreage base of the farm determined under section 502.

"(B) AMOUNT.—The Secretary shall provide marketing loans for their normal production of covered commodities produced on a farm.

"(3) LOAN RATE.—

"(A) IN GENERAL.—Loans made under this subsection shall be made at the rate of 90 percent of the average price for the commodity for the previous 5 crop years, as determined by the Secretary.

"(B) ADJUSTMENTS.—For each of the 1996 through 2002 crops of covered commodities, the Secretary may not adjust local loan rates by a factor greater than 3 percent of the national loan rate.

"(4) REPAYMENT.—

"(A) CALCULATION.—Producers on a farm may repay loans made under this subsection for a crop at a level that is the lesser of—

"(i) the loan level determined for the crop; or

"(ii) the prevailing domestic market price for the commodity (adjusted to location and quality), as determined by the Secretary.

"(B) PREVAILING DOMESTIC MARKET PRICE.—The Secretary shall prescribe by regulation—

"(i) a formula to determine the prevailing domestic market price for each covered commodity; and

"(ii) a mechanism by which the Secretary shall announce periodically the prevailing domestic market prices established under this subsection.

"(d) LOAN DEFICIENCY PAYMENTS.—

"(1) IN GENERAL.—The Secretary may, for each of the 1996 through 2002 crops of covered commodities, make payments (referred to in this subsection as 'loan deficiency payments') available to producers who, although eligible to obtain a marketing loan under subsection (c), agree to forgo obtaining the loan in return for payments under this subsection.

"(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

"(A) the loan payment rate; by

"(B) the quantity of a covered commodity the producer is eligible to place under loan but for which the producer forgoes obtaining the loan in return for payments under this subsection.

"(3) LOAN PAYMENT RATE.—

"(A) IN GENERAL.—For the purposes of this subsection, the loan payment rate shall be the amount by which—

"(i) the marketing loan rate determined for the crop under subsection (c)(3); exceeds

"(ii) the level at which a loan may be repaid under subsection (c)(4).

"(B) DATE.—The date on which the calculation required under subparagraph (A) for the producers on a farm shall be determined by the producers, except that the date may not be later than the earlier of—

"(i) the date the producers lost beneficial interest in the crop; or

"(ii) the end of the marketing year for the crop.

"(4) APPLICATION.—Producers on a farm may apply for a payment for a covered commodity under this subsection at any time prior to the end of the marketing year for the commodity.

"(e) EQUITABLE RELIEF.—If the failure of a producer to comply fully with the terms and conditions of programs conducted under this section precludes the making of loans and payments, the Secretary may, nevertheless, make the loans and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure.

"(f) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(g) 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 under this section.

"(h) TENANTS AND SHARECROPPERS.—In carrying out this section, the Secretary shall provide adequate safeguards to protect the interest of tenants and sharecroppers.

"(i) CROPS.—This section shall be effective only for the 1996 through 2002 crops of a covered commodity.".

(b) FLEXIBLE ACREAGE BASE.—

(1) DEFINITIONS.—Section 502 of the Agricultural Act of 1949 (7 U.S.C. 1462) is amended by striking paragraphs (2) and (3) and inserting the following:

"(2) FEED GRAINS.—The term 'feed grains' means corn, grain sorghum, barley, oats, millet, rye, or as designated by the Secretary, other feed grains.

"(3) GO CROPS.—The term 'GO crops' means wheat, feed grains, and oilseeds.

"(4) OILSEEDS.—The term 'oilseed' means a crop of soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or, if designated by the Secretary, other oilseeds.

"(5) PROGRAM CROP.—The term 'program crop' means a GO crop and a crop of upland cotton or rice.".

(2) CROP ACREAGE BASES.—Section 503(a) of the Act (7 U.S.C. 1463(a)) is amended by striking paragraph (1) and inserting the following:

"(1) IN GENERAL.—

"(A) GO CROPS.—The Secretary shall provide for the establishment and maintenance of a single crop acreage base for GO crops, including any GO crops produced under an established practice of double cropping.

"(B) COTTON AND RICE.—The Secretary shall provide for the establishment and maintenance of crop acreage bases for cotton and rice crops, including any program crop produced under an established practice of double cropping.".

SEC. 102. UPLAND COTTON PROGRAM.

(a) EXTENSION.—Section 103B of the Agricultural Act of 1949 (7 U.S.C. 1444-2) is amended—

(1) in the section heading, by striking "**1997**" and inserting "**2002**";

(2) in subsections (a)(1), (b)(1), (c)(1), and (o), by striking "1997" each place it appears and inserting "2002";

(3) in subsection (a)(5), by striking "1998" each place it appears and inserting "2002";

(4) in the heading of subsection (c)(1)(D)(v)(II), by striking "1997" and inserting "2002";

(5) in subsection (e)(1)(D), by striking "the 1997 crop" and inserting "each of the 1997 through 2002 crops"; and

(6) in subsections (e)(3)(A) and (f)(1), by striking "1995" each place it appears and inserting "2002".

(b) INCREASE IN NONPAYMENT ACRES.—Section 103B(c)(1)(C) of the Act is amended by striking "85 percent" and inserting "80 percent for each of the 1996 through 2002 crops".

(c) ADVANCE PAYMENT.—Section 103B(c)(1) of the Act is amended by adding at the end the following:

"(F) ADVANCE PAYMENT.—

"(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), the Secretary shall make available to producers on a farm 50 percent of the projected payment under this subsection at the time the producers agree to participate in the program.

"(ii) 1995 PAYMENTS.—In the case of producers on a farm who were prevented from planting, or incurred a reduced yield of 20 percent or more of, the 1995 crop due to weather or related condition, the Secretary may settle claims for the repayment by the producers on terms determined by the Secretary to be fair and equitable, except that no claim shall be reduced by more than $3,500.

"(iii) 1996 PAYMENTS.—

"(I) IN GENERAL.—In the case of 1996 crops, advanced payments shall be made in accordance with the formula under subclause (II).

"(II) FORMULA.—Payments authorized under this clause shall be based on a rate equal to 50 percent of the average deficiency payment rate for the 1990 through 1994 crops.

"(III) NONREFUNDABLE.—Payments authorized under this clause shall not be refundable.".

SEC. 103. RICE PROGRAM.

(a) EXTENSION.—Section 101B of the Agricultural Act of 1949 (7 U.S.C. 1441-2) is amended—

(1) in the section heading, by striking "**1995**" and inserting "**2002**";

(2) in subsections (a)(1), (a)(3), (b)(1), (c)(1)(A), (c)(1)(B)(iii), (e)(3)(A), (f)(1), and (n), by striking "1995" each place it appears and inserting "2002";

(3) in subsection (a)(5)(D)(i), by striking "1996" and inserting "2003"; and

(4) in subsection (c)(1)—

(A) in subparagraph (B)(ii)—

(i) by striking "AND 1995" and inserting "THROUGH 2002"; and

(ii) by striking "and 1995" and inserting "through 2002"; and

(B) in subparagraph (D)—

(i) in clauses (i) and (v)(II), by striking "1997" each place it appears and inserting "2002"; and

(ii) in the heading of clause (v)(II), by striking "1997" and inserting "2002".

(b) INCREASE IN NONPAYMENT ACRES.—Section 101B(c)(1)(C)(ii) of the Act is amended by striking "85 percent" and inserting "80 percent for each of the 1998 through 2002 crops".

(c) ADVANCE PAYMENT.—Section 101B(c)(1) of the Act is amended by adding at the end the following:

"(F) ADVANCE PAYMENT.—

"(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), the Secretary shall make available to producers on a farm 50 percent of the projected payment under this subsection at the time the producers agree to participate in the program.

"(ii) 1995 PAYMENTS.—In the case of producers on a farm who were prevented from planting, or incurred a reduced yield of 20 percent or more of, the 1995 crop due to weather or related condition, the Secretary may settle claims for the repayment by the producers on terms determined by the Secretary to be fair and equitable, except that no claim shall be reduced by more than $3,500.

"(iii) 1996 PAYMENTS.—

"(I) IN GENERAL.—In the case of 1996 crops, advanced payments shall be made in accordance with the formula under subclause (II).

"(II) FORMULA.—Payments authorized under this clause shall be based on a rate equal to 50 percent of the average deficiency payment rate for the 1990 through 1994 crops.

"(III) NONREFUNDABLE.—Payments authorized under this clause shall not be refundable.".

SEC. 104. PEANUT PROGRAM.

(a) EXTENSION.—

(1) AGRICULTURAL ACT OF 1949.—Section 108B of the Agricultural Act of 1949 (7 U.S.C. 1445c-3) is amended—

(A) in the section heading, by striking "**1997**" and inserting "**2002**";

(B) in subsection (a)(1), (b)(1), and (h), by striking "1997" each place it appears and inserting "2002"; and

(C) in subsection (g)—

(i) by striking "1997" in paragraphs (1) and (2)(A)(ii)(II) and inserting "2002"; and

(ii) by striking "the 1997 crop" each place it appears and inserting "each of the 1997 through 2002 crops".

(2) AGRICULTURAL ADJUSTMENT ACT OF 1938.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended—

(A) in section 358-1 (7 U.S.C. 1358-1)—

(i) in the section heading, by striking "**1997**" and inserting "**2002**"; and

(ii) in subsections (a)(1), (b), and (f), by striking "1997" each place it appears and inserting "2002";

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking "**1995**" and inserting "**2002**"; and

(ii) in subsection (c), by striking "1995" and inserting "2002";

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking "1995" and inserting "2002"; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking "**1997**" and inserting "**2002**"; and

(ii) in subsection (i), by striking "1997" and inserting "2002".

(b) SUPPORT RATES FOR PEANUTS.—Section 108B(a)(2) of the Agricultural Act of 1949 (7 U.S.C. 1445c-3(a)(2)) is amended—

(1) by striking "(2) SUPPORT RATES.—The" and inserting the following:

"(2) SUPPORT RATES.—

"(A) 1991-1995 CROPS.—The"; and

(2) by adding at the end the following:

"(B) 1996-2002 CROPS.—The national average quota support rate for each of the 1996 through 2002 crops of quota peanuts shall be $678 per ton.".

(c) UNDERMARKETINGS.—

(1) IN GENERAL.—Section 358-1(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358-1(b)) is amended—

(A) in paragraph (7), by adding at the end the following:

"(C) TRANSFER OF ADDITIONAL PEANUTS.—Additional peanuts on a farm from which the quota poundage was not harvested or marketed may be transferred to the quota loan pool for pricing purposes at the quota price on such basis as the Secretary shall be regulation provide, except that the poundage of the peanuts so transferred shall not exceed the difference in the total quantity of peanuts meeting quality requirements for domestic edible use, as determined by the Secretary, marketed from the farm and the total farm poundage quota."; and

(B) by striking paragraphs (8) and (9).

(2) CONFORMING AMENDMENTS.—Section 358b(a) of the Act (7 U.S.C. 1358b(a)) is amended—

(A) in paragraph (1)(A), by striking "undermarketings and"; and

(B) in paragraph (3), by striking "(including any applicable undermarketings)".

SEC. 105. DAIRY PROGRAM.

(a) PRICE SUPPORT.—Section 204 of the Agricultural Act of 1949 (7 U.S.C. 1446e) is amended—

(1) in the section heading, by striking "**1996**" and inserting "**2002**";

(2) in subsections (a), (b), (f), (g), and (k), by striking "1996" each place it appears and inserting "2002";

(3) in subsection (h)(2)(C), by striking "and 1997" and inserting "through 2002".

(b) SUPPORT PRICE FOR BUTTER AND POWDERED MILK.—Section 204(c)(3) of the Act is amended—

(1) in subparagraph (A), by striking "Subject to subparagraph (B), the" and inserting "The";

(2) by striking subparagraph (B); and

(3) by redesignating subparagraph (C) as subparagraph (B).

(c) SUPPORT RATE.—Section 204(d) of the Act is amended—

(1) by striking paragraphs (1) through (3);

(2) by redesignating paragraphs (4) and (5) as paragraphs (1) and (2) respectively; and

(3) in paragraph (1) (as so redesignated), by striking "$10.10" and inserting "$10.35".

SEC. 106. SUGAR PROGRAM.

(a) IN GENERAL.—Section 206 of the Agricultural Act of 1949 (7 U.S.C. 1446g) is amended to read as follows:

"SEC. 206. SUGAR SUPPORT FOR 1996 THROUGH 2002 CROPS.

"(a) DEFINITIONS.—In this section:

"(1) AGREEMENT ON AGRICULTURE.—The term 'Agreement on Agriculture' means the Agreement on Agriculture resulting from the Uruguay Round of Multilateral Trade Negotiations.

"(2) MAJOR COUNTRY.—The term 'major country' includes—

"(A) a country that is allocated a share of the tariff rate quota for imported sugars and syrups by the United States Trade Representative pursuant to additional U.S. note 5 to chapter 17 of the Harmonized Tariff Schedule;

"(B) a country of the European Union; and

"(C) the People's Republic of China.

"(3) MARKET.—The term 'market' means to sell or otherwise dispose of in commerce in the United States (including, with respect to any integrated processor and refiner, the movement of raw cane sugar into the refining process) and delivery to a buyer.

"(4) TOTAL ESTIMATED DISAPPEARANCE.—The term 'total estimated disappearance' means the quantity of sugar, as estimated by the Secretary, that will be consumed in the United States during a fiscal year (other than sugar imported for the production of polyhydric alcohol or to be refined and reexported in refined form or in a sugar-containing product), plus the quantity of sugar that would provide for adequate carryover stocks.

"(b) PRICE SUPPORT.—The price of each of the 1996 through 2002 crops of sugar beets and

sugarcane shall be supported in accordance with this section.

"(c) SUGARCANE.—Subject to subsection (e), the Secretary shall support the price of domestically grown sugarcane through loans at a support level of 18 cents per pound for raw cane sugar.

"(d) SUGAR BEETS.—Subject to subsection (e), the Secretary shall support the price of each crop of domestically grown sugar beets through loans at the level provided for refined beet sugar produced from the 1995 crop of domestically grown sugar beets.

"(e) ADJUSTMENT IN SUPPORT LEVEL.—

"(1) DOWNWARD ADJUSTMENT IN SUPPORT LEVEL.—

"(A) IN GENERAL.—The Secretary shall decrease the support price of domestically grown sugarcane and sugar beets from the level determined for the preceding crop, as determined under this section, if the quantity of negotiated reductions in export and domestic subsidies of sugar that apply to the European Union and other major countries in the aggregate exceed the quantity of the reductions in the subsidies agreed to under the Agreement of Agriculture.

"(B) EXTENT OF REDUCTION.—The Secretary shall not reduce the level of price support under subparagraph (A) below a level that provides an equal measure of support to the level provided by the European Union or any other major country through domestic and export subsidies that are subject to reduction under the Agreement on Agriculture.

"(2) INCREASES IN SUPPORT LEVEL.—The Secretary may increase the support level for each crop of domestically grown sugarcane and sugar beets from the level determined for the preceding crop based on such factors as the Secretary determines appropriate, including changes (during the 2 crop years immediately preceding the crop year for which the determination is made) in the cost of sugar products, the cost of domestic sugar production, the amount of any applicable assessments, and other factors or circumstances that may adversely affect domestic sugar production.

"(f) LOAN TYPE; PROCESSOR ASSURANCES.—

"(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall carry out this section by making recourse loans to sugar producers.

"(2) MODIFICATION.—During any fiscal year in which the tariff rate quota for imports of sugar into the United States is established at, or is increased to, a level that exceeds the minimum level for the imports committed to by the United States under the Agreement on Agriculture, the Secretary shall carry out this section by making nonrecourse loans available to sugar producers. Any recourse loan previously made available by the Secretary and not repaid under this section during the fiscal year shall be converted into a nonrecourse loan.

"(3) PROCESSOR ASSURANCES.—To effectively support the prices of sugar beets and sugarcane received by a producer, the Secretary shall obtain from each processor that receives a loan under this section such assurances as the Secretary considers adequate that, if the Secretary is required under paragraph (2) to make nonrecourse loans available, or convert recourse loans into nonrecourse loans, each producer served by the processor will receive the appropriate minimum payment for sugar beets and sugarcane delivered by the producer, as determined by the Secretary.

"(g) ANNOUNCEMENTS.—The Secretary shall announce the type of loans available and the loan rates for beet and cane sugar for any fiscal year under this section as far in advance as is practicable.

"(h) LOAN TERM.—

"(1) IN GENERAL.—Except as provided in paragraph (2) and subsection (i), a loan under this section during any fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature at the end of 3 months.

"(2) EXTENSION.—The maturity of a loan under this section may be extended for up to 2 additional 3-month periods, at the option of the borrower, except that the maturity of a loan may not be extended under this paragraph beyond the end of the fiscal year.

"(i) SUPPLEMENTARY LOANS.—Subject to subsection (e), the Secretary shall make available to eligible processors price support loans with respect to sugar processed from sugar beets and sugarcane harvested in the last 3 months of a fiscal year. The loans shall mature at the end of the fiscal year. The processor may repledge the sugar as collateral for a price support loan in the subsequent fiscal year, except that the second loan shall—

"(1) be made at the loan rate in effect at the time the second loan is made; and

"(2) mature in not more than 9 months, less the quantity of time that the first loan was in effect.

"(j) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this section.

"(k) MARKETING ASSESSMENTS.—

"(1) IN GENERAL.—Assessments shall be collected in accordance with this subsection with respect to all sugar marketed within the United States during the 1996 through 2002 fiscal years.

"(2) BEET SUGAR.—The first seller of beet sugar produced from domestic sugar beets or domestic sugar beet molasses shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to 1.1894 percent of the loan level established under subsection (d) per pound of sugar marketed.

"(3) CANE SUGAR.—The first seller of raw cane sugar produced from domestic sugarcane or domestic sugarcane molasses shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to 1.11 percent of the loan level established under subsection (c) per pound of sugar marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing).

"(4) COLLECTION.—

"(A) TIMING.—Marketing assessments required under this subsection shall be collected and remitted to the Commodity Credit Corporation not later than 30 days after the date that the sugar is marketed.

"(B) MANNER.—Subject to subparagraph (A), marketing assessments shall be collected under this subsection in the manner prescribed by the Secretary and shall be nonrefundable.

"(5) PENALTIES.—If any person fails to remit an assessment required by this subsection or fails to comply with such requirements for recordkeeping or otherwise fails to comply with this subsection, the person shall be liable to the Secretary for a civil penalty of not more than an amount determined by multiplying—

"(A) the quantity of sugar involved in the violation; by

"(B) the loan level for the applicable crop of sugarcane or sugar beets from which the sugar is produced.

For the purposes of this paragraph, refined sugar shall be treated as produced from sugar beets.

"(6) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

"(l) INFORMATION REPORTING.—

"(1) DUTY OF PROCESSORS AND REFINERS TO REPORT.—A sugarcane processor, cane sugar refiner, and sugar beet processor shall furnish the Secretary, on a monthly basis, such information as the Secretary may require to administer sugar programs, including the quantity of purchases of sugarcane, sugar beets, and sugar, and production, importation, distribution, and stock levels of sugar.

"(2) DUTY OF PRODUCERS TO REPORT.—To efficiently and effectively carry out the program under this section, the Secretary may require a producer of sugarcane or sugar beets to report, in the manner prescribed by the Secretary, the producer's sugarcane or sugar beet yields and acres planted to sugarcane or sugar beets, respectively.

"(3) PENALTY.—Any person willfully failing or refusing to furnish the information, or furnishing willfully any false information, required under this subsection shall be subject to a civil penalty of not more than $10,000 for each such violation.

"(4) MONTHLY REPORTS.—Taking into consideration the information received under paragraph (1), the Secretary shall publish on a monthly basis composite data on production, imports, distribution, and stock levels of sugar.

"(m) SUGAR ESTIMATES.—

"(1) DOMESTIC REQUIREMENT.—Before the beginning of each fiscal year, the Secretary shall estimate the domestic sugar requirement of the United States in an amount that is equal to the total estimated disappearance, minus the quantity of sugar that will be available from carry-in stocks.

"(2) QUARTERLY REESTIMATES.—The Secretary shall make quarterly reestimates of sugar consumption, stocks, production, and imports for a fiscal year not later than the beginning of each of the second through fourth quarters of the fiscal year.

"(n) CROPS.—This section shall be effective only for the 1996 through 2002 crops of sugar beets and sugarcane.".

(b) MARKETING QUOTAS.—Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa et seq.) is repealed.

SEC. 107. SHEEP INDUSTRY TRANSITION PROGRAM.

Title II of the Agricultural Act of 1949 (7 U.S.C. 1446 et seq.) is amended by adding at the end the following:

"SEC. 208. SHEEP INDUSTRY TRANSITION PROGRAM.

"(a) LOSS.—

"(1) IN GENERAL.—The Secretary shall, on presentation of warehouse receipts or other acceptable evidence of title as determined by the Secretary, make available for each of the 1996 through 1999 marketing years recourse loans for wool at a loan level, per pound, that is not less than the smaller of—

"(A) the average price (weighted by market and month) of the base quality of wool at average location in the United States as quoted during the 5-marketing year period preceding the year in which the loan level is announced, 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 price for wool projected for the marketing year in which the loan level is announced, as determined by the Secretary.

"(2) ADJUSTMENTS TO LOAN LEVEL.—

"(A) LIMITATION ON DECREASE IN LOAN LEVEL.—The loan level for any marketing

year determined under paragraph (1) may not be reduced by more than 5 percent from the level determined for the preceding marketing year, and may not be reduced below 50 cents per pound.

"(B) LIMITATION ON INCREASE IN LOAN LEVEL.—If for any marketing year the average projected price determined under paragraph (1)(B) is less than the average United States market price determined under paragraph (1)(A), the Secretary may increase the loan level to such level as the Secretary may consider appropriate, not in excess of the average United States market price determined under paragraph (1)(A).

"(C) ADJUSTMENT FOR QUALITY.—

"(i) IN GENERAL.—Notwithstanding subparagraphs (A) and (B), the Secretary may adjust the loan level of a loan made under this section with respect to a quantity of wool to more accurately reflect the quality of the wool, as determined by the Secretary.

"(ii) ESTABLISHMENT OF GRADING SYSTEM.—To allow producers to establish the quality of wool produced on a farm, the Secretary shall establish a grading system for wool, based on micron diameter of the fibers in the wool.

"(iii) FEES.—The Secretary may charge each person that requests a grade for a quantity of wool a fee to offset the costs of testing and establishing a grade for the wool.

"(iv) TESTING FACILITIES.—To the extent practicable, the Secretary may certify State, local, or private facilities to carry out the grading of wool for the purpose of carrying out this subparagraph.

"(3) ANNOUNCEMENT OF LOAN LEVEL.—The loan level for any marketing year of wool shall be determined and announced by the Secretary not later than December 1 of the calendar year preceding the marketing year for which the loan is to be effective or, in the case of the 1996 marketing year, as soon as is practicable after December 1, 1995.

"(4) TERM OF LOAN.—

"(A) IN GENERAL.—Recourse loans provided for in this section may be made for an initial term of 9 months from the first day of the month in which the loan is made.

"(B) EXTENSIONS.—Except as provided in subparagraph (C), recourse loans provided for in this section shall, on request of the producer during the 9th month of the loan period for the wool, be made available for an additional term of 8 months.

"(C) LIMITATION.—A request to extend the loan period shall not be approved in any month in which the average price of the base quality of wool, as determined by the Secretary, in the designated markets for the preceding month exceeded 130 percent of the average price of the base quality of wool in the designated United States markets for the preceding 36-month period

"(5) MARKETING LOAN PROVISIONS.—If the Secretary determines that the prevailing world market price for wool (adjusted to United States quality and location) is below the loan level determined under paragraphs (1) through (4), to make United States wool competitive, the Secretary shall permit a producer to repay a loan made for any marketing year at the lesser of—

"(A) the loan level determined for the marketing year; or

"(B) the higher of—

"(i) the loan level determined for the marketing year multiplied by 70 percent; or

"(ii) the prevailing world market price for wool (adjusted to United States quality and location), as determined by the Secretary.

"(6) PREVAILING WORLD MARKET PRICE.—

"(A) IN GENERAL.—The Secretary shall prescribe by regulation—

"(i) a formula to define the prevailing world market price for wool (adjusted to United States quality and location); and

"(ii) a mechanism by which the Secretary shall announce periodically the prevailing world market price for wool (adjusted to United States quality and location).

"(B) USE.—The prevailing world market price for wool (adjusted to United States quality and location) established under this paragraph shall be used to carry out paragraph (5).

"(C) ADJUSTMENT OF PREVAILING WORLD MARKET PRICE.—

"(i) IN GENERAL.—The prevailing world market price for wool (adjusted to United States quality and location) established under this paragraph shall be further adjusted if the adjusted prevailing world market price is less than 115 percent of the current marketing year loan level for the base quality of wool, as determined by the Secretary.

"(ii) FURTHER ADJUSTMENT.—The adjusted prevailing world market price shall be further adjusted on the basis of some or all of the following data, as available:

"(I) The United States share of world exports.

"(II) The current level of wool export sales and wool export shipments.

"(III) Other data determined by the Secretary to be relevant in establishing an accurate prevailing world market price for wool (adjusted to United States quality and location).

"(D) MARKET PRICE QUOTATION.—The Secretary may establish a system to monitor and make available on a weekly basis information with respect to the most recent average domestic and world market prices for wool.

"(7) PARTICIPATION.—The Secretary may make loans available under this subsection to producers, cooperatives, or marketing pools.

"(b) LOAN DEFICIENCY PAYMENTS.—

"(1) IN GENERAL.—The Secretary shall, for each of the 1996 through 1999 marketing years of wool, make payments available to producers who, although eligible to obtain a loan under subsection (a), agree to forgo obtaining the loan in return for payments under this subsection.

"(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

"(A) the loan payment rate; by

"(B) the quantity of wool the producer is eligible to place under loan but for which the producer forgoes obtaining the loan in return for payments under this subsection.

"(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

"(A) the loan level determined for the marketing year under subsection (a); exceeds

"(B) the level at which a loan may be repaid under subsection (a).

"(c) DEFICIENCY PAYMENTS.—

"(1) IN GENERAL.—The Secretary shall make available to producers deficiency payments for each of the 1996 through 1999 marketing years of wool in an amount computed by multiplying—

"(A) the payment rate; by

"(B) the payment quantity of wool for the marketing year.

"(2) PAYMENT RATE.—

"(A) IN GENERAL.—The payment rate for wool shall be the amount by which the established price for the marketing year of wool exceeds the higher of—

"(i) the national average market price received by producers during the marketing year, as determined by the Secretary; or

"(ii) the loan level determined for the marketing year.

"(B) MINIMUM ESTABLISHED PRICE.—The established price for wool shall not be less than $2.12 per pound on a grease wool basis for each of the 1996 through 1999 marketing years.

"(3) PAYMENT QUANTITY.—Payment quantity of wool for a marketing year shall be the number of pounds of wool produced during the marketing year.

"(d) EQUITABLE RELIEF.—

"(1) LOANS AND PAYMENTS.—If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans and payments, the Secretary may, nevertheless, make the loans and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure. The Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of the program in determining whether equitable relief is warranted under this paragraph.

"(2) DEADLINES AND PROGRAM REQUIREMENTS.—The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"(e) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(f) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(g) 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 under this section.

"(h) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(i) TENANTS AND SHARECROPPERS.—The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(j) CROSS-COMPLIANCE.—

"(1) IN GENERAL.—Compliance on a farm with the terms and conditions of any other commodity program, or compliance with marketing year acreage base requirements for any other commodity, may not be required as a condition of eligibility for loans or payments under this section.

"(2) COMPLIANCE ON OTHER FARMS.—The Secretary may not require producers on a farm, as a condition of eligibility for loans or payments under this section for the farm, to comply with the terms and conditions of the wool program with respect to any other farm operated by the producers.

"(k) LIMITATION ON OUTLAYS.—

"(1) IN GENERAL.—The total amount of payments that may be made available to all producers under this section may not exceed—

"(A) $75,000,000, during any single marketing year; or

"(B) $200,000,000 in the aggregate for marketing years 1996 through 1999.

"(2) PRORATION OF BENEFITS.—To the extent that the total amount of benefits for

which producers are eligible under this section exceeds the limitations in paragraph (1), funds made available under this section shall be prorated among all eligible producers.

"(3) PERSON LIMITATION.—

"(A) LOANS.—No person may realize gains or receive payments under subsection (a) or (b) that exceed $75,000 during any marketing year.

"(B) DEFICIENCY PAYMENTS.—No person may receive payments under subsection (c) that exceed $50,000 during any marketing year.

"(l) MARKETING YEARS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 1999 marketing years for wool.".

SEC. 108. SUSPENSION OF PERMANENT PRICE SUPPORT AUTHORITY.

(a) WHEAT.—

(1) NONAPPLICABILITY OF CERTIFICATE REQUIREMENTS.—Sections 379d through 379j of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1379d–1379j) shall not be applicable to wheat processors or exporters during the period June 1, 1995, through May 31, 2003.

(2) SUSPENSION OF LAND USE, WHEAT MARKETING ALLOCATION, AND PRODUCER CERTIFICATE PROVISIONS.—Sections 331 through 339, 379b, and 379c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1331 through 1339, 1379b, and 1379c) shall not be applicable to the 1996 through 2002 crops of wheat.

(3) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—The joint resolution entitled "A joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended", approved May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1996 through 2002.

(4) NONAPPLICABILITY OF SECTION 107 OF THE AGRICULTURAL ACT OF 1949.—Section 107 of the Agricultural Act of 1949 (7 U.S.C. 1445a) shall not be applicable to the 1996 through 2002 crops of wheat.

(b) FEED GRAINS.—

(1) NONAPPLICABILITY OF SECTION 105 OF THE AGRICULTURAL ACT OF 1949.—Section 105 of the Agricultural Act of 1949 (7 U.S.C. 1444b) shall not be applicable to the 1996 through 2002 crops of feed grains.

(2) RECOURSE LOAN PROGRAM FOR SILAGE.—Section 403 of the Food Security Act of 1985 (7 U.S.C. 1444e–1) is amended by striking "1996" and inserting "2002".

(c) OILSEEDS.—Section 201(a) of the Agricultural Act of 1949 (7 U.S.C. 1446(a)) is amended by striking "oilseeds" and all that follows through "determine),".

(d) UPLAND COTTON.—

(1) SUSPENSION OF BASE ACREAGE ALLOTMENTS, MARKETING QUOTAS, AND RELATED PROVISIONS.—Sections 342, 343, 344, 345, 346, and 377 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1342–1346 and 1377) shall not be applicable to any of the 1996 through 2002 crops of upland cotton.

(2) MISCELLANEOUS COTTON PROVISIONS.—Section 103(a) of the Agricultural Act of 1949 (7 U.S.C. 1444(a)) shall not be applicable to the 1996 through 2002 crops.

(e) PEANUTS.—

(1) SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS.—The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1996 through 2002 crops of peanuts:

(A) Subsections (a) through (j) of section 358 (7 U.S.C. 1358).

(B) Subsections (a) through (h) of section 358a (7 U.S.C. 1358a).

(C) Subsections (a), (b), (d), and (e) of section 358d (7 U.S.C. 1359).

(D) Part I of subtitle C of title III (7 U.S.C. 1361 et seq.).

(E) Section 371 (7 U.S.C. 1371).

(2) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before "all brokers and dealers in peanuts" the following: "all producers engaged in the production of peanuts,".

(3) SUSPENSION OF CERTAIN PRICE SUPPORT PROVISIONS.—Section 101 of the Agricultural Act of 1949 (7 U.S.C. 1441) shall not be applicable to the 1996 through 2002 crops of peanuts.

SEC. 109. EXTENSION OF RELATED PRICE SUPPORT PROVISIONS.

(a) DEFICIENCY AND LAND DIVERSION PAYMENTS.—Section 114 of the Agricultural Act of 1949 (7 U.S.C. 1445j) is amended—

(1) in subsections (a)(1) and (c), by striking "1997" each place it appears and inserting "2002"; and

(2) in subsection (b), by striking "1995" and inserting "2002";

(b) ADJUSTMENT OF ESTABLISHED PRICES.—Section 402(b) of the Agricultural Act of 1949 (7 U.S.C. 1422(b)) is amended by striking "1995" and inserting "2002".

(c) ADJUSTMENT OF SUPPORT PRICES.—Section 403(c) of the Agricultural Act of 1949 (7 U.S.C. 1423(c)) is amended by striking "1995" and inserting "2002".

(d) APPLICATION OF TERMS IN THE AGRICULTURAL ACT OF 1949.—Section 408(k)(3) of the Agricultural Act of 1949 (7 U.S.C. 1428(k)(3)) is amended by striking "1995" and inserting "2002".

(e) ACREAGE BASE AND YIELD SYSTEM.—Title V of the Agricultural Act of 1949 (7 U.S.C. 1461 et seq.) is amended—

(1) in subsections (c)(3) and (h)(2)(A) of section 503 (7 U.S.C. 1463), by striking "1997" each place it appears and inserting "2002";

(2) in paragraphs (1) and (2) of section 505(b) (7 U.S.C. 1465(b)), by striking "1997" each place it appears and inserting "2002"; and

(3) in section 509 (7 U.S.C. 1469), by striking "1997" and inserting "2002".

(f) PAYMENT LIMITATIONS.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking "1997" each place it appears and inserting "2002".

(g) NORMALLY PLANTED ACREAGE.—Section 1001 of the Food and Agriculture Act of 1977 (7 U.S.C. 1309) is amended by striking "1995" each place it appears in subsections (a), (b)(1), and (c) and inserting "2002".

(h) OPTIONS PILOT PROGRAM.—The Options Pilot Program Act of 1990 (subtitle E of title XI of Public Law 101–624; 104 Stat. 3518; 7 U.S.C. 1421 note) is amended—

(1) in subsections (a) and (b) of section 1153, by striking "1995" each place it appears and inserting "2002"; and

(2) in section 1154(b)(1)(A), by striking "1995" each place it appears and inserting "2002".

(i) FOOD SECURITY WHEAT RESERVE.—Section 302(i) of the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f–1(i)) is amended by striking "1995" each place it appears and inserting "2002".

SEC. 110. CROP INSURANCE ADMINISTRATIVE FEE.

Section 508(b) of the Federal Crop Insurance Act (7 U.S.C. 1508) is amended—

(1) by striking paragraph (5); and

(2) by redesignating paragraphs (6) through (10) as paragraphs (5) through (9), respectively.

SEC. 111. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise specifically provided in this title, this title and the amendments made by this title shall apply beginning with the 1996 crop of an agricultural commodity.

(b) PRIOR CROPS.—Except as otherwise specifically provided 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 price support, production adjustment, or payment program for—

(1) any of the 1991 through 1995 crops of an agricultural commodity established under a provision of law as in effect immediately before the enactment of this Act; or

(2) the 1996 crop of an agricultural commodity established under section 406(b) of the Agricultural Act of 1949 (7 U.S.C. 1426(b)).

TITLE II—CONSERVATION

SEC. 201. CONSERVATION RESERVE PROGRAM.

Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended by striking "1995" each place it appears in subsections (a) and (d) and inserting "2002".

SEC. 202. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

Chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.) is amended to read as follows:

"CHAPTER 2—ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

"SEC. 1238. DEFINITIONS.

"In this chapter:

"(1) LAND MANAGEMENT PRACTICE.—The term 'land management practice' means nutrient or manure management, integrated pest management, irrigation management, tillage or residue management, grazing management, or another land management practice the Secretary determines is needed to protect soil, water, or related resources in the most cost efficient manner.

"(2) LARGE CONFINED LIVESTOCK OPERATION.—The term 'large confined livestock operation' means a farm or ranch that—

"(A) is a confined animal feeding operation; and

"(B) has more than—

"(i) 700 mature dairy cattle;

"(ii) 1,000 beef cattle;

"(iii) 100,000 laying hens or broilers;

"(iv) 55,000 turkeys;

"(v) 2,500 swine; or

"(vi) 10,000 sheep or lambs.

"(3) LIVESTOCK.—The term 'livestock' means mature dairy cows, beef cattle, laying hens, broilers, turkeys, swine, sheep, or lambs.

"(4) OPERATOR.—The term 'operator' means a person who is engaged in crop or livestock production (as defined by the Secretary).

"(5) STRUCTURAL PRACTICE.—The term 'structural practice' means the establishment of an animal waste management facility, terrace, grassed waterway, contour grass strip, filterstrip, permanent wildlife habitat, or another structural practice that the Secretary determines is needed to protect soil, water, or related resources in the most cost effective manner.

"SEC. 1238A. ESTABLISHMENT AND ADMINISTRATION OF ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—During the 1996 through 2006 fiscal years, the Secretary shall enter into contracts with operators to provide technical assistance, cost-sharing payments, and incentive payments to operators, who enter into contracts with the Secretary, through an environmental quality incentives program in accordance with this chapter.

"(2) CONSOLIDATION OF EXISTING PROGRAMS.—In establishing the environmental

quality incentives program authorized under this chapter, the Secretary shall combine into a single program the functions of—

"(A) the agricultural conservation program authorized by sections 7 and 8 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g and 590h);

"(B) the Great Plains conservation program established under section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p(b));

"(C) the water quality incentives program established under this chapter; and

"(D) the Colorado River Basin salinity control program established under section 202(c) of the Colorado River Basin Salinity Control Act (43 U.S.C. 1592(c)).

"(b) APPLICATION AND TERM.—

"(1) IN GENERAL.—A contract between an operator and the Secretary under this chapter may—

"(A) apply to 1 or more structural practices or 1 or more land management practices, or both; and

"(B) have a term of not less than 5, nor more than 10, years, as determined appropriate by the Secretary, depending on the practice or practices that are the basis of the contract.

"(2) CONTRACT EFFECTIVE DATE.—A contract between an operator and the Secretary under this chapter shall become effective on October 1st following the date the contract is fully entered into.

"(c) COST-SHARING AND INCENTIVE PAYMENTS.—

"(1) COST-SHARING PAYMENTS.—

"(A) IN GENERAL.—The Federal share of cost-sharing payments to an operator proposing to implement 1 or more structural practices shall not be more than 75 percent of the projected cost of the practice, as determined by the Secretary, taking into consideration any payment received by the operator from a State or local government.

"(B) LIMITATION.—An operator of a large confined livestock operation shall not be eligible for cost-sharing payments to construct an animal waste management facility.

"(C) OTHER PAYMENTS.—An operator shall not be eligible for cost-sharing payments for structural practices on eligible land under this chapter if the operator receives cost-sharing payments or other benefits for the same land under chapter 1 or 3.

"(2) INCENTIVE PAYMENTS.—The Secretary shall make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage an operator to perform 1 or more land management practices.

"(d) TECHNICAL ASSISTANCE.—

"(1) FUNDING.—The Secretary shall allocate funding under this chapter for the provision of technical assistance according to the purpose and projected cost for which the technical assistance is provided in a fiscal year. The allocated amount may vary according to the type of expertise required quantity of time involved, and other factors as determined appropriate by the Secretary. Funding shall not exceed the projected cost to the Secretary of the technical assistance provided in a fiscal year.

"(2) OTHER AUTHORITIES.—The receipt of technical assistance under this chapter shall not affect the eligibility of the operator to receive technical assistance under other authorities of law available to the Secretary.

"(e) FUNDING.—The Secretary shall use to carry out this chapter not less than—

"(1) $200,000,000 for fiscal year 1997; and

"(2) $250,000,000 for each of fiscal years 1998 through 2002.

"(f) COMMODITY CREDIT CORPORATION.—The Secretary may use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this subchapter.

"SEC. 1238B. CONSERVATION PRIORITY AREAS.

"(a) IN GENERAL.—The Secretary shall designate watersheds or regions of special environmental sensitivity, including the Chesapeake Bay region (located in Pennsylvania, Maryland, and Virginia), the Great Lakes region, the Long Island Sound region, prairie pothole region (located in North Dakota, South Dakota, and Minnesota), Rainwater Basin (located in Nebraska), and other areas the Secretary considers appropriate, as conservation priority areas that are eligible for enhanced assistance through the programs established under this chapter and chapter 1.

"(b) APPLICABILITY.—A designation shall be made under this section if an application is made by a State agency and agricultural practices within the watershed or region pose a significant threat to soil, water, and related natural resources, as determined by the Secretary.

"SEC. 1238C. EVALUATION OF OFFERS AND PAYMENTS.

"(a) REGIONAL PRIORITIES.—The Secretary shall provide technical assistance, cost-sharing payments, and incentive payments to operators in a region, watershed, or conservation priority area under this chapter based on the significance of soil, water, and related natural resources problems in the region, watershed, or area, and the structural practices or land management practices that best address the problems, as determined by the Secretary.

"(b) MAXIMIZATION OF ENVIRONMENTAL BENEFITS.—

"(1) IN GENERAL.—In providing technical assistance, cost-sharing payments, and incentive payments to operators in regions, watersheds, or conservation priority areas under this chapter, the Secretary shall accord a higher priority to assistance and payments that maximize environmental benefits per dollar expended.

"(2) STATE OR LOCAL CONTRIBUTIONS.—The Secretary shall accord a higher priority to operators whose agricultural operations are located within watersheds, regions, or conservation priority areas in which State or local governments have provided, or will provide, financial or technical assistance to the operators for the same conservation or environmental purposes.

"SEC. 1238D. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

"(a) IN GENERAL.—Prior to approving cost-share or incentive payments authorized under this chapter, the Secretary shall require the preparation and evaluation of an environmental quality incentives program plan described in subsection (b), unless the Secretary determines that such a plan is not necessary to evaluate the application for the payments.

"(b) TERMS.—An environmental quality incentives program plan shall include (as determined by the Secretary) a description of relevant—

"(1) farming or ranching practices on the farm;

"(2) characteristics of natural resources on the farm;

"(3) specific conservation and environmental objectives to be achieved including those that will assist the operator in complying with Federal and State environmental laws;

"(4) dates for, and sequences of, events for implementing the practices for which payments will be received under this chapter; and

"(5) information that will enable evaluation of the effectiveness of the plan in achieving the conservation and environmental objectives, and that will enable evaluation of the degree to which the plan has been implemented.

"SEC. 1238E. LIMITATION ON PAYMENTS.

"(a) PAYMENTS.—The total amount of cost-share and incentive payments paid to a person under this chapter may not exceed—

"(1) $10,000 for any fiscal year; or

"(2) $50,000 for any multiyear contract.

"(b) REGULATIONS.—The Secretary shall issue regulations that are consistent with section 1001 for the purpose of—

"(1) defining the term 'person' as used in subsection (a); and

"(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitations contained in subsection (a).".

TITLE III—NUTRITION ASSISTANCE

SEC. 301. FOOD STAMP PROGRAM.

(a) EMPLOYMENT AND TRAINING.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended by striking "1995" each place it appears and inserting "2002".

(b) AUTHORIZATION OF PILOT PROJECTS.—The last sentence of section 17(b)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(A)) is amended by striking "1995" and inserting "2002".

(c) AUTHORIZATION FOR APPROPRIATIONS.—The first sentence of section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking "1995" and inserting "2002".

(d) REAUTHORIZATION OF PUERTO RICO NUTRITION ASSISTANCE PROGRAM.—The first sentence of section 19(a)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is amended by striking "$974,000,000" and all that follows through "fiscal year 1995" and inserting "$1,143,000,000 for each of fiscal years 1995 and 1996, $1,182,000,000 for fiscal year 1997, $1,223,000,000 for fiscal year 1998, $1,266,000,000 for fiscal year 1999, $1,310,000,000 for fiscal year 2000, $1,357,000,000 for fiscal year 2001, and $1,404,000,000 for fiscal year 2002".

SEC. 302. COMMODITY DISTRIBUTION PROGRAM; COMMODITY SUPPLEMENTAL FOOD PROGRAM.

(a) REAUTHORIZATION.—The first sentence of section 4(a) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(b) FUNDING.—Section 5 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note) is amended—

(1) in subsection (a)(2), by striking "1995" and inserting "2002"; and

(2) in subsection (d)(2), by striking "1995" and inserting "2002".

SEC. 303. EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) REAUTHORIZATION.—The first sentence of section 204(a)(1) of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(b) PROGRAM TERMINATION.—Section 212 of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(c) REQUIRED PURCHASES OF COMMODITIES.—Section 214 of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of subsection (a), by striking "1995" and inserting "2002"; and

(2) in subsection (e), by striking "1995" each place it appears and inserting "2002".

SEC. 304. SOUP KITCHENS PROGRAM.

Section 110 of the Hunger Prevention Act of 1988 (Public Law 100-435; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of subsection (a), by striking "1995" and inserting "2002"; and

(2) in subsection (c)(2)—

(A) in the paragraph heading, by striking "1995" and inserting "2002"; and

(B) by striking "1995" each place it appears and inserting "2002".

SEC. 305. NATIONAL COMMODITY PROCESSING.

The first sentence of section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended by striking "1995" and inserting "2002".

DASCHLE AMENDMENTS NOS. 3208–3214

(Ordered to lie on the table.)

Mr. DASCHLE submitted seven amendments intended to be proposed by him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3208

Strike section 104(b) and insert the following:

"(b) LOAN RATES.—

"(1) WHEAT.—The loan rate for a marketing assistance loan 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 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $2.58 per bushel.

"(2) FEED GRAINS.—

"(A) LOAN RATE FOR CORN.—The loan rate for a marketing assistance loan for corn shall be—

"(i) 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 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not more than $1.89 per bushel.

"(B) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines if 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.

"(3) UPLAND COTTON.—

"(A) The loan rate for a marketing assistance loan for upland cotton shall be established by the Secretary at such loan rate, per pound, as well reflect for the base quality of upland cotton, as determined by the Secretary, at average locations in the United States a rate that is 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 in the year in which the loan rate is announced, 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 in which the loan rate is announced, of the 5 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

"(C) OTHER OILSEEDS.—The loan rates for a marketing assistance loan for other oilseeds shall be established at such level as the Secretary determines is fair and reasonable in relation to the loan rate available for soybeans, except in no event shall the rate for the oilseeds (other than cottonseed) be less than the rate established for soybeans on a per-pound basis for the same crop."

AMENDMENT NO. 3209

Strike section 104(b) and insert the following:

"(b) LOAN RATES.—

"(1) WHEAT.—

"(A) IN GENERAL.—The loan rate for a marketing assistance loan for wheat shall be 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 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

"(B) REDUCTIONS.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use of the marketing year will be—

"(i) 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;

"(ii) 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

"(iii) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

"(C) FUTURE YEARS.—Any reduction in the loan rate for wheat under subparagraph (B) shall not be considered in determining the loan rate for wheat for subsequent years.

"(2) FEED GRAINS.—

"(A) LOAN RATE FOR CORN.—The loan rate for a marketing assistance loan for corn shall be 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 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

"(B) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

"(C) REDUCTIONS.—If the Secretary estimates for any marketing year that the ratio of ending stocks of corn to total use for the marketing year will be—

"(i) equal to or greater than 25 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 10 percent in any year;

"(ii) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 5 percent in any year; or

"(iii) less than 12.5, the Secretary may not reduce the loan rate for corn for the corresponding crop.

"(D) FUTURE YEARS.—Any reduction in the loan rate for corn under subparagraph (B) shall not be considered in determining the loan rate for corn for subsequent years.

"(3) UPLAND COTTON.—

"(A) The loan rate for a marketing assistance loan 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 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 in the year in which the loan rate is announced, 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 in which the loan rate is announced, of the 5 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 in which the loan is announced 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.

"(4) EXTRA LONG STAPLE COTTON.—The loan rate for marketing assistance loan for extra loan staple cotton shall be not less than 85 percent of the simple average price received by producers of extra long staple cotton, as determined by the Secretary, during 3 years of the 5 previous marketing years, 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.

"(5) RICE.—The loan rate for the marketing assistance loan for rice shall be $6.50 per hundredweight.

"(6) OILSEEDS.—

"(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be $4.92 per bushel.

"(B) SUNFLOWERS SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rates for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, individually, shall be $0.087 per pound.

"(C) OTHER OILSEEDS.—The loan rates for a marketing assistance loan for other oilseeds shall be established at such level as the Secretary determines is fair and reasonable in relation to the loan rate available for soybeans, except in no event shall the rate for the oilseeds (other than cottonseed) be less than the rate established for soybeans on a per-pound basis for the same crop."

AMENDMENT NO. 3210

Section 104(b) is amended by adding at the end the following:

"(7) LOCAL LOAN RATES.—The Secretary may not adjust the national loan for a crop in a county by an amount in excess of 5 percent the national loan."

AMENDMENT NO. 3211

Section 104(b) is amended by adding at the end the following:

"(7) LOCAL LOAN RATES.—The Secretary shall apply the national loan rate for a commodity to all marketing assistance loans established under this section."

AMENDMENT NO. 3212

Title V is amended by adding at the end the following:

"SEC. FUND FOR RURAL AMERICA.

"(a) IN GENERAL.—The Secretary shall create an account called the Fund for Rural America for the purposes of providing funds for activities described in subsection (c).

"(b) COMMODITY CREDIT CORPORATION.—In each of the 1996 through 2002 fiscal years, the Secretary shall transfer $250,000,000 into the Fund for Rural America.

"(c) PURPOSES.—Except as provided in subsection (d), the Secretary may use the funds in the Fund for Rural America for activities authorized under—

"(1) The Housing Act of 1949 for—

"(A) direct loans to low income borrowers pursuant to section 502;

"(B) loans for financial assistance for housing for domestic farm laborers pursuant to section 514;

"(C) financial assistance for housing of domestic farm labor pursuant to section 516;

"(D) grants and contracts for mutual and self help housing pursuant to section 523(b)(1)(A); and

"(E) grants for Rural Housing Preservation pursuant to section 533;

"(2) The Food Security Act of 1985 for loans to intermediary borrowers under the Rural Development Loan Fund;

"(3) Consolidated Farm and Rural Development Act for—

"(A) grants for Rural Business Enterprises pursuant to section 310B(c) and (j);

"(B) direct loans, loan guarantees and grants for water and waste water projects pursuant to section 306;

"(C) down payments assistance to farmers, section 310E; and

"(D) loans to socially disadvantaged farmers under section 355."

"(d) LIMITATIONS.—No funds from the Fund for Rural America may be used to for an activity specified in subsection (c) if the current level of appropriations for the activity is less than 90 percent of the 1996 fiscal year appropriations for the activity adjusted for inflation."

AMENDMENT NO. 3213

Title V is amended by adding at the end the following:

"SEC. 507 FUND FOR RURAL AMERICA.

"(a) IN GENERAL.—The Secretary shall create an account called the Fund for Rural America for the purposes of providing funds for activities described in subsection (c).

"(b) COMMODITY CREDIT CORPORATION.—In each of the 1996 through 2002 fiscal years, the Secretary shall transfer $250,000,000 into the Fund for Rural America.

"(c) PURPOSES.—Except as provided in subsection (d), the Secretary may use the funds in the Fund for Rural America for activities authorized under—

"(1) The Housing Act of 1949 for—

"(A) direct loans to low income borrowers pursuant to section 502;

"(B) loans for financial assistance for housing for domestic farm laborers pursuant to section 514;

"(C) financial assistance for housing of domestic farm labor pursuant to section 516;

"(D) grants and contracts for mutual and self help housing pursuant to section 523(b)(1)(A); and

"(E) grants for Rural Housing Preservation pursuant to section 533;

"(2) The Food Security Act of 1985 for loans to intermediary borrowers under the Rural Development Loan Fund;

"(3) Consolidated Farm and Rural Development Act for—

"(A) grants for Rural Business Enterprises pursuant to section 310B(c) and (j);

"(B) direct loans, loan guarantees and grants for water and waste water projects pursuant to section 306;

"(C) down payments assistance to farmers, section 310E; and

"(D) loans to socially disadvantaged farmers under section 355."

"(d) LIMITATIONS.—No funds from the Fund for Rural America may be used to for an activity specified in subsection (c) if the current level of appropriations for the activity is less than 90 percent of the 1996 fiscal year appropriations for the activity adjusted for inflation."

AMENDMENT NO. 3214

Strike all after the enacting clause and insert the following:

SEC. 101 SHORT TITLE.

This Act may be cited as the "Agricultural Extension Act of 1995".

SEC. 102. AUTHORITY FOR 1996 AND 1997 AGRICULTURAL PROGRAMS.

(a) IN GENERAL.—Notwithstanding any other provision of law except as provided in this Act and the amendments made by this Act, the provisions of the Agricultural Adjustment of 1938 (7 U.S.C. 1281 et seq.), the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), the Food Security Act of 1985 (Public Law 99–198), and the Food, Agriculture, Conservation and Trade Act of 1990 (Public Law 101–624) and each program that was authorized or reauthorized by any of the Acts, that were applicable on September 30, 1995, shall be applicable for 1996 and 1997.

(b) FLEXIBILITY.—Amend section 504 of the Agricultural Act of 1949 (7 U.S.C. 1464) by striking subsections (c), (d), and (e) and inserting the following:

"(c) NON-PAYMENT ACRES.—In the case of the 1996 and 1997 crops, any crop or conserving crop listed in subsection (b)(1) may be planted on the acres of a crop acreage base not eligible for payment under this Act.

"(d) LOAN ELIGIBILITY.—In the case of the 1996 and 1997 crops, producers on a farm with crop acreage base may plant any program crop on the crop acreage base and shall be eligible to receive purchases, loans, and loan deficiency payments for the program crop.".

(c) FINLEY ADJUSTMENT.—Amend the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.)—

(1) in section 105B(a)(3)—

(A) by striking subparagraph (C); and

(B) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D).

(2) in section 107B(a)(3)—

(A) by striking subparagraph (C); and

(B) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D).

(d) 1997 CROP PAYMENTS.—

(1) REVENUE PAYMENTS.—

(A) IN GENERAL.—In the case of the 1997 crops of wheat, feed grain, upland cotton, and rice in addition to payments authorized in subsection (a), the Secretary shall issue payments to producers who participate in price support programs authorized by subsection (a) in accordance with the formula described in subparagraph (B).

(B) FORMULA.—In accordance with subparagraph (A), the Secretary shall provide a payment per acre equal to the amount in which the Average Revenue for the producer's farm, described in clause (i) exceeds the Producers' Revenue descried in clause (ii) for each of the producer's payment acres.

(i) AVERAGE REVENUE.—for the purposes of this subparagraph, "average revenue" means the five year Olympic average price for the county for the program multiplied by the producer's program payment yield for the farm.

(ii) PRODUCER'S REVENUE.—for the purposes of this paragraph, the term "producer's revenue" means the per acre revenue received for production from:

(I) Commodity Credit Corporation (CCC) deficiency payments;

(II) revenue from sales of the program crop in excess of any CCC price support loans received;

(III) crop insurance indemnity payments;

(IV) CCC price support loans; and

(V) CCC loan deficiency payments.

(2) GUARANTEED ADVANCED PAYMENTS FOR THE 1997 CROPS.—In the case of 1997 crops of wheat, feed grains, upland cotton, and rice, the Secretary shall provide to producers who participate in programs authorized by subsection (a) a nonrefundable advanced deficiency payment subject to paragraph (3) which shall equal the greater of—

(A) the advanced deficiency payment authorized by subsection (a); or

(B) the payment authorized in section 103(c)(1).

(3) LIMITATION.—In calculating deficiency payments in accordance with programs authorized in subsection (a), the Secretary shall deduct any payments received by the producer under paragraph (2) from the producer's deficiency payments.

(e) ACREAGE REDUCTION PROGRAMS.—In the case of price support programs authorized by subsection (a) for the 1996 and 1997 crops of wheat, feed grains, upland cotton, and rice, the Secretary shall set the acreage reduction level to be zero.

SEC. 103. SPECIAL FUND FOR DEFICIENCY PAYMENTS, CONSERVATION, AND RURAL AMERICA.

(a) ACCOUNT.—Notwithstanding any other provision of law, the Commodity Credit Corporation shall transfer $4.5 billion into a Deficiency Payment, Conservation, and Rural America Account (hereafter referred as "Account") which shall remain available until expended for the purposes specified in this subsection.

(b) USE OF ACCOUNT.—Funds from the Account shall be used for the following purposes:

(1) Advanced deficiency payments for 1996 crops of wheat, feed grain, upland cotton, and rice authorized by paragraph (c);

(2) Any deficiency payments authorized by the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) for 1995 crops of wheat, feed grains, upland cotton, and rice issued after date of enactment of this Act; and

(3) Conservation and Fund for Rural America program payments authorized by paragraph (c).

(c) PAYMENTS.—

(1) 1996 CROP ADVANCED DEFICIENCY PAYMENTS.—

(A) IN GENERAL.—The Secretary shall issue nonfundable advanced deficiency payments for the 1996 crops of wheat, feed grains, upland cotton, and rice to producers who participate in price support programs authorized in section 102 from the Account in accordance with the formula specified in subparagraph (B).

(B) FORMULA.—The advanced deficiency payment rate for wheat, feed grains, upland cotton, and rice shall be the greater of—

(i) the 1995 advanced payment rate for the crop; or

(ii) the 1996 advanced payment rate for the crop determined in accordance with section 102.

(2) CONSERVATION AND FUND FOR RURAL AMERICA PAYMENTS.—

(A) IN GENERAL.—If any funds remain in the Account after carrying out the provisions of paragraph (1), the Secretary may conduct programs described in this subparagraph.

(B) FUNDING.—The Secretary shall divide the remaining funds in the Account equally for Conservation programs described in subparagraph (C) and for Fund for Rural America described in subparagraph (D).

(C) CONSERVATION PROGRAMS.—The Secretary may conduct the Environmental Quality Incentive Program described in section 1201 of S. 1357 (as passed by the Senate on October 27, 1995).

(D) FUND FOR RURAL AMERICA.—

(i) IN GENERAL.—The Secretary may create the Fund for Rural America for the purposes of funding programs described in clause (ii).

(ii) PROGRAMS.—Notwithstanding any other provision of law, the Secretary may transfer funds from the Fund for Rural America to—

(I) rural development programs authorized by the Consolidated Farm and Rural Development Act; and

(II) research programs authorized or reauthorized by Title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624) or by section 102 of this Act.

CONRAD AMENDMENTS NOS. 3215-3220

(Ordered to lie on the table.)

Mr. CONRAD submitted six amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3215

Beginning on page 3-14, strike line 24 and all that follows through page 3-15, line 4, and insert the following:

"(i) 700 dairy cattle;

"(ii) 1,000 beef cattle;

"(iii) 30,000 laying hens or broilers (if the facility has continuous overflow watering);

"(iv) 100,000 laying hens or broilers (if the facility has a liquid manure system);

"(v) 55,000 turkeys;

"(vi) 2,500 swine; or

"(vii) 10,000 sheep or lambs.

The Secretary may reduce the number of animals specified in subparagraph (B) after consultation with State technical advisory committees.

AMENDMENT NO. 3216

On page 3-62, after line 22, insert the following:

SEC. 356. WETLAND CONSERVATION EXEMPTION.

Section 1222(b)(1) of the Food Security Act of 1985 (16 U.S.C. 3822(b)(1)) is amended—

(1) in subparagraph (C), by striking "or" at the end; and

(2) by adding at the end the following:

"(E) converted wetland, if—

"(i) the extent of the conversion is limited to the return of conditions that will be at least equivalent to the wetland functions and values that existed prior to implementation of the wetland restoration, enhancement, or creation action;

"(ii) technical determinations of the prior site conditions and the restoration, enhancement, or creation action have been adequately documented in a plan approved by the Natural Resources Conservation Service prior to implementation; and

"(iii) the conversion action proposed by the landowner is approved by the Natural Resources Conservation Service prior to implementation; or".

AMENDMENT NO. 3217

On page 3-9, line 14, strike the quotation marks and the following period and insert the following:

"(i) COST SHARE AGREEMENTS AND WETLAND STATUS.—Wetland restored on land under a cost share agreement funded under this section shall not be subject to section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1341) or section 1221 of the Food Security Act of 1985 (16 U.S.C. 3821) without the agreement of the landowner.".

AMENDMENT NO. 3218

On page 3-15, line 10, strike the period and insert "and is the owner of any crop or livestock for which assistance is requested under this chapter.".

AMENDMENT NO. 3219

Beginning on page 1-21, strike line 5 and all that follows through page 1-24, line 10, and insert the following:

(1) WHEAT.—The loan rate for a marketing assistance loan 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 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $2.58 per bushel.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—The loan rate for a marketing assistance loan for corn shall be—

(i) not less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not more than $1.89 per bushel.

(B) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

AMENDMENT NO. 3220

Beginning on page 1-21, strike line 6 and all that follows through page 1-23, line 3, and insert the following:

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for wheat shall be 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 5 crops of wheat, excluding the year in which the average prices was the highest and the year in which the average price was the lowest in the period.

(B) 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—

(i) 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;

(ii) 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

(iii) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for wheat under subparagraph (B) shall not be considered in determining the loan rate for wheat for subsequent years.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for corn shall be no less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average prices was the lowest in the period.

KOHL (AND OTHERS) AMENDMENT NO. 3221

(Ordered to lie on the table.)

Mr. KOHL (for himself, Mr. FEINGOLD, Mr. WELLSTONE, Mr. PRESSLER, and Mr. LAUTENBERG) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike from line 12 on page 1-73 through line 7 on page 1-75.

HATFIELD AMENDMENTS NOS. 3222-3224

(Ordered to lie on the table.)

Mr. HATFIELD submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3222

At the appropriate place in the miscellaneous title, insert the following new section:

SEC.___. RURAL MANAGED CARE COOPERATIVES.

Title XVII of the Public Health Service Act (42 U.S.C. 300u et seq.) is amended by adding at the end thereof the following new section:

"SEC. 1710. RURAL MANAGED CARE COOPERATIVES.

"(a) GRANTS.—The Secretary of Health and Human Services, acting through the Health Resources and Services Administration, and the Secretary of Agriculture, acting through the Rural Business and Cooperative Development Service (referred to jointly in this section as the 'Secretaries'), may jointly award competitive grants to eligible entities to enable such entities to develop and administer cooperatives in rural areas that will establish an effective case management and reimbursement system designed to support the economic infrastructure and viability of essential public or private health services, facilities, health care systems and health care resources in such rural areas.

"(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under subsection (a) an entity shall—

"(1) prepare and submit to the Secretaries an application at such time, in such form and containing such information as the Secretaries may jointly require, including a description of the cooperative that the entity

intends to develop and operate using grant funds; and

"(2) meet such other requirements as the Secretaries jointly determine to be appropriate.

"(c) COOPERATIVES.—

"(1) IN GENERAL.—Amounts provided under a grant awarded under subsection (a) shall be used to establish and operate a cooperative made up of all types of health care providers, hospitals, primary access hospitals, other alternate rural health care facilities, physicians, rural health clinics, rural nurse practitioners and physician assistant practitioners, public health departments and others located in, but not restricted to, the rural areas to be served by the cooperative.

"(2) BOARD OF DIRECTORS.—A cooperative established under paragraph (1) shall be administered by a board of directors elected by the members of the cooperative. A majority of the members of the board shall represent rural providers, and other representatives, from the local community. The board shall include representatives of the agricultural community if possible. Members of the board shall serve at the pleasure of members of the cooperative.

"(3) EXECUTIVE DIRECTOR.—The members of a cooperative established under paragraph (1) shall elect an executive director who shall serve as the chief operating officer of the cooperative. The executive director shall be responsible for conducting the day to day operation of the cooperative including—

"(A) maintaining an accounting system for the cooperative;

"(B) maintaining the business records of the cooperative;

"(C) negotiating contracts with provider members of the cooperative;

"(D) coordinating the membership and programs of the cooperative; and

"(E) serving as a liaison between the cooperative and the rural agricultural community.

"(4) REIMBURSEMENTS.—

"(A) NEGOTIATIONS.—A cooperative established under paragraph (1) shall facilitate negotiations among member health care providers and third party payors concerning the rates at which such providers will be reimbursed for services provided to individuals for which such payors may be liable.

"(B) AGREEMENTS.—Agreements reached under subparagraph (A) shall be binding on the members of the cooperative.

"(C) EMPLOYERS.—Employer entities may become members of a cooperative established under paragraph (a) in order to provide, through a member third party payor, health insurance coverage for its employees. Deductibles shall only be charged to employees covered under such insurance if such employees receive health care services from a provider that is not a member of the cooperative if similar services would have been available from a member provider.

"(D) MALPRACTICE INSURANCE.—A cooperative established under subsection (a) shall be responsible for identifying and implementing an affordable malpractice insurance program that shall include a requirement that such cooperative assume responsibility for the payment of a portion of the malpractice insurance premium of providers members.

"(5) MANAGED CARE AND PRACTICE STANDARDS.—A cooperative established under paragraph (1) shall establish joint case management and patient care practice standards programs that health care providers that are members of such cooperative must meet to be eligible to participate in agreements entered into under paragraph (4). Such standards shall be developed by such provider members and shall be subject to the approval of a majority of the board of directors. Such programs shall include cost and quality of care guidelines including a requirement that such providers make available preadmission screening, selective case management services, joint patient care practice standards development and compliance and joint utilization review.

"(6) CONFIDENTIALITY.—

"(A) IN GENERAL.—Patients records, records of peer review, utilization review, and quality assurance proceedings conducted by the cooperative should be considered confidential and protected from release outside of the cooperative. The provider members of the cooperative shall be indemnified by the cooperative for the good faith participation by such members in such the required activities.

"(B) QUALITY DATA.—Notwithstanding any other provision of law, quality data obtained by a hospital or other member of such a cooperative in the normal course of the operations of the hospital or member shall be immune from discovery regardless of whether such data is used for purposes other than peer review or is disclosed to other members of the cooperative involved.

"(d) LINKAGES.—Such a cooperative shall create linkages among member health care providers, employers, and payors for the joint consultation and formulation of the types, rates, costs, and quality of health care provided in rural areas served by the cooperative and for joint consideration of the impact that such types, rates, costs, and quality of health care will have on the agricultural community.

"(e) REPORTING.—Not less often than once every 2 years, the cooperative shall prepare and submit to the Secretaries a report that contains information on the status of the cooperative, the health status of the patients in the areas served by the cooperative, and the productivity of the relevant agricultural or other local industry.

"(f) MATCHING REQUIREMENT.—An entity that receives a grant under subsection (a) shall make available (directly or through donations from public or private entities), non-Federal contributions towards the costs of the operations of the network in an amount equal to the amount of the grant.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $15,000,000 for each of the fiscal years 1996 through 1999.

"(h) RELATION TO OTHER LAWS.—

"(1) IN GENERAL.—Notwithstanding any provision of the antitrust laws, it shall not be considered a violation of the antitrust laws for entities to develop and operate cooperatives in accordance with this section.

"(2) DEFINITION.—For purposes of this subsection, the term 'antitrust laws' means—

"(A) the Act entitled 'An Act to protect trade and commerce against unlawful restraints and monopolies', approved July 2, 1890, commonly known as the 'Sherman Act' (26 Stat. 209; chapter 647; 15 U.S.C. 1 et seq.);

"(B) the Federal Trade Commission Act, approved September 26, 1914 (38 Stat. 717; chapter 311; 15 U.S.C. 41 et seq.);

"(C) the Act entitled 'An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes', approved October 15, 1914, commonly known as the 'Clayton Act' (38 Stat. 730; chapter 323; 15 U.S.C. 12 et seq.; 18 U.S.C. 402, 660, 3285, 3691; 29 U.S.C. 52, 53); and

"(D) the Act of June 19, 1936, commonly known as the Robinson-Patman Antidiscrimination Act (15 U.S.C. 13 et seq.); and

"(E) any State antitrust laws that would prohibit the activities described in paragraph (1).".

AMENDMENT NO. 3223

At the appropriate place, insert the following:

SEC. ___. WATERSHED PROTECTION AND FLOOD PREVENTION ACT AMENDMENTS.

(a) DECLARATION OF POLICY.—The first section of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001) is amended to read as follows:

"SECTION 1. DECLARATION OF POLICY.

"Erosion, flooding, sedimentation, and loss of natural habitats in the watersheds and waterways of the United States cause loss of life, damage to property, and a reduction in the quality of environment and life of citizens. It is therefore the sense of Congress that the Federal Government should join with States and their political subdivisions, public agencies, conservation districts, flood prevention or control districts, local citizens organizations, and Indian tribes for the purpose of conserving, protecting, restoring, and improving the land and water resources of the United States and the quality of the environment and life for watershed residents across the United States.".

(b) DEFINITIONS.—

(1) WORKS OF IMPROVEMENT.—Section 2 of the Act (16 U.S.C. 1002) is amended, with respect to the term "works of improvement"—

(A) in paragraph (1), by inserting ", nonstructural," after "structural";

(B) in paragraph (2), by striking "or" at the end;

(C) by redesignating paragraph (3) as paragraph (11);

(D) by inserting after paragraph (2) the following new paragraphs:

"(3) a land treatment or other nonstructural practice, including the acquisition of easements or real property rights, to meet multiple watershed needs,

"(4) the restoration and monitoring of the chemical, biological, and physical structure, diversity, and functions of waterways and their associated ecological systems,

"(5) the restoration or establishment of wetland and riparian environments as part of a multi-objective management system that provides floodwater or storm water storage, detention, and attenuation, nutrient filtering, fish and wildlife habitat, and enhanced biological diversity,

"(6) the restoration of steam channel forms, functions, and diversity using the principles of biotechnical slope stabilization to reestablish a meandering, bankfull flow channels, riparian vegetation, and floodplains,

"(7) the establishment and acquisition of multi-objective riparian and adjacent flood prone lands, including greenways, for sediment storage and floodwater storage,

"(8) the protection, restoration, enhancement and monitoring of surface and groundwater quality, including measures to improve the quality of water emanating from agricultural lands and facilities,

"(9) the provision of water supply and municipal and industrial water supply for rural communities having a population of less than 55,000, according to the most recent decennial census of the United States,

"(10) outreach to and organization of local citizen organizations to participate in project design and implementation, and the training of project volunteers and participants in restoration and monitoring techniques, or"; and

(E) in paragraph (11) (as so redesignated)—

(i) by inserting in the first sentence after "proper utilization of land" the following: ", water, and related resources"; and

(ii) by striking the sentence that mandates that 20 percent of total project benefits be directly related to agriculture.

(2) LOCAL ORGANIZATION.—Such section is further amended, with respect to the term "local organization", by adding at the end the following new sentence: "The term includes any nonprofit organization (defined as having tax exempt status under section 501(c)(3) of the Internal Revenue Code of 1986) that has authority to carry out and maintain works of improvement or is developing and implementing a work of improvement in partnership with another local organization that has such authority.".

(3) WATERWAY.—Such section is further amended by adding at the end the following new definition:

"WATERWAY.—The term 'waterway' means, on public or private land, any natural, degraded, seasonal, or created wetland on public or private land, including rivers, streams, riparian areas, marshes, ponds, bogs, mudflats, lakes, and estuaries. The term includes any natural or manmade watercourse which is culverted, channelized, or vegetatively cleared, including canals, irrigation ditches, drainage wages, and navigation, industrial, flood control and water supply channels.".

(c) ASSISTANCE TO LOCAL ORGANIZATIONS.—Section 3 of the Act (16 U.S.C. 1003) is amended—

(1) in paragraph (1), by inserting after "(1)" the following "to provide technical assistance to help local organizations";

(2) in paragraph (2)—

(A) by inserting after "(2)" the following: "to provide technical assistance to help local organizations"; and

(B) by striking "engineering" and inserting "technical and scientific"; and

(3) by striking paragraph (3) and inserting the following new paragraph:

"(3) to make allocations of costs to the project or project components to determine whether the total of all environmental, social, and monetary benefits exceed costs;".

(d) COST SHARE ASSISTANCE.—

(1) AMOUNT OF ASSISTANCE.—Section 3A of the Act (16 U.S.C. 1003a) is amended by striking subsection (b) and inserting the following:

"(b) NONSTRUCTURAL PRACTICES.—Notwithstanding any other provision of this Act, Federal cost share assistance to local organizations for the planning and implementation of nonstructural works of improvement may be provided using funds appropriated for the purposes of this Act for an amount not exceeding 75 percent of the total installation costs.

"(c) STRUCTURAL PRACTICES.—Notwithstanding any other provision of this Act, Federal cost share assistance to local organizations for the planning and implementation of structural works of improvement may be provided using funds appropriated for the purposes of this Act for 50 percent of the total cost, including the cost of mitigating damage to fish and wildlife habitat and the value of any land or interests in land acquired for the work of improvement.

"(d) SPECIAL RULE FOR LIMITED RESOURCE COMMUNITIES.—Notwithstanding any other provision of this Act, the Secretary may provide cost share assistance to a limited resource community for any works of improvement, using funds appropriated for the purposes of this Act, for an amount not to exceed 90 percent of the total cost.

"(e) TREATMENT OF OTHER FEDERAL FUNDS.—Not more than 50 percent of the non-Federal cost share may be satisfied using funds from other Federal agencies.".

(2) CONDITIONS ON ASSISTANCE.—Section 4(1) of the Act (16 U.S.C. 1004(1)) is amended by striking ", without cost to the Federal Government from funds appropriated for the purposes of this Act,".

(e) BENEFIT COST ANALYSIS.—Section 5(1) of the Act (16 U.S.C. 1005(1)) is amended by striking "the benefits" and inserting "the total benefits, including environmental, social, and monetary benefits,".

(f) PROJECT PRIORITIZATION.—The Watershed Protection and Flood Prevention Act is amended by inserting after section 5 (16 U.S.C. 1005) the following new section:

"SEC. 5A. FUNDING PRIORITIES.

"In making funding decisions under this Act, the Secretary shall give priority to projects with one or more of the following attributes:

"(1) Projects providing significant improvements in ecological values and functions in the project area.

"(2) Projects that enhance the long-term health of local economies or generate job or job training opportunities for local residents, including Youth Conservation and Service Corps participants and displaced resource harvesters.

"(3) Projects that provide protection to human health, safety, and property.

"(4) Projects that directly benefit economically disadvantaged communities and enhance participation by local residents of such communities.

"(5) Projects that restore or enhance fish and wildlife species of commercial, recreational, subsistence or scientific concern.

"(6) Projects or components of projects that can be planned, designed, and implemented within two years.".

(g) TRANSFER OF FUNDS.—The Watershed Protection and Flood Prevention Act (16 U.S.C. 1001–1010) is amended by adding at the end the following new section:

"SEC. 14. TRANSFERS OF FUNDS.

"The Secretary may accept transfers of funds from other Federal departments and agencies in order to carry out projects under this Act.".

AMENDMENT NO. 3224

At the appropriate place, insert the following:

SEC. . ELIGIBILITY FOR GRANTS TO BROADCASTING SYSTEMS.

Section 310B(j) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(j)) is amended by striking "SYSTEMS.—The" and inserting the following: "SYSTEMS.—

"(1) DEFINITION OF STATEWIDE.—In this subsection, the term 'statewide' means having a coverage area of not less than 90 percent of the population of a State and 90 percent of the rural land area of the State (as determined by the Secretary).

"(2) GRANTS.—The".

SANTORUM (AND OTHERS) AMENDMENT NO. 3225

(Ordered to lie on the table.)

Mr. SANTORUM (for himself, Mr. BRADLEY, Mr. BROWN, Mr. SMITH, Mr. GREGG, and Mr. KYL) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Amend Section 106, Peanut Program, by:

(a) Striking paragraph (2) in subsection (a), Quota Peanuts, and inserting the following:

"(2) SUPPORT RATES.—

"(A) MAXIMUM LEVELS.—The national average quota support rate for each of the 1995 through 2000 crops of quota peanuts shall not be more than $610 per ton for the 1996 crop, $542 per ton for the 1997 crop, $509 per ton for the 1998 crop, $475 per ton for the 1999 and 2000 crops.

"(B) DISBURSEMENT.—The Secretary shall initially disburse only 90 percent of the price support loan level required under this paragraph to producers for the 1996 and 1997 crops, and 85 percent for the 1998 through 2000 crops and provide for the disbursement to producers at maturity of any balances due the producers on the loans that may remain to be settled at maturity. The remainder of the loans for each crop shall be applied to offset losses in pools under subsection (d), if the losses exist, and shall be paid to producers only after the losses are offset."

"(C) NON-RECOURSE LOANS.—Notwithstanding any other provision of this Act, for the 2001 and 2002 crops of peanuts, the quota is eliminated and the Secretary shall offer to all peanut producers non-recourse loans at a level not to exceed 70 percent of the estimated market price anticipated for each crop.

"(D) MARKET PRICE.—In estimating the market price for the 2001 and 2002 crops of peanuts, the Secretary shall consider the export prices of additional peanuts during the last 5 crop years for which price support was available for additional peanuts and prices for peanuts in overseas markets, but shall not base the non-recourse loan levels for 2001–2002 on quota or additional support rates established under this Act.

SANTORUM AMENDMENTS NOS. 3226–3228

(Ordered to lie on the table.)

Mr. SANTORUM submitted three amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra, as follows:

AMENDMENT NO. 3226

Amend Section 106, Peanut Program, to read as follows:

"SEC. 106. ELIMINATION OF QUOTA AND PRICE SUPPORT PROGRAMS FOR PEANUTS.

"(a) IN GENERAL.—The Secretary of Agriculture and the Commodity Credit Corporation may not provide loans, purchases, payments, or other operations or take any other action to support the price, or adjust or control the production, of peanuts by using the funds of the Commodity Credit Corporation or under the authority of any law.

"(b) MARKETING QUOTAS.—

"(1) IN GENERAL.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357 et seq.) is repealed.

"(2) CONFORMING AMENDMENTS.—

"(A) DEFINITIONS.—Section 301(b) of the Act (7 U.S.C. 1301(b)) is amended—

"(i) in paragraph (3)(A), by striking 'corn, rice and peanuts' and inserting 'corn and rice';

"(ii) in paragraph (6), by striking subparagraph (C);

"(iii) in paragraph (10)(A)—

"(I) by striking 'wheat, and peanuts' and inserting 'and wheat'; and

"(II) by striking '; 20 per centum in the case of wheat; and 15 per centum in the case of peanuts' and inserting '; and 20 percent in the case of wheat';

"(iv) in paragraph (13)—

"(I) by striking subparagraphs (B) and (C); and

"(II) in subparagraph (G), by striking 'or peanuts' both places it appears; and

"(v) in paragraph (16)(A), by striking 'rice, and peanuts' and inserting 'and rice'.

"(B) ADMINISTRATIVE PROVISIONS.—Section 361 of the Act (7 U.S.C. 1361) is amended by striking 'peanuts,'.

"(C) ADJUSTMENT OF QUOTAS.—Section 371 of the Act (7 U.S.C. 1371) is amended—

"(i) in the first sentence of subsection (a), by striking 'peanuts'; and

"(ii) in the first sentence of subsection (b), by striking 'peanuts'.

"(D) REPORTS AND RECORDS.—Section 373 of the Act (7 U.S.C. 1373) is amended—

"(i) in subsection (a), by striking the first sentence and inserting the following new sentence: 'This subsection shall apply to warehousemen, processors, and common carriers of corn, wheat, cotton, rice, or tobacco, and all ginners of cotton, all persons engaged in the business of purchasing corn, wheat, cotton, rice, or tobacco from producers, and all persons engaged in the business of redrying, prizing, or stemming tobacco for producers.'; and

"(ii) in subsection (b), by striking 'peanuts,'.

"(E) REGULATIONS.—Section 375(a) of the Act (7 U.S.C. 1375(a)) is amended by striking 'peanuts,'.

"(F) EMINENT DOMAIN.—The first sentence of section 378(c) of the Act (7 U.S.C. 1378(c)) is amended by striking 'cotton, tobacco, and peanuts," and inserting 'cotton and tobacco,'.

"(c) PRICE SUPPORT PROGRAM.—

"(1) PERMANENT PRICE SUPPORT.—Section 101(b) of the Agricultural Act of 1949 (7 U.S.C. 1441 et seq.) is amended by striking 'and peanuts'.

"(2) TEMPORARY PRICE SUPPORT.—Section 108, 108A, and 108B of the Act (7 U.S.C. 1445c through 1445c-3) are repealed.

"(3) CONFORMING AMENDMENTS.—

"(A) Section 301 of the Act (7 U.S.C. 1447) is amended by inserting after 'nonbasic agricultural commodity' the following: '(other than peanuts)'.

"(B) Section 408(c) of the Act (7 U.S.C. 1428(c)) is amended by striking 'peanuts,'.

"(C) Section 5(a) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(a)) is amended by inserting after 'agricultural commodities' the following: '(other than peanuts)'.

"(d) LIABILITY.—A provision of this section or an amendment made by this section shall not affect the liability of any person under any provision of law as in effect before the application of the provision of this section or the amendment in accordance with subsection (d).

"(e) APPLICATION.—This section and the amendments made by this section shall apply beginning with the 1996 crop of peanuts."

AMENDMENT NO. 3227

Amend Section 106, Peanut Program, to add a new subsection (j) to read as follows:

"(j) RESTORING THE DEMAND FOR U.S. PEANUTS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the Secretary shall endeavor to restore the demand for domestically produced peanuts in accordance with this subsection.

"(2) DOMESTIC MARKETING GOALS FOR PEANUTS PRODUCED IN THE UNITED STATES.—In order to restore the domestic demand for peanuts produced in the United States, the Secretary of Agriculture shall (i) permit increases in the quantity of non-quota peanuts grown in the United States to be sold for domestic human consumption; and (ii) reduce the national average quota price support level, whenever the Secretary estimates that the demand for domestically produced peanuts will fail to meet the following domestic peanut marketing goals:

Marketing years	Marketing goals for domestically produced peanuts
1996/1997	1.2 million tons
1997/1998	1.3 million tons
1998/1999	1.4 million tons
1999/2000	1.5 million tons
2000/2001	1.6 million tons
2001/2002	1.6 million tons

"(3) MARKETING NON-QUOTA PEANUTS.—In order to achieve the domestic marketing goals specified in paragraph (2), the Secretary shall, notwithstanding any other provision of law, set the national poundage quota for peanuts for the 1996/1997 marketing year at 1.2 million tons and shall, under regulations issued pursuant to this Act, permit the use for human consumption in the 1996/1997 marketing year of not less than 100,000 tons of non-quota or additional peanuts produced in the United States; and the Secretary shall, before each marketing year thereafter, in the event the marketing goal specified in paragraph (2) is not expected to be met during the marketing year, permit that quantity of non-quota or additional peanuts grown in the United States to be used domestically for human consumption that the Secretary estimates will be needed in any such marketing year to meet the domestic marketing goals specified in paragraph (2).

"(4) ADJUSTMENT OF POUNDAGE QUOTAS AND NATIONAL AVERAGE QUOTA PRICE SUPPORT LEVELS.—The national average quota support rate for quota peanuts shall be $610 per ton for the 1996 crop of quota peanuts. Whenever the Secretary establishes the national poundage quota for peanuts for the 1997 and ensuing crops covered by this Act, the Secretary shall (i) take into consideration the quantity of non-quota or additional peanuts produced in the United States to be used for human consumption under this Act to achieve the marketing goals specified in subsection (b), and shall for the 1997 crop of peanuts and each crop thereafter for which price support and marketing quotas are provided, reduce the national average level of price support for quota peanuts as the Secretary finds necessary to prevent losses to Commodity Credit Corporation in the event the Secretary estimates that the domestic marketing goals for the next marketing year will not be met.

"(5) FAILURE TO MEET MARKETING GOAL FOR DOMESTICALLY PRODUCED PEANUTS.—If the marketing goals for domestically produced peanuts are not achieved by the end of the last previous marketing year, the Secretary (i) shall, for the next succeeding marketing year, increase the quantity of non-quota or additional peanuts grown in the United States which he or she permitted to be used domestically for human consumption during the last previous marketing year by not less than a quantity of domestically produced non-quota or additional peanuts equal to the percentage by which the marketing goal for the last previous marketing year was not achieved; and (ii) shall also reduce the national average level of price support for quota peanuts by not less than a like percentage for the next succeeding crop of peanuts."

AMENDMENT NO. 3228

At the end of the title relating to conservation, insert the following:

SEC. 356. FARMLAND PROTECTION.

(a) OPERATION OF PROGRAM THROUGH THE STATES.—Section 1231(a) of the Food Security Act of 1985 (16 U.S.C. 3831(a)) is amended—

(1) by striking "(a) IN GENERAL.—Through the 1995 calendar year" and inserting the following:

"(a) AUTHORIZATION.—

"(1) IN GENERAL.—Through the 2002 calendar year"; and

(2) by adding at the end the following:

"(2) FARMLAND PROTECTION.—With respect to land described in subsection (b)(5), the Secretary shall carry out the program through the States.".

(b) ELIGIBLE LAND.—Section 1231(b) of the Food Security Act of 1985 (16 U.S.C. 3831(b)) is amended—

(1) by striking the period at the end of paragraph (4) and inserting "; and"; and

(2) by adding at the end the following:

"(5) land with prime, unique, or other productive soil that is subject to a pending offer from a State or local government for the purchase of a conservation easement or other interest in the land for the purpose of protecting topsoil by limiting nonagricultural uses of the land, but any highly erodible cropland shall be subject to the requirements of a conservation plan, including, if required by the Secretary, the conversion of the land to less intensive uses.".

(c) ENROLLMENT LIMITATIONS.—Section 1231(d) of the Food Security Act of 1985 (16 U.S.C. 3831(d)) is amended by inserting before the period at the end the following: ", of which not less than 170,000 nor more than 340,000 acres may be enrolled under subsection (b)(5)".

(d) DUTIES OF OWNERS AND OPERATORS.—Section 1232 of the Food Security Act of 1985 (16 U.S.C. 3832) is amended by adding at the end the following:

"(f) LAND WITH PRIME, UNIQUE, OR OTHER PRODUCTIVE SOIL.—In the case of land enrolled in the conservation reserve under section 1231(b)(5), an owner or operator shall be permitted to use the land for any lawful agricultural purpose, subject to the conservation easement or other interest in land purchased by the State or local government and to any conservation plan required by the Secretary.".

(e) DUTIES OF THE SECRETARY WITH RESPECT TO PAYMENTS.—Section 1233 of the Food Security Act of 1985 (16 U.S.C. 3833) is amended—

(1) by striking "and" at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting "; and"; and

(3) by adding at the end the following:

"(4) in the case of a contract relating to land enrolled under section 1231(b)(5), pay up to 50 percent of the cost of limiting the nonagricultural use of land to protect the topsoil from urban development.".

(f) ANNUAL RENTAL PAYMENTS.—Section 1234(c)(2) of the Food Security Act of 1985 (16 U.S.C. 3834(c)(2) is amended—

(1) by striking "or" at the end of subparagraph (A);

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following:

"(B) in the case of a contract relating to land enrolled under section 1231(b)(5), determination of the fair market value of the conservation easement or other interest acquired multiplied by 50 percent.".

DOMENICI AMENDMENTS NOS. 3229–3230

(Ordered to lie on the table.)

Mr. DOMENICI submitted two amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3229

On page 4–3, between lines 4 and 5, insert the following:

(c) CARRIED-OVER FUNDS.—20 percent of any commodity supplemental food program food funds carried over under section 5 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note) shall be available for administrative expenses of the program.

AMENDMENT NO. 3230

At the end of the pending bill, insert the following new section:

SEC. . CARRIED-OVER FUNDS.—20 percent of any commodity supplemental food program food funds carried over under section 5 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note) shall be available for administrative expenses of the program.

BROWN AMENDMENTS NOS. 3231–3232

(Order to lie on the table.)

Mr. BROWN submitted two amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3231

Beginning on page 1–58, strike line 7 and all that follows through page 1–60, line 25, and insert the following:

(2) FIRST PURCHASERS.—

(A) IN GENERAL.—Except as provided under paragraphs (4) and (5), the first purchaser of peanuts shall—

(i) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by—

(I) in the case of each of the 1994 and 1995 crops, .55 percent of the applicable national average loan rate;

(II) in the case of the 1996 crop, .6 percent of the applicable national average loan rate; and

(III) in the case of each of the 1997 through 2002 crops, .65 percent of the applicable national average loan rate;

(ii) pay, in addition to the amount collected under clause (i), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average loan rate; and

(iii) remit the amounts required under clauses (i) and (ii) to the Commodity Credit Corporation in a manner specified by the Secretary.

(B) DEFINITION OF FIRST PURCHASER.—In this subsection, the term "first purchaser" means a person acquiring peanuts from a producer except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(3) ADDITIONAL MARKETING ASSESSMENT TO COVER EXPENSES OF THE SECRETARY.—In addition to the marketing assessment required under the other provisions of this subsection, the Secretary shall charge producers a marketing assessment applicable to each crop of peanuts to cover the costs of the salaries of the employees, and the expenses, of the Consolidated Farm Service Agency in carrying out the program established under this section.

(4) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(5) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a loan made under this section, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

(6) PENALTIES.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with the requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(A) the quantity of peanuts involved in the violation; by

(B) the national average quota peanut rate for the applicable crop year.

(7) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

AMENDMENT NO. 3232

On page 1–48, strike line 3 and insert the following 104(e) of the Act.

"(3) LIMITATION ON MAXIMUM INCOME.—

"(A) IN GENERAL.—None of the funds made available pursuant to this Act may be used to make any payment described in paragraph (1) or (2) to—

"(i) an individual with an annual net taxable income of more than $120,000; or

"(ii) any other person with an annual net taxable income of more than $5,000,000.

"(B) CERTIFICATION.—The Secretary of Agriculture shall annually certify to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that no person receiving a payment referred to in subparagraph (A) had, in the previous tax year of the person, an annual net taxable income greater than the amount specified in subparagraph (A) with respect to the person.".

BROWN AMENDMENTS NOS. 3233–3235

(Ordered to lie on the table.)

Mr. BROWN submitted three amendments intended to be proposed by him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3233

At the appropriate place, insert the following:

(a) None of the funds appropriated or made available to the Federal Drug Administration shall be used to operate the Board of Tea Experts and related activities.

(b) The Tea Importation Act (21 U.S.C. 41 et seq.) is repealed.

AMENDMENT NO. 3234

At the appropriate place in title I, insert the following:

SEC. . ADDITIONAL TOBACCO MARKETING ASSESSMENT TO COVER EXPENSES OF THE SECRETARY.

Section 315(g) of the Agricultural Adjustment Act of 1938 (as transferred and redesignated by section 19(b)(1)(A) is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(2) by inserting after paragraph (1) the following:

"(2) ADDITIONAL MARKETING ASSESSMENT TO COVER EXPENSES OF THE SECRETARY.—In addition to the marketing assessment required under paragraph (1), the Secretary shall charge producers, purchasers, and importers of tobacco a marketing assessment applicable to each crop of tobacco to cover the costs of the salaries of the employees, and the expenses, of the Consolidated Farm Service Agency in carrying out the program under this section.".

AMENDMENT NO. 3235

At the appropriate place in this bill, insert the following:

ADDITIONAL MARKETING ASSESSMENT TO COVER EXPENSES OF THE SECRETARY.—In addition to the marketing assessment required under paragraph (1), the Secretary shall charge producers, purchasers, and importers of tobacco a marketing assessment applicable to each crop of tobacco to cover the costs of the salaries of the employees, and the expenses, of the Consolidated Farm Services Agency in carrying out the program under this section. The cost of the tobacco program shall not be offset by any revenues raised though tariffs imposed under the Uruguay Round Agreements Act (Public Law 103–465) on imports of tobacco or tobacco products into the United States.

HELMS AMENDMENTS NOS. 3236–3238

(Ordered to lie on the table.)

Mr. HELMS submitted three amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3236

On page 1–55, strike lines 4 through 23 and insert the following:

(3) OFFSET WITHIN AREA.—Further losses in an area quota pool shall be offset by any gains or profits from additional peanuts (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) owned or controlled by the Commodity Credit Corporation in that area and sold for domestic edible use, in accordance with regulations issued by the Secretary.

(4) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under subsection (g) (except funds attributable to handlers) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under subsection (g) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(5) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred

as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)), shall be offset by any gains or profits from quota pools in other production areas (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(6) OFFSET GENERALLY.—If losses in an area quota pool have not been entirely offset under paragraph (3), further losses shall be offset by any gains or profits from additional peanuts (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) owned or controlled by the Commodity Credit Corporation and sold for domestic edible use, in accordance with regulations issued by the Secretary.

(7) INCREASED ASSESSMENTS.—If use of the

AMENDMENT NO. 3237

On page 1–50, between lines 21 and 22, insert the following:

(5) REDUCTION FOR CERTAIN OFFERS FROM HANDLERS.—The Secretary shall reduce the loan rate for quota peanuts by 5 percent for any producer who had an offer from a handler, at the time and place of delivery, to purchase quota peanuts from the farm on which the peanuts were produced at a price equal to or greater than the applicable loan rate for quota peanuts.

AMENDMENT NO. 3238

On page 1–62, strike lines 4 and 5 and insert the following:

"through 2002 marketing years";

(v) in subsection (b)(1), by adding at the end the following:

"(D) CERTAIN FARMS INELIGIBLE FOR QUOTA.—Effective beginning with the 1997 marketing year, the Secretary shall not establish a farm poundage quota under subparagraph (a) for a farm owned or controlled by—

"(i) a municipality, airport authority, school, college, refuge, or other public entity (other than a university used for research purposes); or

"(ii) a person who is not a producer and resides in another State.";

(vi) in subsection (b)(2), by adding at the end the following:

"(E) TRANSFER OF QUOTA FROM INELIGIBLE FARMS.—Any farm poundage quota held at the end of the 1996 marketing year by a farm described in paragraph (1)(D) shall be allocated to other farms in the same State on such basis as the Secretary may by regulation prescribe."; and

(vii) in subsection (f), by striking

PRESSLER AMENDMENT NO. 3239

(Ordered to lie on the table.)

Mr. PRESSLER submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 1–8, line 13, after "was considered planted", insert the following: "(including, in the case of a beginning farmer (as defined by the Secretary), land that was used to build base acreage)".

MOSELEY-BRAUN AMENDMENT NO. 3240

(Ordered to lie on the table.)

Ms. MOSELEY-BRAUN submitted an amendment intended to be proposed by her to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place insert the following:

Amend language on oilseed loan rates as follows:

(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be—

(i) 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 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not less than $4.92 or more than $5.26 per bushel.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rate for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, individually, shall be—

(i) not less than 85 percent of the simple average price received by producers of these oilseeds, individually, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of these oilseeds, individually, excluding the year in which the average price was the highest and the year in which the average prices was the lowest in the period; but

(ii) not less than $0.87 or more than $0.93 per pound.

(C) OTHER OILSEEDS.—The loan rates for a marketing assistance loan for other oilseeds shall be established to such level as the Secretary determines is fair and reasonable in relation to the loan rate available for soybeans, except in no event shall the rate for the oilseeds (other than cottonseed) be less than the rate established for soybeans on a per-pound basis for the same crop.

HATCH AMENDMENT NO. 3241

(Ordered to lie on the table.)

Mr. HATCH submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 73, line 12, strike all of sec. 108 (page 75, line 7).

KENNEDY AMENDMENT NO. 3242

(Ordered to lie on the table.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

At the end of the amendment, add the following new title:

TITLE ___—HEALTH INSURANCE REFORM

SEC. ___01. SHORT TITLE.

This title may be cited as the "Health Insurance Reform Act of 1996".

SEC. ___02. DEFINITIONS.

As used in this title:

(1) BENEFICIARY.—The term "beneficiary" has the meaning given such term under section 3(8) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(8)).

(2) EMPLOYEE.—The term "employee" has the meaning given such term under section 3(6) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(6)).

(3) EMPLOYER.—The term "employer" has the meaning given such term under section 3(5) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(5)), except that such term shall include only employers of two or more employees.

(4) EMPLOYEE HEALTH BENEFIT PLAN.—

(A) IN GENERAL.—The term "employee health benefit plan" means any employee welfare benefit plan, governmental plan, or church plan (as defined under paragraphs (1), (32), and (33) of section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002 (1), (32), and (33))) that provides or pays for health benefits (such as provider and hospital benefits) for participants and beneficiaries whether—

(i) directly;

(ii) through a group health plan offered by a health plan issuer as defined in paragraph (8); or

(iii) otherwise.

(B) RULE OF CONSTRUCTION.—An employee health benefit plan shall not be construed to be a group health plan, an individual health plan, or a health plan issuer.

(C) ARRANGEMENTS NOT INCLUDED.—Such term does not include the following, or any combination thereof:

(i) Coverage only for accident, or disability income insurance, or any combination thereof.

(ii) Medicare supplemental health insurance (as defined under section 1882(g)(1) of the Social Security Act).

(iii) Coverage issued as a supplement to liability insurance.

(iv) Liability insurance, including general liability insurance and automobile liability insurance.

(v) Workers compensation or similar insurance.

(vi) Automobile medical payment insurance.

(vii) Coverage for a specified disease or illness.

(viii) Hospital or fixed indemnity insurance.

(ix) Short-term limited duration insurance.

(x) Credit-only, dental-only, or vision-only insurance.

(xi) A health insurance policy providing benefits only for long-term care, nursing home care, home health care, community-based care, or any combination thereof.

(5) FAMILY.—

(A) IN GENERAL.—The term "family" means an individual, the individual's spouse, and the child of the individual (if any).

(B) CHILD.—For purposes of subparagraph (A), the term "child" means any individual who is a child within the meaning of section 151(c)(3) of the Internal Revenue Code of 1986.

(6) GROUP HEALTH PLAN.—

(A) IN GENERAL.—The term "group health plan" means any contract, policy, certificate or other arrangement offered by a health plan issuer to a group purchaser that provides or pays for health benefits (such as provider and hospital benefits) in connection with an employee health benefit plan.

(B) ARRANGEMENTS NOT INCLUDED.—Such term does not include the following, or any combination thereof:

(i) Coverage only for accident, or disability income insurance, or any combination thereof.

(ii) Medicare supplemental health insurance (as defined under section 1882(g)(1) of the Social Security Act).

(iii) Coverage issued as a supplement to liability insurance.

(iv) Liability insurance, including general liability insurance and automobile liability insurance.

(v) Workers compensation or similar insurance.

(vi) Automobile medical payment insurance.

(vii) Coverage for a specified disease or illness.

(viii) Hospital or fixed indemnity insurance.

(ix) Short-term limited duration insurance.

(x) Credit-only, dental-only, or vision-only insurance.

(xi) A health insurance policy providing benefits only for long-term care, nursing home care, home health care, community-based care, or any combination thereof.

(7) GROUP PURCHASER.—The term "group purchaser" means any person (as defined under paragraph (9) of section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(9)) or entity that purchases or pays for health benefits (such as provider or hospital benefits) on behalf of two or more participants or beneficiaries in connection with an employee health benefit plan. A health plan purchasing cooperative established under section ___41 shall not be considered to be a group purchaser.

(8) HEALTH PLAN ISSUER.—The term "health plan issuer" means any entity that is licensed (prior to or after the date of enactment of this Act) by a State to offer a group health plan or an individual health plan.

(9) PARTICIPANT.—The term "participant" has the meaning given such term under section 3(7) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(7)).

(10) PLAN SPONSOR.—The term "plan sponsor" has the meaning given such term under section 3(16)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(16)(B)).

(11) SECRETARY.—The term "Secretary", unless specifically provided otherwise, means the Secretary of Labor.

(12) STATE.—The term "State" means each of the several States, the District of Columbia, Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

Subtitle A—Health Care Access, Portability, and Renewability

CHAPTER 1—GROUP MARKET RULES

SEC. ___11. GUARANTEED AVAILABILITY OF HEALTH COVERAGE.

(a) IN GENERAL.—

(1) NONDISCRIMINATION.—Except as provided in subsection (b), section ___12 and section ___13—

(A) a health plan issuer offering a group health plan may not decline to offer whole group coverage to a group purchaser desiring to purchase such coverage; and

(B) an employee health benefit plan or a health plan issuer offering a group health plan may establish eligibility, continuation of eligibility, enrollment, or premium contribution requirements under the terms of such plan, except that such requirements shall not be based on health status, medical condition, claims experience, receipt of health care, medical history, evidence of insurability, or disability.

(2) HEALTH PROMOTION AND DISEASE PREVENTION.—Nothing in this subsection shall prevent an employee health benefit plan or a health plan issuer from establishing premium discounts or modifying otherwise applicable copayments or deductibles in return for adherence to programs of health promotion and disease prevention.

(b) APPLICATION OF CAPACITY LIMITS.—

(1) IN GENERAL.—Subject to paragraph (2), a health plan issuer offering a group health plan may cease offering coverage to group purchasers under the plan if—

(A) the health plan issuer ceases to offer coverage to any additional group purchasers; and

(B) the health plan issuer can demonstrate to the applicable certifying authority (as defined in section ___52(d)), if required, that its financial or provider capacity to serve previously covered participants and beneficiaries (and additional participants and beneficiaries who will be expected to enroll because of their affiliation with a group purchaser or such previously covered participants or beneficiaries) will be impaired if the health plan issuer is required to offer coverage to additional group purchasers.

Such health plan issuer shall be prohibited from offering coverage after a cessation in offering coverage under this paragraph for a 6-month period or until the health plan issuer can demonstrate to the applicable certifying authority (as defined in section ___52(d)) that the health plan issuer has adequate capacity, whichever is later.

(2) FIRST-COME-FIRST-SERVED.—A health plan issuer offering a group health plan is only eligible to exercise the limitations provided for in paragraph (1) if the health plan issuer offers coverage to group purchasers under such plan on a first-come-first-served basis or other basis established by a State to ensure a fair opportunity to enroll in the plan and avoid risk selection.

(c) CONSTRUCTION.—

(1) MARKETING OF GROUP HEALTH PLANS.—Nothing in this section shall be construed to prevent a State from requiring health plan issuers offering group health plans to actively market such plans.

(2) INVOLUNTARY OFFERING OF GROUP HEALTH PLANS.—Nothing in this section shall be construed to require a health plan issuer to involuntarily offer group health plans in a particular market. For the purposes of this paragraph, the term "market" means either the large employer market or the small employer market (as defined under applicable State law, or if not so defined, an employer with not more than 50 employees).

SEC. ___12. GUARANTEED RENEWABILITY OF HEALTH COVERAGE.

(a) IN GENERAL.—

(1) GROUP PURCHASER.—Subject to subsections (b) and (c), a group health plan shall be renewed or continued in force by a health plan issuer at the option of the group purchaser, except that the requirement of this subparagraph shall not apply in the case of—

(A) the nonpayment of premiums or contributions by the group purchaser in accordance with the terms of the group health plan or where the health plan issuer has not received timely premium payments;

(B) fraud or misrepresentation of material fact on the part of the group purchaser;

(C) the termination of the group health plan in accordance with subsection (b); or

(D) the failure of the group purchaser to meet contribution or participation requirements in accordance with paragraph (3).

(2) PARTICIPANT.—Subject to subsections (b) and (c), coverage under an employee health benefit plan or group health plan shall be renewed or continued in force, if the group purchaser elects to continue to provide coverage under such plan, at the option of the participant (or beneficiary where such right exists under the terms of the plan or under applicable law), except that the requirement of this paragraph shall not apply in the case of—

(A) the nonpayment of premiums or contributions by the participant or beneficiary in accordance with the terms of the employee health benefit plan or group health plan or where such plan has not received timely premium payments;

(B) fraud or misrepresentation of material fact on the part of the participant or beneficiary relating to an application for coverage or claim for benefits;

(C) the termination of the employee health benefit plan or group health plan;

(D) loss of eligibility for continuation coverage as described in part 6 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1161 et seq.); or

(E) failure of a participant or beneficiary to meet requirements for eligibility for coverage under an employee health benefit plan or group health plan that are not prohibited by this title.

(3) RULES OF CONSTRUCTION.—Nothing in this subsection, nor in section ___11(a), shall be construed to—

(A) preclude a health plan issuer from establishing employer contribution rules or group participation rules for group health plans as allowed under applicable State law;

(B) preclude a plan defined in section 3(37) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1102(37)) from establishing employer contribution rules or group participation rules; or

(C) permit individuals to decline coverage under an employee health benefit plan if such right is not otherwise available under such plan.

(b) TERMINATION OF GROUP HEALTH PLANS.—

(1) PARTICULAR TYPE OF GROUP HEALTH PLAN NOT OFFERED.—In any case in which a health plan issuer decides to discontinue offering a particular type of group health plan, a group health plan of such type may be discontinued by the health plan issuer only if—

(A) the health plan issuer provides notice to each group purchaser covered under a group health plan of this type (and participants and beneficiaries covered under such group health plan) of such discontinuation at least 90 days prior to the date of the discontinuation of such plan;

(B) the health plan issuer offers to each group purchaser covered under a group health plan of this type, the option to purchase any other group health plan currently being offered by the health plan issuer; and

(C) in exercising the option to discontinue a group health plan of this type and in offering one or more replacement plans, the health plan issuer acts uniformly without regard to the health status or insurability of participants or beneficiaries covered under the group health plan, or new participants or beneficiaries who may become eligible for coverage under the group health plan.

(2) DISCONTINUANCE OF ALL GROUP HEALTH PLANS.—

(A) IN GENERAL.—In any case in which a health plan issuer elects to discontinue offering all group health plans in a State, a group health plan may be discontinued by the health plan issuer only if—

(i) the health plan issuer provides notice to the applicable certifying authority (as defined in section ___52(d)) and to each group purchaser (and participants and beneficiaries covered under such group health plan) of such discontinuation at least 180 days prior to the date of the expiration of such plan; and

(ii) all group health plans issued or delivered for issuance in the State are discontinued and coverage under such plans is not renewed.

(B) APPLICATION OF PROVISIONS.—The provisions of this paragraph and paragraph (3) may be applied separately by a health plan issuer—

(i) to all group health plans offered to small employers (as defined under applicable State law, or if not so defined, an employer with not more than 50 employees); or

(ii) to all other group health plans offered by the health plan issuer in the State.

(3) PROHIBITION ON MARKET REENTRY.—In the case of a discontinuation under paragraph (2), the health plan issuer may not provide for the issuance of any group health plan in the market sector (as described in paragraph (2)(B)) in which issuance of such group health plan was discontinued in the State involved during the 5-year period beginning on the date of the discontinuation of the last group health plan not so renewed.

(c) TREATMENT OF NETWORK PLANS.—

(1) GEOGRAPHIC LIMITATIONS.—A network plan (as defined in paragraph (2)) may deny continued participation under such plan to participants or beneficiaries who neither live, reside, nor work in an area in which such network plan is offered, but only if such denial is applied uniformly, without regard to health status or the insurability of particular participants or beneficiaries.

(2) NETWORK PLAN.—As used in paragraph (1), the term "network plan" means an employee health benefit plan or a group health plan that arranges for the financing and delivery of health care services to participants or beneficiaries covered under such plan, in whole or in part, through arrangements with providers.

(d) COBRA COVERAGE.—Nothing in subsection (a)(2)(E) or subsection (c) shall be construed to affect any right to COBRA continuation coverage as described in part 6 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1161 et seq.).

SEC. ___13. PORTABILITY OF HEALTH COVERAGE AND LIMITATION ON PREEXISTING CONDITION EXCLUSIONS.

(a) IN GENERAL.—An employee health benefit plan or a health plan issuer offering a group health plan may impose a limitation or exclusion of benefits relating to treatment of a preexisting condition based on the fact that the condition existed prior to the coverage of the participant or beneficiary under the plan only if—

(1) the limitation or exclusion extends for a period of not more than 12 months after the date of enrollment in the plan;

(2) the limitation or exclusion does not apply to an individual who, within 30 days of the date of birth or placement for adoption (as determined under section 609(c)(3)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(c)(3)(B)), was covered under the plan; and

(3) the limitation or exclusion does not apply to a pregnancy.

(b) CREDITING OF PREVIOUS QUALIFYING COVERAGE.—

(1) IN GENERAL.—Subject to paragraph (4), an employee health benefit plan or a health plan issuer offering a group health plan shall provide that if a participant or beneficiary is in a period of previous qualifying coverage as of the date of enrollment under such plan, any period of exclusion or limitation of coverage with respect to a preexisting condition shall be reduced by 1 month for each month in which the participant or beneficiary was in the period of previous qualifying coverage. With respect to an individual described in subsection (a)(2) who maintains continuous coverage, no limitation or exclusion of benefits relating to treatment of a preexisting condition may be applied to a child within the child's first 12 months of life or within 12 months after the placement of a child for adoption.

(2) DISCHARGE OF DUTY.—An employee health benefit plan shall provide documentation of coverage to participants and beneficiaries whose coverage is terminated under the plan. Pursuant to regulations promulgated by the Secretary, the duty of an employee health benefit plan to verify previous qualifying coverage with respect to a participant or beneficiary is effectively discharged when such employee health benefit plan provides documentation to a participant or beneficiary that includes the following information:

(A) the dates that the participant or beneficiary was covered under the plan; and

(B) the benefits and cost-sharing arrangement available to the participant or beneficiary under such plan.

An employee health benefit plan shall retain the documentation provided to a participant or beneficiary under subparagraphs (A) and (B) for at least the 12-month period following the date on which the participant or beneficiary ceases to be covered under the plan. Upon request, an employee health benefit plan shall provide a second copy of such documentation to such participant or beneficiary within the 12-month period following the date of such ineligibility.

(3) DEFINITIONS.—As used in this section:

(A) PREVIOUS QUALIFYING COVERAGE.—The term "previous qualifying coverage" means the period beginning on the date—

(i) a participant or beneficiary is enrolled under an employee health benefit plan or a group health plan, and ending on the date the participant or beneficiary is not so enrolled; or

(ii) an individual is enrolled under an individual health plan (as defined in section ___23) or under a public or private health plan established under Federal or State law, and ending on the date the individual is not so enrolled;

for a continuous period of more than 30 days (without regard to any waiting period).

(B) LIMITATION OR EXCLUSION OF BENEFITS RELATING TO TREATMENT OF A PREEXISTING CONDITION.—The term "limitation or exclusion of benefits relating to treatment of a preexisting condition" means a limitation or exclusion of benefits imposed on an individual based on a preexisting condition of such individual.

(4) EFFECT OF PREVIOUS COVERAGE.—An employee health benefit plan or a health plan issuer offering a group health plan may impose a limitation or exclusion of benefits relating to the treatment of a preexisting condition, subject to the limits in subsection (a)(1), only to the extent that such service or benefit was not previously covered under the group health plan, employee health benefit plan, or individual health plan in which the participant or beneficiary was enrolled immediately prior to enrollment in the plan involved.

(c) LATE ENROLLEES.—Except as provided in section ___14, with respect to a participant or beneficiary enrolling in an employee health benefit plan or a group health plan during a time that is other than the first opportunity to enroll during an enrollment period of at least 30 days, coverage with respect to benefits or services relating to the treatment of a preexisting condition in accordance with subsections (a) and (b) may be excluded, except the period of such exclusion may not exceed 18 months beginning on the date of coverage under the plan.

(d) AFFILIATION PERIODS.—With respect to a participant or beneficiary who would otherwise be eligible to receive benefits under an employee health benefit plan or a group health plan but for the operation of a preexisting condition limitation or exclusion, if such plan does not utilize a limitation or exclusion of benefits relating to the treatment of a preexisting condition, such plan may impose an affiliation period on such participant or beneficiary not to exceed 60 days (or in the case of a late participant or beneficiary described in subsection (c), 90 days) from the date on which the participant or beneficiary would otherwise be eligible to receive benefits under the plan. An employee health benefit plan or a health plan issuer offering a group health plan may also use alternative methods to address adverse selection as approved by the applicable certifying authority (as defined in section ___52(d)). During such an affiliation period, the plan may not be required to provide health care services or benefits and no premium shall be charged to the participant or beneficiary.

(e) PREEXISTING CONDITION.—For purposes of this section, the term "preexisting condition" means a condition, regardless of the cause of the condition, for which medical advice, diagnosis, care, or treatment was recommended or received within the 6-month period ending on the day before the effective date of the coverage (without regard to any waiting period).

(f) STATE FLEXIBILITY.—Nothing in this section shall be construed to preempt State laws that —

(1) require health plan issuers to impose a limitation or exclusion of benefits relating to the treatment of a preexisting condition for periods that are shorter than those provided for under this section; or

(2) allow individuals, participants, and beneficiaries to be considered to be in a period of previous qualifying coverage if such individual, participant, or beneficiary experiences a lapse in coverage that is greater than the 30-day period provided for under subsection (b)(3);

unless such laws are preempted by section 514 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1144).

SEC. ___14. SPECIAL ENROLLMENT PERIODS.

In the case of a participant, beneficiary or family member who—

(1) through marriage, separation, divorce, death, birth or placement of a child for adoption, experiences a change in family composition affecting eligibility under a group health plan, individual health plan, or employee health benefit plan;

(2) experiences a change in employment status, as described in section 603(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1163(2)), that causes the loss of eligibility for coverage, other than COBRA continuation coverage under a group health plan, individual health plan, or employee health benefit plan; or

(3) experiences a loss of eligibility under a group health plan, individual health plan, or employee health benefit plan because of a change in the employment status of a family member;

each employee health benefit plan and each group health plan shall provide for a special enrollment period extending for a reasonable time after such event that would permit the participant to change the individual or family basis of coverage or to enroll in the plan

if coverage would have been available to such individual, participant, or beneficiary but for failure to enroll during a previous enrollment period. Such a special enrollment period shall ensure that a child born or placed for adoption shall be deemed to be covered under the plan as of the date of such birth or placement for adoption if such child is enrolled within 30 days of the date of such birth or placement for adoption.

SEC. ___15. DISCLOSURE OF INFORMATION.

(a) DISCLOSURE OF INFORMATION BY HEALTH PLAN ISSUERS.—

(1) IN GENERAL.—In connection with the offering of any group health plan to a small employer (as defined under applicable State law, or if not so defined, an employer with not more than 50 employees), a health plan issuer shall make a reasonable disclosure to such employer, as part of its solicitation and sales materials, of—

(A) the provisions of such group health plan concerning the health plan issuer's right to change premium rates and the factors that may affect changes in premium rates;

(B) the provisions of such group health plan relating to renewability of coverage;

(C) the provisions of such group health plan relating to any preexisting condition provision; and

(D) descriptive information about the benefits and premiums available under all group health plans for which the employer is qualified.

Information shall be provided to small employers under this paragraph in a manner determined to be understandable by the average small employer, and shall be sufficiently accurate and comprehensive to reasonably inform small employers, participants and beneficiaries of their rights and obligations under the group health plan.

(2) EXCEPTION.—With respect to the requirement of paragraph (1), any information that is proprietary and trade secret information under applicable law shall not be subject to the disclosure requirements of such paragraph.

(3) CONSTRUCTION.—Nothing in this subsection shall be construed to preempt State reporting and disclosure requirements to the extent that such requirements are not preempted under section 514 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1144).

(b) DISCLOSURE OF INFORMATION TO PARTICIPANTS AND BENEFICIARIES.—

(1) IN GENERAL.—Section 104(b)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1024(b)(1)) is amended in the matter following subparagraph (B)—

(A) by striking "102(a)(1)," and inserting "102(a)(1) that is not a material reduction in covered services or benefits provided,"; and

(B) by adding at the end thereof the following new sentences: "If there is a modification or change described in section 102(a)(1) that is a material reduction in covered services or benefits provided, a summary description of such modification or change shall be furnished to participants not later than 60 days after the date of the adoption of the modification or change. In the alternative, the plan sponsors may provide such description at regular intervals of not more than 90 days. The Secretary shall issue regulations within 180 days after the date of enactment of the Health Insurance Reform Act of 1996, providing alternative mechanisms to delivery by mail through which employee health benefit plans may notify participants of material reductions in covered services or benefits.".

(2) PLAN DESCRIPTION AND SUMMARY.—Section 102(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1022(b)) is amended—

(A) by inserting "including the office or title of the individual who is responsible for approving or denying claims for coverage of benefits" after "type of administration of the plan";

(B) by inserting "including the name of the organization responsible for financing claims" after "source of financing of the plan"; and

(C) by inserting "including the office, contact, or title of the individual at the Department of Labor through which participants may seek assistance or information regarding their rights under this Act and the Health Insurance Reform Act of 1996 with respect to health benefits that are not offered through a group health plan." after "benefits under the plan".

CHAPTER 2—INDIVIDUAL MARKET RULES

SEC. ___20. INDIVIDUAL HEALTH PLAN PORTABILITY.

(a) LIMITATION ON REQUIREMENTS.—

(1) IN GENERAL.—With respect to an individual desiring to enroll in an individual health plan, if such individual is in a period of previous qualifying coverage (as defined in section ___13(b)(3)(A)(i)) under one or more group health plans or employee health benefit plans that commenced 18 or more months prior to the date on which such individual desires to enroll in the individual plan, a health plan issuer described in paragraph (3) may not decline to offer coverage to such individual, impose a new period of exclusion or limitation of coverage with repsect to a preexisting condition (as defined in section ___13(e)), or deny enrollment to such individual based on the health status, medical condition, claims experience, receipt of health care, medical history, evidence of insurability, or disability of the individual, except as described in subsections (b) and (c).

(2) HEALTH PROMOTION AND DISEASE PREVENTION.—Nothing in this subsection shall be construed to prevent a health plan issuer offering an individual health plan from establishing premium discounts or modifying otherwise applicable copayments or deductibles in return for adherence to programs of health promotion or disease prevention.

(3) HEALTH PLAN ISSUER.—A health plan issuer described in this paragraph is a health plan issuer that issues or renews individual health plans.

(4) PREMIUMS.—Nothing in this subsection shall be construed to affect the determination of a health plan issuer as to the amount of the premium payable under an individual health plan under applicable State law.

(b) ELIGIBILITY FOR OTHER GROUP COVERAGE.—The provisions of subsection (a) shall not apply to an individual who is eligible for coverage under a group health plan or an employee health benefit plan, or who has had coverage terminated under a group health plan or employee health benefit plan for failure to make required premium payments or contributions, or for fraud or misrepresentation of material fact, or who is otherwise eligible for continuation coverage as described in part 6 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1161 et seq.) or under an equivalent State program.

(c) APPLICATION OF CAPACITY LIMITS.—

(1) IN GENERAL.—Subject to paragraph (2), a health plan issuer offering coverage to individuals under an individual health plan may cease enrolling individuals under the plan if—

(A) the health plan issuer ceases to enroll any new individuals; and

(B) the health plan issuer can demonstrate to the applicable certifying authority (as defined in section ___52(d)), if required, that its financial or provider capacity to serve previously covered individuals will be impaired if the health plan issuer is required to enroll additional individuals.

Such a health plan issuer shall be prohibited from offering coverage after a cessation in offering coverage under this paragraph for a 6-month period or until the health plan issuer can demonstrate to the applicable certifying authority (as defined in section ___52(d)) that the health plan issuer has adequate capacity, whichever is later.

(2) FIRST-COME-FIRST-SERVED.—A health plan issuer offering coverage to individuals under an individual health plan is only eligible to exercise the limitations provided for in paragraph (1) if the health plan issuer provides for enrollment of individuals under such plan on a first-come-first-served basis or other basis established by a State to ensure a fair opportunity to enroll in the plan and avoid risk selection.

(d) MARKET REQUIREMENTS.—

(1) IN GENERAL.—The provisions of subsection (a) shall not be construed to require that a health plan issuer offering group health plans to group purchasers offer individual health plans to individuals.

(2) CONVERSION POLICIES.—A health plan issuer offering group health plans to group purchasers under this title shall not be deemed to be a health plan issuer offering an individual health plan solely because such health plan issuer offers a conversion policy.

(3) MARKETING OF PLANS.—Nothing in this section shall be construed to prevent a State from requiring health plan issuers offering coverage to individuals under an individual health plan to actively market such plan.

SEC. ___21. GUARANTEED RENEWABILITY OF INDIVIDUAL HEALTH COVERAGE.

(a) IN GENERAL.—Subject to subsections (b) and (c), coverage for individuals under an individual health plan shall be renewed or continued in force by a health plan issuer at the option of the individual, except that the requirement of this subsection shall not apply in the case of—

(1) the nonpayment of premiums or contributions by the individual in accordance with the terms of the individual health plan or where the health plan issuer has not received timely premium payments;

(2) fraud or misrepresentation of material fact on the part of the individual; or

(3) the termination of the individual health plan in accordance with subsection (b).

(b) TERMINATION OF INDIVIDUAL HEALTH PLANS.—

(1) PARTICULAR TYPE OF INDIVIDUAL HEALTH PLAN NOT OFFERED.—In any case in which a health plan issuer decides to discontinue offering a particular type of individual health plan to individuals, an individual health plan may be discontinued by the health plan issuer only if—

(A) the health plan issuer provides notice to each individual covered under the plan of such discontinuation at least 90 days prior to the date of the expiration of the plan;

(B) the health plan issuer offers to each individual covered under the plan the option to purchase any other individual health plan currently being offered by the health plan issuer to individuals; and

(C) in exercising the option to discontinue the individual health plan and in offering one or more replacement plans, the health plan issuer acts uniformly without regard to

the health status or insurability of particular individuals.

(2) DISCONTINUANCE OF ALL INDIVIDUAL HEALTH PLANS.—In any case in which a health plan issuer elects to discontinue all individual health plans in a State, an individual health plan may be discontinued by the health plan issuer only if—

(A) the health plan issuer provides notice to the applicable certifying authority (as defined in section ___52(d)) and to each individual covered under the plan of such discontinuation at least 180 days prior to the date of the discontinuation of the plan; and

(B) all individual health plans issued or delivered for issuance in the State are discontinued and coverage under such plans is not renewed.

(3) PROHIBITION ON MARKET REENTRY.—In the case of a discontinuation under paragraph (2), the health plan issuer may not provide for the issuance of any individual health plan in the State involved during the 5-year period beginning on the date of the discontinuation of the last plan not so renewed.

(c) TREATMENT OF NETWORK PLANS.—

(1) GEOGRAPHIC LIMITATIONS.—A health plan issuer which offers a network plan (as defined in paragraph (2)) may deny continued participation under the plan to individuals who neither live, reside, nor work in an area in which the individual health plan is offered, but only if such denial is applied uniformly, without regard to health status or the insurability of particular individuals.

(2) NETWORK PLAN.—As used in paragraph (1), the term "network plan" means an individual health plan that arranges for the financing and delivery of health care services to individuals covered under such health plan, in whole or in part, through arrangements with providers.

SEC. ___22. STATE FLEXIBILITY IN INDIVIDUAL MARKET REFORMS.

(a) IN GENERAL.—With respect to any State law with respect to which the Governor of the State notifies the Secretary of Health and Human Services that such State law will achieve the goals of sections ___20 and ___21, and that is in effect on, or enacted after, the date of enactment of this Act (such as laws providing for guaranteed issue, open enrollment by one or more health plan issuers, high-risk pools, or mandatory conversion policies), such State law shall apply in lieu of the standards described in sections ___20 and ___21 unless the Secretary of Health and Human Services determines, after considering the criteria described in subsection (b)(1), in consultation with the Governor and Insurance Commissioner or chief insurance regulatory official of the State, that such State law does not achieve the goals of providing access to affordable health care coverage for those individuals described in sections ___20 and ___21.

(b) DETERMINATION.—

(1) IN GENERAL.—In making a determination under subsection (a), the Secretary of Health and Human Services shall only—

(A) evaluate whether the State law or program provides guaranteed access to affordable coverage to individuals described in sections ___20 and ___21;

(B) evaluate whether the State law or program provides coverage for preexisting conditions (as defined in section ___13(e)) that were covered under the individuals' previous group health plan or employee health benefit plan for individuals described in sections ___20 and ___21;

(C) evaluate whether the State law or program provides individuals described in sections ___20 and ___21 with a choice of health plans or a health plan providing comprehensive coverage; and

(D) evaluate whether the application of the standards described in sections ___20 and ___21 will have an adverse impact on the number of individuals in such State having access to affordable coverage.

(2) NOTICE OF INTENT.—If, within 6 months after the date of enactment of this Act, the Governor of a State notifies the Secretary of Health and Human Services that the State intends to enact a law, or modify an existing law, described in subsection (a), the Secretary of Health and Human Services may not make a determination under such subsection until the expiration of the 12-month period beginning on the date on which such notification is made, or until January 1, 1997, whichever is later. With respect to a State that provides notice under this paragraph and that has a legislature that does not meet within the 12-month period beginning on the date of enactment of this Act, the Secretary shall not make a determination under subsection (a) prior to January 1, 1998.

(3) NOTICE TO STATE.—If the Secretary of Health and Human Services determines that a State law or program does not achieve the goals described in subsection (a), the Secretary of Health and Human Services shall provide the State with adequate notice and reasonable opportunity to modify such law or program to achieve such goals prior to making a final determination under subsection (a).

(c) ADOPTION OF NAIC MODEL.—If, not later than 9 months after the date of enactment of this Act—

(1) the National Association of Insurance Commissioners (hereafter referred to as the "NAIC"), through a process which the Secretary of Health and Human Services determines has included consultation with representatives of the insurance industry and consumer groups, adopts a model standard or standards for reform of the individual health insurance market; and

(2) the Secretary of Health and Human Services determines, within 30 days of the adoption of such NAIC standard or standards, that such standards comply with the goals of sections ___20 and ___21;

a State that elects to adopt such model standards or substantially adopt such model standards shall be deemed to have met the requirements of sections ___20 and ___21 and shall not be subject to a determination under subsection (a).

SEC. ___23. DEFINITION.

(a) IN GENERAL.—As used in this subtitle, the term "individual health plan" means any contract, policy, certificate or other arrangement offered to individuals by a health plan issuer that provides or pays for health benefits (such as provider and hospital benefits) and that is not a group health plan under section ___02(6).

(b) ARRANGEMENTS NOT INCLUDED.—Such term does not include the following, or any combination thereof:

(1) Coverage only for accident, or disability income insurance, or any combination thereof.

(2) Medicare supplemental health insurance (as defined under section 1882(g)(1) of the Social Security Act).

(3) Coverage issued as a supplement to liability insurance.

(4) Liability insurance, including general liability insurance and automobile liability insurance.

(5) Workers' compensation or similar insurance.

(6) Automobile medical payment insurance.

(7) Coverage for a specified disease or illness.

(8) Hospital or fixed indemnity insurance.

(9) Short-term limited duration insurance.

(10) Credit-only, dental-only, or vision-only insurance.

(11) A health insurance policy providing benefits only for long-term care, nursing home care, home health care, community-based care, or any combination thereof.

CHAPTER 3—COBRA CLARIFICATIONS

SEC. ___31. COBRA CLARIFICATIONS.

(a) PUBLIC HEALTH SERVICE ACT.—

(1) PERIOD OF COVERAGE.—Section 2202(2) of the Public Health Service Act (42 U.S.C. 300bb-2(2)) is amended—

(A) in subparagraph (A)—

(i) by transferring the sentence immediately preceding clause (iv) so as to appear immediately following such clause (iv); and

(ii) in the last sentence (as so transferred)—

(I) by inserting ", or a beneficiary-family member of the individual," after "an individual"; and

(II) by striking "at the time of a qualifying event described in section 2203(2)" and inserting "at any time during the initial 18-month period of continuing coverage under this title";

(B) in subparagraph (D)(i), by inserting before ", or" the following: ", except that the exclusion or limitation contained in this clause shall not be considered to apply to a plan under which a preexisting condition or exclusion does not apply to an individual otherwise eligible for continuation coverage under this section because of the provision of the Health Insurance Reform Act of 1996"; and

(C) in subparagraph (E), by striking "at the time of a qualifying event described in section 2203(2)" and inserting "at any time during the initial 18-month period of continuing coverage under this title".

(2) ELECTION.—Section 2205(1)(C) of the Public Health Service Act (42 U.S.C. 300bb-5(1)(C)) is amended—

(A) in clause (i), by striking "or" at the end thereof;

(B) in clause (ii), by striking the period and inserting ", or"; and

(C) by adding at the end thereof the following new clause:

"(iii) in the case of an individual described in the last sentence of section 2202(2)(A), or a beneficiary-family member of the individual, the date such individual is determined to have been disabled.".

(3) NOTICES.—Section 2206(3) of the Public Health Service Act (42 U.S.C. 300bb-6(3)) is amended by striking "at the time of a qualifying event described in section 2203(2)" and inserting "at any time during the initial 18-month period of continuing coverage under this title".

(4) BIRTH OR ADOPTION OF A CHILD.—Section 2208(3)(A) of the Public Health Service Act (42 U.S.C. 300bb-8(3)(A)) is amended by adding at the end thereof the following new flush sentence:

"Such term shall also include a child who is born to or placed for adoption with the covered employee during the period of continued coverage under this title.".

(b) EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—

(1) PERIOD OF COVERAGE.—Section 602(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1162(2)) is amended—

(A) in the last sentence of subparagraph (A)—

(i) by inserting ", or a beneficiary-family member of the individual," after "an individual"; and

(ii) by striking "at the time of a qualifying event described in section 603(2)" and inserting "at any time during the initial 18-month period of continuing coverage under this part";

(B) in subparagraph (D)(i), by inserting before ", or" the following: ", except that the exclusion or limitation contained in this clause shall not be considered to apply to a plan under which a preexisting condition or exclusion does not apply to an individual otherwise eligible for continuation coverage under this section because of the provision of the Health Insurance Reform Act of 1996"; and

(C) in subparagraph (E), by striking "at the time of a qualifying event described in section 603(2)" and inserting "at any time during the initial 18-month period of continuing coverage under this part".

(2) ELECTION.—Section 605(1)(C) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1165(1)(C)) is amended—

(A) in clause (i), by striking "or" at the end thereof;

(B) in clause (ii), by striking the period and inserting ", or"; and

(C) by adding at the end thereof the following new clause:

"(iii) in the case of an individual described in the last sentence of section 602(2)(A), or a beneficiary-family member of the individual, the date such individual is determined to have been disabled.".

(3) NOTICES.—Section 606(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1166(3)) is amended by striking "at the time of a qualifying event described in section 603(2)" and inserting "at any time during the initial 18-month period of continuing coverage under this part".

(4) BIRTH OR ADOPTION OF A CHILD.—Section 607(3)(A) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1167(3)) is amended by adding at the end thereof the following new flush sentence:

"Such term shall also include a child who is born to or placed for adoption with the covered employee during the period of continued coverage under this part.".

(c) INTERNAL REVENUE CODE OF 1986.—

(1) PERIOD OF COVERAGE.—Section 4980B(f)(2)(B) of the Internal Revenue Code of 1986 is amended—

(A) in the last sentence of clause (i) by striking "at the time of a qualifying event described in paragraph (3)(B)" and inserting "at any time during the initial 18-month period of continuing coverage under this section";

(B) in clause (iv)(I), by inserting before ", or" the following: ", except that the exclusion or limitation contained in this subclause shall not be considered to apply to a plan under which a preexisting condition or exclusion does not apply to an individual otherwise eligible for continuation coverage under this subsection because of the provision of the Health Insurance Reform Act of 1996"; and

(C) in clause (v), by striking "at the time of a qualifying event described in paragraph (3)(B)" and inserting "at any time during the initial 18-month period of continuing coverage under this section".

(2) ELECTION.—Section 4980B(f)(5)(A)(iii) of the Internal Revenue Code of 1986 is amended—

(A) in subclause (I), by striking "or" at the end thereof;

(B) in subclause (II), by striking the period and inserting ", or"; and

(C) by adding at the end thereof the following new subclause:

"(III) in the case of an qualified beneficiary described in the last sentence of paragraph (2)(B)(i), the date such individual is determined to have been disabled.".

(3) NOTICES.—Section 4980B(f)(6)(C) of the Internal Revenue Code of 1986 is amended by striking "at the time of a qualifying event described in paragraph (3)(B)" and inserting "at any time during the initial 18-month period of continuing coverage under this section".

(4) BIRTH OR ADOPTION OF A CHILD.—Section 4980B(g)(1)(A) of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new flush sentence:

"Such term shall also include a child who is born to or placed for adoption with the covered employee during the period of continued coverage under this section.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to qualifying events occurring on or after the date of the enactment of this Act for plan years beginning after December 31, 1996.

(e) NOTIFICATION OF CHANGES.—Not later than 60 days prior to the date on which this section becomes effective, each group health plan (covered under title XXII of the Public Health Service Act, part 6 of subtitle B of title I of the Employee Retirement Income Security Act of 1974, and section 4980B(f) of the Internal Revenue Code of 1986) shall notify each qualified beneficiary who has elected continuation coverage under such title, part or section of the amendments made by this section.

CHAPTER 4—PRIVATE HEALTH PLAN PURCHASING COOPERATIVES

SEC. ___41. PRIVATE HEALTH PLAN PURCHASING COOPERATIVES.

(a) DEFINITION.—As used in this title, the term "health plan purchasing cooperative" means a group of individuals or employers that, on a voluntary basis and in accordance with this section, form a cooperative for the purpose of purchasing individual health plans or group health plans offered by health plan issuers. A health plan issuer, agent, broker or any other individual or entity engaged in the sale of insurance may not underwrite a cooperative.

(b) CERTIFICATION.—

(1) IN GENERAL.—If a group described in subsection (a), desires to form a health plan purchasing cooperative in accordance with this section and such group appropriately notifies the State and the Secretary of such desire, the State, upon a determination that such group meets the requirements of this section, shall certify the group as a health plan purchasing cooperative. The State shall make a determination of whether such group meets the requirements of this section in a timely fashion. Each such cooperative shall also be registered with the Secretary.

(2) STATE REFUSAL TO CERTIFY.—If a State fails to implement a program for certifying health plan purchasing cooperatives in accordance with the standards under this title, the Secretary shall certify and oversee the operations of such cooperatives in such State.

(3) INTERSTATE COOPERATIVES.—For purposes of this section, a health plan purchasing cooperative operating in more than one State shall be certified by the State in which the cooperative is domiciled. States may enter into cooperative agreements for the purpose of certifying and overseeing the operation of such cooperatives. For purposes of this subsection, a cooperative shall be considered to be domiciled in the State in which most of the members of the cooperative reside.

(c) BOARD OF DIRECTORS.—

(1) IN GENERAL.—Each health plan purchasing cooperative shall be governed by a Board of Directors that shall be responsible for ensuring the performance of the duties of the cooperative under this section. The Board shall be composed of a broad cross-section of representatives of employers, employees, and individuals participating in the cooperative. A health plan issuer, agent, broker or any other individual or entity engaged in the sale of individual health plans or group health plans may not hold or control any right to vote with respect to a cooperative.

(2) LIMITATION ON COMPENSATION.—A health plan purchasing cooperative may not provide compensation to members of the Board of Directors. The cooperative may provide reimbursements to such members for the reasonable and necessary expenses incurred by the members in the performance of their duties as members of the Board.

(3) CONFLICT OF INTEREST.—No member of the Board of Directors (or family members of such members) nor any management personnel of the cooperative may be employed by, be a consultant for, be a member of the board of directors of, be affiliated with an agent of, or otherwise be a representative of any health plan issuer, health care provider, or agent or broker. Nothing in the preceding sentence shall limit a member of the Board from purchasing coverage offered through the cooperative. This paragraph shall not apply to any management personnel who is not employed by, or getting any remuneration from, a health plan issuer offering a group health or individual health plan, but who, as a result of performing marketing functions as required under subsection (e)(1)(E), is mandated by State law to be licensed as an agent or broker.

(d) MEMBERSHIP AND MARKETING AREA.—

(1) MEMBERSHIP.—A health plan purchasing cooperative may establish limits on the maximum size of employers who may become members of the cooperative, and may determine whether to permit individuals to become members. Upon the establishment of such membership requirements, the cooperative shall, except as provided in subparagraph (B), accept all employers (or individuals) residing within the area served by the cooperative who meet such requirements as members on a first come, first-served basis, or on another basis established by the State to ensure equitable access to the cooperative.

(2) MARKETING AREA.—A State may establish rules regarding the geographic area that must be served by a health plan purchasing cooperative. With respect to a State that has not established such rules, a health plan purchasing cooperative operating in the State shall define the boundaries of the area to be served by the cooperative, except that such boundaries may not be established on the basis of health status or insurability of the populations that reside in the area.

(e) DUTIES AND RESPONSIBILITIES.—

(1) IN GENERAL.—A health plan purchasing cooperative shall—

(A) enter into agreements with multiple, unaffiliated health plan issuers, except that the requirement of this subparagraph shall not apply in regions (such as remote or frontier areas) in which compliance with such requirement is not possible;

(B) enter into agreements with employers and individuals who become members of the cooperative;

(C) participate in any program of risk-adjustment or reinsurance, or any similar program, that is established by the State;

(D) prepare and disseminate comparative health plan materials (including information about cost, quality, benefits, and other information concerning group health plans and individual health plans offered through the cooperative);

(E) actively market to all eligible employers and individuals residing within the service area; and

(F) act as an ombudsman for group health plan or individual health plan enrollees.

(2) PERMISSIBLE ACTIVITIES.—A health plan purchasing cooperative may perform such other functions as necessary to further the purposes of this title, including—

(A) collecting and distributing premiums and performing other administrative functions;

(B) collecting and analyzing surveys of enrollee satisfaction;

(C) charging membership fee to enrollees (such fees may not be based on health status) and charging participation fees to health plan issuers;

(D) cooperating with (or accepting as members) employers who provide health benefits directly to participants and beneficiaries only for the purpose of negotiating with providers; and

(E) negotiating with health care providers and health plan issuers.

(f) LIMITATIONS ON COOPERATIVE ACTIVITIES.—A health plan purchasing cooperative shall not—

(1) perform any activity relating to the licensing of health plan issuers;

(2) assume financial risk directly or indirectly on behalf of members of a health plan purchasing cooperative relating to any group health plan or individual health plan;

(3) establish eligibility, continuation of eligibility, enrollment, or premium contribution requirements for participants, beneficiaries, or individuals based on health status, medical condition, claims experience, receipt of health care, medical history, evidence of insurability, or disability;

(4) operate on a for-profit or other basis where the legal structure of the cooperative permits profits to be made and not returned to the members of the cooperative, except that a for-profit health plan purchasing cooperative may be formed by a nonprofit organization or organizations—

(A) in which membership in such organization is not based on health status, medical condition, claims experience, receipt of health care, medical history, evidence of insurability, or disability; and

(B) that accepts as members all employers or individuals on a first-come, first-served basis, subject to any established limit on the maximum size of and employer that may become a member; or

(5) perform any other activities that conflict or are inconsistent with the performance of its duties under this title.

(g) LIMITED PREEMPTION OF CERTAIN STATE LAWS.—

(1) IN GENERAL.—With respect to a health plan purchasing cooperative that meets the requirements of this section, State fictitious group laws shall be preempted.

(2) HEALTH PLAN ISSUERS.—

(A) RATING.—With respect to a health plan issuer offering a group health plan or individual health plan through a health plan purchasing cooperative that meets the requirements of this section, State premium rating requirement laws, except to the extent provided under subparagraph (B), shall be preempted unless such laws permit premium rates negotiated by the cooperative to be less than rates that would otherwise be permitted under State law, if such rating differential is not based on differences in health status or demographic factors.

(B) EXCEPTION.—State laws referred to in subparagraph (A) shall not be preempted if such laws—

(i) prohibit the variance of premium rates among employers, plan sponsors, or individuals that are members of a health plan purchasing cooperative in excess of the amount of such variations that would be permitted under such State rating laws among employers, plan sponsors, and individuals that are not members of the cooperative; and

(ii) prohibit a percentage increase in premium rates for a new rating period that is in excess of that which would be permitted under State rating laws.

(C) BENEFITS.—Except as provided in subparagraph (D), a health plan issuer offering a group health plan or individual health plan through a health plan purchasing cooperative shall comply with all State mandated benefit laws that require the offering of any services, category or care, or services of any class or type of provider.

(D) EXCEPTION.—In those States that have enacted laws authorizing the issuance of alternative benefit plans to small employers, health plan issuers may offer such alternative benefit plans through a health plan purchasing cooperative that meets the requirements of this section.

(h) RULES OF CONSTRUCTION.—Nothing in this section shall be construed to—

(1) require that a State organize, operate, or otherwise create health plan purchasing cooperatives;

(2) otherwise require the establishment of health plan purchasing cooperatives;

(3) require individuals, plan sponsors, or employers to purchase group health plans or individual health plans through a health plan purchasing cooperative;

(4) require that a health plan purchasing cooperative be the only type of purchasing arrangement permitted to operate in a State;

(5) confer authority upon a State that the State would not otherwise have to regulate health plan issuers or employee health benefits plans; or

(6) confer authority upon a State (or the Federal Government) that the State (or Federal Government) would not otherwise have to regulate group purchasing arrangements, coalitions, association plans, or other similar entities that do not desire to become a health plan purchasing cooperative in accordance with this section.

(i) APPLICATION OF ERISA.—For purposes of enforcement only, the requirements of parts 4 and 5 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1101) shall apply to a health plan purchasing cooperative as if such plan were an employee welfare benefit plan.

Subtitle B—Application and Enforcement of Standards

SEC. ___51. APPLICABILITY.

(a) CONSTRUCTION.—

(1) ENFORCEMENT.—

(A) IN GENERAL.—A requirement or standard imposed under this title on a group health plan or individual health plan offered by a health plan issuer shall be deemed to be a requirement or standard imposed on the health plan issuer. Such requirements or standards shall be enforced by the State insurance commissioner for the State involved or the official or officials designated by the State to enforce the requirements of this title. In the case of a group health plan offered by a health plan issuer in connection with an employee health benefit plan, the requirements or standards imposed under this title shall be enforced with respect to the health plan issuer by the State insurance commissioner for the State involved or the official or officials designated by the State to enforce the requirements of this title.

(B) LIMITATION.—Except as provided in subsection (c), the Secretary shall not enforce the requirements or standards of this title as they relate to health plan issuers, group health plans, or individual health plans. In no case shall a State enforce the requirements or standards of this title as they relate to employee health benefit plans.

(2) PREEMPTION OF STATE LAW.—Nothing in this title shall be construed to prevent a State from establishing, implementing, or continuing in effect standards and requirements—

(A) not prescribed in this title; or

(B) related to the issuance, renewal, or portability of health insurance or the establishment or operation of group purchasing arrangements, that are consistent with, and are not in direct conflict with, this title and provide greater protection or benefit to participants, beneficiaries or individuals.

(b) RULE OF CONSTRUCTION.—Nothing in this title shall be construed to affect or modify the provisions of section 514 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1144).

(c) CONTINUATION.—Nothing in this title shall be construed as requiring a group health plan or an employee health benefit plan to provide benefits to a particular participant or beneficiary in excess of those provided under the terms of such plan.

SEC. ___52. ENFORCEMENT OF STANDARDS.

(a) HEALTH PLAN ISSUERS.—Each State shall require that each group health plan and individual health plan issued, sold, renewed, offered for sale or operated in such State by a health plan issuer meet the standards established under this title pursuant to an enforcement plan filed by the State with the Secretary. A State shall submit such information as required by the Secretary demonstrating effective implementation of the State enforcement plan.

(b) EMPLOYEE HEALTH BENEFIT PLANS.—With respect to employee health benefit plans, the Secretary shall enforce the reform standards established under this title in the same manner as provided for under sections 502, 504, 506, and 510 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132, 1134, 1136, and 1140). The civil penalties contained in paragraphs (1) and (2) of section 502(c) of such Act (29 U.S.C. 1132(c) (1) and (2)) shall apply to any information required by the Secretary to be disclosed and reported under this section.

(c) FAILURE TO IMPLEMENT PLAN.—In the case of the failure of a State to substantially enforce the standards and requirements set forth in this title with respect to group health plans and individual health plans as provided for under the State enforcement plan filed under subsection (a), the Secretary, in consultation with the Secretary of Health and Human Services, shall implement an enforcement plan meeting the standards of this title in such State. In the case of a State that fails to substantially enforce the standards and requirements set forth in this title, each health plan issuer operating in such State shall be subject to civil enforcement as provided for under sections 502, 504, 506, and 510 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132,

1134, 1136, and 1140). The civil penalties contained in paragraphs (1) and (2) of section 502(c) of such Act (29 U.S.C. 1132(c) (1) and (2)) shall apply to any information required by the Secretary to be disclosed and reported under this section.

(d) APPLICABLE CERTIFYING AUTHORITY.—As used in this subtitle, the term "applicable certifying authority" means, with respect to—

(1) health plan issuers, the State insurance commissioner or official or officials designated by the State to enforce the requirements of this title for the State involved; and

(2) an employee health benefit plan, the Secretary.

(e) REGULATIONS.—The Secretary may promulgate such regulations as may be necessary or appropriate to carry out this title.

(f) TECHNICAL AMENDMENT.—Section 508 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1138) is amended by inserting "and under the Health Insurance Reform Act of 1996" before the period.

Subtitle C—Miscellaneous Provisions

SEC. ___61. HMOS ALLOWED TO OFFER PLANS WITH DEDUCTIBLES TO INDIVIDUALS WITH MEDICAL SAVINGS ACCOUNTS.

(a) IN GENERAL.—Section 1301(b) of the Public Health Service Act (42 U.S.C. 300e(b)) is amended by adding at the end the following new paragraph:

"(6)(A) If a member certifies that a medical savings account has been established for the benefit of such member, a health maintenance organization may, at the request of such member reduce the basic health services payment otherwise determined under paragraph (1) by requiring the payment of a deductible by the member for basic health services.

"(B) For purposes of this paragraph, the term 'medical savings account' means an account which, by its terms, allows the deposit of funds and the use of such funds and income derived from the investment of such funds for the payment of the deductible described in subparagraph (A).".

(b) MEDICAL SAVINGS ACCOUNTS.—It is the sense of the Committee on Labor and Human Resources of the Senate that the establishment of medical savings accounts, including those defined in section 1301(b)(6)(B) of the Public Health Service Act (42 U.S.C. 300e(b)(6)(B)), should be encouraged as part of any health insurance reform legislation passed by the Senate through the use of tax incentives relating to contributions to, the income growth of, and the qualified use of, such accounts.

(c) SENSE OF THE SENATE.—It is the sense of the Senate that the Congress should take measures to further the purposes of this title, including any necessary changes to the Internal Revenue Code of 1986 to encourage groups and individuals to obtain health coverage, and to promote access, equity, portability, affordability, and security of health benefits.

SEC. ___62. HEALTH COVERAGE AVAILABILITY STUDY.

(a) IN GENERAL.—The Secretary of Health and Human Services, in consultation with the Secretary, representatives of State officials, consumers, and other representatives of individuals and entities that have expertise in health insurance and employee benefits, shall conduct a two-part study, and prepare and submit reports, in accordance with this section.

(b) EVALUATION OF AVAILABILITY.—Not later than January 1, 1997, the Secretary of Health and Human Services shall prepare and submit to the appropriate committees of Congress a report, concerning—

(1) an evaluation, based on the experience of States, expert opinions, and such additional data as may be available, of the various mechanisms used to ensure the availability of reasonably priced health coverage to employers purchasing group coverage and to individuals purchasing coverage on a nongroup basis; and

(2) whether standards that limit the variation in premiums will further the purposes of this title.

(c) EVALUATION OF EFFECTIVENESS.—Not later than January 1, 1998, the Secretary of Health and Human Services shall prepare and submit to the appropriate committees of Congress a report, concerning the effectiveness of the provisions of this title and the various State laws, in ensuring the availability of reasonably priced health coverage to employers purchasing group coverage and individuals purchasing coverage on a nongroup basis.

SEC. ___63. SENSE OF THE COMMITTEE CONCERNING MEDICARE.

(a) FINDINGS.—The Committee on Labor and Human Resources of the Senate finds that the Public Trustees of Medicare concluded in their 1995 Annual Report that—

(1) the Medicare program is clearly unsustainable in its present form;

(2) "the Hospital Insurance Trust Fund, which pays inpatient hospital expenses, will be able to pay benefits for only about 7 years and is severely out of financial balance in the long range"; and

(3) the Public Trustees "strongly recommend that the crisis presented by the financial condition of the Medicare trust fund be urgently addressed on a comprehensive basis, including a review of the programs's financing methods, benefit provisions, and delivery mechanisms".

(b) SENSE OF THE COMMITTEE.—It is the Sense of the Committee on Labor and Human Resources of the Senate that the Senate should take measures necessary to reform the Medicare program, to provide increased choice for seniors, and to respond to the findings of the Public Trustees by protecting the short-term solvency and long-term sustainability of the Medicare program.

SEC. ___64. EFFECTIVE DATE.

Except as otherwise provided for in this title, the provisions of this title shall apply as follows:

(1) With respect to group health plans and individual health plans, such provisions shall apply to plans offered, sold, issued, renewed, in effect, or operated on or after January 1, 1997; and

(b) With respect to employee health benefit plans, on the first day of the first plan year beginning on or after January 1, 1997.

SEC. ___65. SEVERABILITY.

If any provision of this title or the application of such provision to any person or circumstance is held to be unconstitutional, the remainder of this title and the application of the provisions of such to any person or circumstance shall not be affected thereby.

PRESSLER AMENDMENT NO. 3243

(Ordered to lie on the table.)

Mr. PRESSLER submitted on amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place in the bill, insert:

SEC. 1114. HONEY PROGRAM.

(a) IN GENERAL.—Title II of the Agricultural Act of 1949 (7 U.S.C. 1446 et seq.) (as amended by section 1101(b)(2)) is further amended by adding at the end the following:

"SEC. 207. HONEY RECOURSE LOANS.

"(a) IN GENERAL.—For each of the 1996 through 2002 crops of honey, the Secretary shall provide recourse loans of producers of honey at a level that is equal to 80 percent of the national average price of honey during the preceding crop year, as determined by the Secretary.

"(b) REPAYMENT.—A producer who receives a loan under subsection (a) shall be personally liable for repayment of the full amount of the loan, plus interest.

"(c) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.".

(b) CONFORMING AMENDMENT.—Section 405A of the Act (7 U.S.C. 1425a) is repealed.

GRASSLEY AMENDMENTS NOS. 3244–3246

(Ordered to lie on the table.)

Mr. GRASSLEY submitted three amendments to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3244

P. 1–17:

Line 25, Insert period after "farm" and strike everything through p. 1–18, line 3.

AMENDMENT NO. 3245

P. 3–14:

Line 25 strike "10,000" and replace with "1000".

P. 3–15:

Line 3 strike "15,000" and replace with "2500".

P. 3–27:

Line 11 insert period after "$10,000" and strike everything through line 12.

AMENDMENT NO. 3246

At the appropriate place, insert the following:

"The Secretary of Agriculture shall fully utilize and aggressively implement the full range of agricultural export programs authorized in this Act and any other Act, in any combination, to help U.S. agriculture maintain and expand export markets, promote U.S. agricultural commodity and product exports, counter subsidized foreign competition, and capitalize on potential new market opportunities. Notwithstanding this Act or any other Act, and consistent with U.S. obligations under GATT, if the Secretary determines that funds available under one or more export subsidy programs can not be fully or effectively utilized for such programs, the Secretary may utilize such funds for other authorized agricultural export programs to achieve the above objectives and to further enhance the overall global competitiveness of U.S. agriculture. Funds so utilized shall be in addition to funds which may otherwise be authorized or appropriated for such other agricultural export programs."

LEAHY AMENDMENT NOS. 3247–3248

(Ordered to lie on the table.)

Mr. LEAHY submitted two amendments intended to be proposed by him to amendment No. 3184 proposed by

him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3247

Beginning on page 1-73, strike line 12 and all that follows through page 1-78, line 4, and insert the following:

SEC. 108. MILK PROGRAM.

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the "Secretary") 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.

(2) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

(A) During calendar year 1996, $10.10.

(B) During calendar year 1997, $10.05.

(C) During calendar year 1998, $9.95.

(D) During calendar year 1999, $9.85.

(E) During calendar year 2000, $9.75.

(F) During calendar year 2001, $9.65.

(G) During calendar year 2002, $9.55.

(3) BID PRICES.—The support purchase prices under this subsection 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 paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) 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. 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.

(B) 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.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

(3) FUNDING.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a-14) is amended by striking "2001" and inserting "2002".

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting "sole" before "discretion".

(3) ELEMENTS OF PROGRAM.—Section 153(c) of the Food Security Act of 1985 is amended—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; and"; and

(C) by adding at the end the following:

"(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99-198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

"(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.".

(4) MARKET DEVELOPMENT.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(A) by striking "and" and inserting "the"; and

(B) by inserting before the period the following: ", and any additional amount that may be required to assist in the development of world markets for United States dairy products".

(5) MAXIMUM ALLOWABLE AMOUNTS.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

"(f) REQUIRED FUNDING.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99-198; 7 U.S.C. 1731 note) during that year.

"(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.".

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e-1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy Compact entered into among the States of Vermont, New Hampshire, Maine, Connecticut, Rhode Island, and Massachusetts as specified in section 1(b) of Senate Joint Resolution 28 of the 104th Congress, as placed on the calendar of the Senate, subject to the following conditions:

(1) COMPENSATION OF CCC.—Before the end of each fiscal year that a Compact price regulation is in effect, the Compact Commission shall compensate the Commodity Credit Corporation for the cost of any purchases of milk and milk products by the Corporation that result from projected fluid milk production for the fiscal year within the Compact region in excess of the national average rate of purchases of milk and milk products by the Corporation.

(2) MILK MARKET ORDER ADMINISTRATOR.—By agreement among the States and the Secretary, the Administrator shall provide technical assistance to the Compact Commission, and be reimbursed for the assistance, with respect to the applicable milk marketing order issued under section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.

(3) LIMITATION OF MANUFACTURING PRICE REGULATION.—The Compact Commission may not regulate Class II, Class III, or Class III-A milk used for manufacturing purposes or any other milk, other than Class I, or fluid milk, as defined by a Federal milk marketing order issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Act of 1937, unless both Houses of Congress have first consented to and approved the authority by a law enacted after the date of enactment of this Act.

(4) TERMINATION AND RENEWAL.—The consent for the Compact—

(A) shall terminate on the date that is 5 years after the date of the issuance of an over order price regulation by the Compact Commission, subject to subparagraph (B); and

(B) may be renewed by Congress, without prior re-ratification by the States' legislatures.

SEC. 109. ADMINISTRATION.

(a) COMMODITY CREDIT CORPORATION.—

(1) USE OF CORPORATION.—The Secretary shall carry out this title through the Commodity Credit Corporation.

(2) SALARIES AND EXPENSES.—No funds of the Corporation shall be used for any salary or expense of any officer or employee of the Department of Agriculture.

(b) DETERMINATIONS BY SECRETARY.—A determination made by the Secretary under this title or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) shall be final and conclusive.

(c) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this title.

SEC. 110. ELIMINATION OF PERMANENT PRICE SUPPORT AUTHORITY.

(a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—The Agricultural Adjustment Act of 1938 is amended—

(1) in title III—

(A) in subtitle B—

(i) by striking parts II through V (7 U.S.C. 1326–1351); and

(ii) in part VI—

(I) by moving subsection (c) of section 358d (7 U.S.C. 1358d(c)) to appear after section 301(b)(17) (7 U.S.C. 1301(b)(17)) and redesignating the subsection as paragraph (18); and

(II) by striking sections 358, 358a, and 358d (7 U.S.C. 1358, 1358a, and 1359); and

(B) by striking subtitle D (7 U.S.C. 1379a–1379j); and

(2) by striking title IV (7 U.S.C. 1401–1407).

(b) AGRICULTURAL ACT OF 1949.—

(1) TRANSFER OF CERTAIN SECTIONS.—The Agricultural Act of 1949 is amended—

(A) by transferring sections 106, 106A, and 106B (7 U.S.C. 1445, 1445–1, 1445–2) to appear after section 314A of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314–1) and redesignating the transferred sections as sections 315, 315A, and 315B, respectively;

(B) by transferring sections 111 and 201(c) (7 U.S.C. 1445f and 1446(c)) to appear after section 304 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1304) and redesignating the transferred sections as sections 305 and 306, respectively; and

(C) by transferring sections 404 and 416 (7 U.S.C. 1424 and 1431) to appear after section 390 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1390) and redesignating the transferred sections as sections 390A and 390B, respectively.

(2) REPEAL.—The Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) (as amended by paragraph (1)) is repealed.

(c) CONFORMING AMENDMENTS.—

(1) Section 306 of the Agricultural Adjustment Act of 1938 (as transferred and redesignated by subsection (b)(1)(B)) is amended by striking "section 204" and inserting "section 108(a) of the Agricultural Market Transition Act".

(2) Section 361 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1361) is amended by striking ", corn, wheat, cotton, peanuts, and rice, established".

AMENDMENT NO. 3248

On page 2 of the amendment, line 6, strike "$10.10" and insert "$10.15".

NICKLES AMENDMENT NO. 3249

(Ordered to lie on the table.)

Mr. NICKLES submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike Section 103(j)(2)(ii) and insert in lieu thereof the following:

(ii) CONTRACT COMMODITIES.—Contract acreage planted to a contract commodity during the crop year may be hayed or grazed without limitation.

LUGAR AMENDMENT NO. 3250–3251

(Ordered to lie on the table.)

Mr. LUGAR submitted two amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3250

In section 103(j)(2)(C)(i), before the period, insert the following: ", unless there is a history of double cropping of a contract commodity and fruits and vegetables".

AMENDMENT NO. 3251

On page 1–11, line 19, strike "$17,000,000,000" and insert "$17,000,000".

LUGAR AMENDMENT NO. 3252

(Ordered to lie on the table.)

Mr. LUGAR submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike titles II through V and insert the following:

TITLE II—AGRICULTURAL TRADE

Subtitle A—Amendments to Agricultural Trade Development and Assistance Act of 1954 and Related Statutes

SEC. 201. FOOD AID TO DEVELOPING COUNTRIES.

(a) IN GENERAL.—Section 3 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691a) is amended to read as follows:

"SEC. 3. FOOD AID TO DEVELOPING COUNTRIES.

"(a) POLICY.—In light of the Uruguay Round Agreement on Agriculture and the Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Program on Least-Developed and Net-Food Importing Developing Countries, the United States reaffirms the commitment of the United States to providing food aid to developing countries.

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

"(1) the President should initiate consultations with other donor nations to consider appropriate levels of food aid commitments to meet the legitimate needs of developing countries; and

"(2) the United States should increase its contribution of bona fide food assistance to developing countries consistent with the Agreement on Agriculture.".

(b) CONFORMING AMENDMENT.—Section 411 of the Uruguay Round Agreements Act (19 U.S.C. 3611) is amended by striking subsection (e).

SEC. 202. TRADE AND DEVELOPMENT ASSISTANCE.

Section 101 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701) is amended—

(1) by striking "developing countries" each place it appears and inserting "developing countries and private entities"; and

(2) in subsection (b), by inserting "and entities" before the period at the end.

SEC. 203. AGREEMENTS REGARDING ELIGIBLE COUNTRIES AND PRIVATE ENTITIES.

Section 102 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1702) is amended to read as follows:

"SEC. 102. AGREEMENTS REGARDING ELIGIBLE COUNTRIES AND PRIVATE ENTITIES.

"(a) PRIORITY.—In selecting agreements to be entered into under this title, the Secretary shall give priority to agreements providing for the export of agricultural commodities to developing countries that—

"(1) have the demonstrated potential to become commercial markets for competitively priced United States agricultural commodities;

"(2) are undertaking measures for economic development purposes to improve food security and agricultural development, alleviate poverty, and promote broad-based equitable and sustainable development; and

"(3) demonstrate the greatest need for food.

"(b) PRIVATE ENTITIES.—An agreement entered into under this title with a private entity shall require such security, or such other provisions as the Secretary determines necessary, to provide reasonable and adequate assurance of repayment of the financing extended to the private entity.

"(c) AGRICULTURAL MARKET DEVELOPMENT PLAN.—

"(1) DEFINITION OF AGRICULTURAL TRADE ORGANIZATION.—In this subsection, the term 'agricultural trade organization' means a United States agricultural trade organization that promotes the export and sale of a United States agricultural commodity and that does not stand to profit directly from the specific sale of the commodity.

"(2) PLAN.—The Secretary shall consider a developing country for which an agricultural market development plan has been approved under this subsection to have the demonstrated potential to become a commercial market for competitively priced United States agricultural commodities for the purpose of granting a priority under subsection (a).

"(3) REQUIREMENTS.—

"(A) IN GENERAL.—To be approved by the Secretary, an agricultural market development plan shall—

"(i) be submitted by a developing country or private entity, in conjunction with an agricultural trade organization;

"(ii) describe a project or program for the development and expansion of a United States agricultural commodity market in a developing country, and the economic development of the country, using funds derived from the sale of agricultural commodities received under an agreement described in section 101;

"(iii) provide for any matching funds that are required by the Secretary for the project or program;

"(iv) provide for a results-oriented means of measuring the success of the project or program; and

"(v) provide for graduation to the use of non-Federal funds to carry out the project or program, consistent with requirements established by the Secretary.

"(B) AGRICULTURAL TRADE ORGANIZATION.—The project or program shall be designed and carried out by the agricultural trade organization.

"(C) ADDITIONAL REQUIREMENTS.—An agricultural market development plan shall contain such additional requirements as are determined necessary by the Secretary.

"(4) ADMINISTRATIVE COSTS.—

"(A) IN GENERAL.—The Secretary shall make funds made available to carry out this title available for the reimbursement of administrative expenses incurred by agricultural trade organizations in developing, implementing, and administering agricultural market development plans, subject to such requirements and in such amounts as the Secretary considers appropriate.

"(B) DURATION.—The funds shall be made available to agricultural trade organizations for the duration of the applicable agricultural market development plan.

"(C) TERMINATION.—The Secretary may terminate assistance made available under this subsection if the agricultural trade organization is not carrying out the approved agricultural market development plan.".

SEC. 204. TERMS AND CONDITIONS OF SALES.

Section 103 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1703) is amended—

(1) in subsection (a)(2)(A)—

(A) by striking "a recipient country to make"; and

(B) by striking "such country" and inserting "the appropriate country";

(2) in subsection (c), by striking "less than 10 nor"; and

(3) in subsection (d)—

(A) by striking "recipient country" and inserting "developing country or private entity"; and

(B) by striking "7" and inserting "5".

SEC. 205. USE OF LOCAL CURRENCY PAYMENT.

Section 104 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1704) is amended—

(1) in subsection (a), by striking "recipient country" and inserting "developing country or private entity"; and

(2) in subsection (c)—

(A) by striking "recipient country" each place it appears and inserting "appropriate developing country"; and

(B) in paragraph (3), by striking "recipient countries" and inserting "appropriate developing countries".

SEC. 206. VALUE-ADDED FOODS.

Section 105 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1705) is repealed.

SEC. 207. ELIGIBLE ORGANIZATIONS.

(a) IN GENERAL.—Section 202 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1722) is amended—

(1) by striking subsection (b) and inserting the following:

"(b) NONEMERGENCY ASSISTANCE.—

"(1) IN GENERAL.—The Administrator may provide agricultural commodities for nonemergency assistance under this title through eligible organizations (as described in subsection (d)) that have entered into an agreement with the Administrator to use the commodities in accordance with this title.

"(2) LIMITATION.—The Administrator may not deny a request for funds submitted under this subsection because the program for which the funds are requested—

"(A) would be carried out by the eligible organization in a foreign country in which the Agency for International Development does not have a mission, office, or other presence; or

"(B) is not part of a development plan for the country prepared by the Agency."; and

(2) in subsection (e)—

(A) in the subsection heading, by striking "PRIVATE VOLUNTARY ORGANIZATIONS AND COOPERATIVES" and inserting "ELIGIBLE ORGANIZATIONS";

(B) in paragraph (1)—

(i) by striking "$13,500,000" and inserting "$28,000,000"; and

(ii) by striking "private voluntary organizations and cooperatives to assist such organizations and cooperatives" and inserting "eligible organizations described in subsection (d), to assist the organizations";

(C) by striking paragraph (2) and inserting the following:

"(2) REQUEST FOR FUNDS.—To receive funds made available under paragraph (1), a private voluntary organization or cooperative shall submit a request for the funds that is subject to approval by the Administrator."; and

(D) in paragraph (3), by striking "a private voluntary organization or cooperative, the Administrator may provide assistance to that organization or cooperative" and inserting "an eligible organization, the Administrator may provide assistance to the eligible organization".

(b) CONFORMING AMENDMENTS.—Section 207 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1726a) is amended—

(1) in subsection (a), by striking "a private voluntary organization or cooperative" and inserting "an eligible organization"; and

(2) in subsection (b)—

(A) in paragraph (1), by striking "private voluntary organizations and cooperatives" and inserting "eligible organizations"; and

(B) in paragraph (2), by striking "organizations, cooperatives," and inserting "eligible organizations".

SEC. 208. GENERATION AND USE OF FOREIGN CURRENCIES.

Section 203 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1723) is amended—

(1) in subsection (a), by inserting ", or in a country in the same region," after "in the recipient country";

(2) in subsection (b)—

(A) by inserting "or in countries in the same region," after "in recipient countries,"; and

(B) by striking "10 percent" and inserting "15 percent";

(3) in subsection (c), by inserting "or in a country in the same region," after "in the recipient country,"; and

(4) in subsection (d)(2), by inserting "or within a country in the same region" after "within the recipient country".

SEC. 209. GENERAL LEVELS OF ASSISTANCE UNDER PUBLIC LAW 480.

Section 204(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1724(a)) is amended—

(1) in paragraph (1), by striking "amount that" and all that follows through the period at the end and inserting "amount that for each of fiscal years 1996 through 2002 is not less than 2,025,000 metric tons.";

(2) in paragraph (2), by striking "amount that" and all that follows through the period at the end and inserting "amount that for each of fiscal years 1996 through 2002 is not less than 1,550,000 metric tons."; and

(3) in paragraph (3), by adding at the end the following: "No waiver shall be made before the beginning of the applicable fiscal year.".

SEC. 210. FOOD AID CONSULTATIVE GROUP.

Section 205 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1725) is amended—

(1) in subsection (a), by striking "private voluntary organizations, cooperatives and indigenous non-governmental organizations" and inserting "eligible organizations described in section 202(d)(1)";

(2) in subsection (b)—

(A) in paragraph (2), by striking "for International Affairs and Commodity Programs" and inserting "of Agriculture for Farm and Foreign Agricultural Services";

(B) in paragraph (4), by striking "and" at the end;

(C) in paragraph (5), by striking the period at the end and inserting "; and"; and

(D) by adding at the end the following:

"(6) representatives from agricultural producer groups in the United States.";

(3) in the second sentence of subsection (d), by inserting "(but at least twice per year)" after "when appropriate"; and

(4) in subsection (f), by striking "1995" and inserting "2002".

SEC. 211. SUPPORT OF NONGOVERNMENTAL ORGANIZATIONS.

(a) IN GENERAL.—Section 306(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1727e(b)) is amended—

(1) in the subsection heading, by striking "INDIGENOUS NON-GOVERNMENTAL" and inserting "NONGOVERNMENTAL"; and

(2) by striking "utilization of indigenous" and inserting "utilization of".

(b) CONFORMING AMENDMENT.—Section 402 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1732) is amended by striking paragraph (6) and inserting the following:

"(6) NONGOVERNMENTAL ORGANIZATION.—The term 'nongovernmental organization' means an organization that works at the local level to solve development problems in a foreign country in which the organization is located, except that the term does not include an organization that is primarily an agency or instrumentality of the government of the foreign country.".

SEC. 212. COMMODITY DETERMINATIONS.

Section 401 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1731) is amended—

(1) by striking subsections (a) through (d) and inserting the following:

"(a) AVAILABILITY OF COMMODITIES.—No agricultural commodity shall be available for disposition under this Act if the Secretary determines that the disposition would reduce the domestic supply of the commodity below the supply needed to meet domestic requirements and provide adequate carryover (as determined by the Secretary), unless the Secretary determines that some part of the supply should be used to carry out urgent humanitarian purposes under this Act.";

(2) by redesignating subsections (e) and (f) as subsections (b) and (c), respectively; and

(3) in subsection (c) (as so redesignated), by striking "(e)(1)" and inserting "(b)(1)".

SEC. 213. GENERAL PROVISIONS.

Section 403 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733) is amended—

(1) in subsection (b)—

(A) in the subsection heading, by striking "CONSULTATIONS" and inserting "IMPACT ON LOCAL FARMERS AND ECONOMY"; and

(B) by striking "consult with" and all that follows through "other donor organizations to";

(2) in subsection (c)—

(A) by striking "from countries"; and

(B) by striking "for use" and inserting "or use";

(3) in subsection (f)—

(A) by inserting "or private entities, as appropriate," after "from countries"; and

(B) by inserting "or private entities" after "such countries"; and

(4) in subsection (i)(2), by striking subparagraph (C).

SEC. 214. AGREEMENTS.

Section 404 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1734) is amended—

(1) in subsection (a), by inserting "with foreign countries" after "Before entering into agreements";

(2) in subsection (b)(2)—

(A) by inserting "with foreign countries" after "with respect to agreements entered into"; and

(B) by inserting before the semicolon at the end the following: "and broad-based economic growth"; and

(3) in subsection (c), by striking paragraph (1) and inserting the following:

"(1) IN GENERAL.—Agreements to provide assistance on a multi-year basis to recipient countries or to eligible organizations—

"(A) may be made available under titles I and III; and

"(B) shall be made available under title II.".

SEC. 215. USE OF COMMODITY CREDIT CORPORATION.

Section 406 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736) is amended—

(1) in subsection (a), by striking "shall" and inserting "may"; and

(2) in subsection (b)—

(A) by inserting "titles II and III of" after "commodities made available under"; and

(B) by striking paragraph (4) and inserting the following:

"(4) the vessel freight charges from United States ports or designated Canadian transshipment ports, as determined by the Secretary, to designated ports of entry abroad;".

SEC. 216. ADMINISTRATIVE PROVISIONS.

Section 407 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736a) is amended—

(1) in subsection (a)—

(A) in paragraph(1), by inserting "or private entity that enters into an agreement under title I" after "importing country"; and

(B) in paragraph (2), by adding at the end the following: "Resulting contracts may contain such terms and conditions as the Secretary determines are necessary and appropriate.";

(2) in subsection (c)—

(A) in paragraph (1)(A), by inserting "importer or" before "importing country"; and

(B) in paragraph (2)(A), by inserting "importer or" before "importing country";

(3) in subsection (d)—

(A) by striking paragraph (2) and inserting the following:

"(2) FREIGHT PROCUREMENT.—Notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) or other similar provisions of law relating to the making or performance of Federal Government contracts, ocean transportation under titles II and III may be procured on the basis of such full and open competitive procedures. Resulting contracts may contain such terms and conditions, as the Administrator determines are necessary and appropriate."; and

(B) by striking paragraph (4);

(4) in subsection (g)(2)—

(A) in subparagraph (B), by striking "and" at the end;

(B) in subparagraph (C), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(D) an assessment of the progress towards achieving food security in each country receiving food assistance from the United States Government, with special emphasis on the nutritional status of the poorest populations in each country."; and

(5) by striking subsection (h).

SEC. 217. EXPIRATION DATE.

Section 408 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736b) is amended by striking "1995" and inserting "2002".

SEC. 218. REGULATIONS.

Section 409 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736c) is repealed.

SEC. 219. INDEPENDENT EVALUATION OF PROGRAMS.

Section 410 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736d) is repealed.

SEC. 220. AUTHORIZATION OF APPROPRIATIONS.

Section 412 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736f) is amended—

(1) by striking subsections (b) and (c) and inserting the following:

"(b) TRANSFER OF FUNDS.—Notwithstanding any other provision of law, the President may direct that—

"(1) up to 15 percent of the funds available for any fiscal year for carrying out any title of this Act be used to carry out any other title of this Act; and

"(2) any funds available for title III be used to carry out title II."; and

(2) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

SEC. 221. COORDINATION OF FOREIGN ASSISTANCE PROGRAMS.

Section 413 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736g) is amended by inserting "title III of" before "this Act" each place it appears.

SEC. 222. MICRONUTRIENT FORTIFICATION PILOT PROGRAM.

Title IV of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1731 et seq.) is amended by adding at the end the following:

"SEC. 415. MICRONUTRIENT FORTIFICATION PILOT PROGRAM.

"(a) IN GENERAL.—Not later than September 30, 1997, the Secretary, in consultation with the Administrator, shall establish a micronutrient fortification pilot program under this Act. The purposes of the program shall be to—

"(1) assist developing countries in correcting micronutrient dietary deficiencies among segments of the populations of the countries; and

"(2) encourage the development of technologies for the fortification of whole grains and other commodities that are readily transferable to developing countries.

"(b) SELECTION OF PARTICIPATING COUNTRIES.—From among the countries eligible for assistance under this Act, the Secretary may select not more than 5 developing countries to participate in the pilot program.

"(c) FORTIFICATION.—Under the pilot program, whole grains and other commodities made available to a developing country selected to participate in the pilot program may be fortified with 1 or more micronutrients (including vitamin A, iron, and iodine) with respect to which a substantial portion of the population in the country are deficient. The commodity may be fortified in the United States or in the developing country.

"(d) TERMINATION OF AUTHORITY.—The authority to carry out the pilot program established under this section shall terminate on September 30, 2002.".

SEC. 223. USE OF CERTAIN LOCAL CURRENCY.

Title IV of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1731 et seq.) (as amended by section 222) is further amended by adding at the end the following:

"SEC. 416. USE OF CERTAIN LOCAL CURRENCY.

"Local currency payments received by the United States pursuant to agreements entered into under title I (as in effect on November 27, 1990) may be utilized by the Secretary in accordance with section 108 (as in effect on November 27, 1990).".

SEC. 224. LEVELS OF ASSISTANCE UNDER FARMER-TO-FARMER PROGRAM.

Section 501 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1737) is amended—

(1) in subsection (a)—

(A) by redesignating paragraphs (4) through (6) as paragraphs (5) through (7), respectively; and

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

"(4) assist the travel of farmers and other agricultural professionals from developing countries, middle income countries, and emerging democracies to the United States for educational purposes consistent with the objectives of this section;"; and

(2) in subsection (c), by striking "1991 through 1995" and inserting "1996 through 2002".

SEC. 225. FOOD SECURITY COMMODITY RESERVE.

(a) IN GENERAL.—Title III of the Agricultural Act of 1980 (7 U.S.C. 1736f-1 et seq.) is amended to read as follows:

"TITLE III—FOOD SECURITY COMMODITY RESERVE

"SEC. 301. SHORT TITLE.

"This title may be cited as the 'Food Security Commodity Reserve Act of 1996'.

"SEC. 302. ESTABLISHMENT OF COMMODITY RESERVE.

"(a) IN GENERAL.—To provide for a reserve solely to meet emergency humanitarian food needs in developing countries, the Secretary of Agriculture (referred to in this title as the 'Secretary') shall establish a reserve stock of wheat, rice, corn, or sorghum, or any combination of the commodities, totalling not more than 4,000,000 metric tons for use as described in subsection (c).

"(b) COMMODITIES IN RESERVE.—

"(1) IN GENERAL.—The reserve established under this section shall consist of—

"(A) wheat in the reserve established under the Food Security Wheat Reserve Act of 1980 as of the effective date of the Agricultural Reform and Improvement Act of 1996;

"(B) wheat, rice, corn, and sorghum (referred to in this section as 'eligible commodities') acquired in accordance with paragraph (2) to replenish eligible commodities released from the reserve, including wheat to replenish wheat released from the reserve established under the Food Security Wheat Reserve Act of 1980 but not replenished as of the effective date of the Agricultural Reform and Improvement Act of 1996; and

"(C) such rice, corn, and sorghum as the Secretary may, at such time and in such manner as the Secretary determines appropriate, acquire as a result of exchanging an equivalent value of wheat in the reserve established under this section.

"(2) REPLENISHMENT OF RESERVE.—

"(A) IN GENERAL.—Subject to subsection (i), commodities of equivalent value to eligible commodities in the reserve established under this section may be acquired—

"(i) through purchases—

"(I) from producers; or

"(II) in the market, if the Secretary determines that the purchases will not unduly disrupt the market; or

"(ii) by designation by the Secretary of stocks of eligible commodities of the Commodity Credit Corporation.

"(B) FUNDS.—Any use of funds to acquire eligible commodities through purchases from producers or in the market to replenish the reserve must be authorized in an appropriation Act.

"(c) RELEASE OF ELIGIBLE COMMODITIES.—

"(1) EMERGENCY FOOD ASSISTANCE.—Notwithstanding any other law, eligible commodities designated or acquired for the reserve established under this section may be released by the Secretary to provide, on a donation or sale basis, emergency food assistance to developing countries at such time

as the domestic supply of the eligible commodities is so limited that quantities of the eligible commodities cannot be made available for disposition under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) (other than disposition for urgent humanitarian purposes under section 401 of the Act (7 U.S.C. 1731)).

"(2) PROVISION OF URGENT HUMANITARIAN RELIEF.—

"(A) IN GENERAL.—Notwithstanding paragraph (1), eligible commodities may be released from the reserve established under this section for any fiscal year, without regard to the availability of domestic supply, for use under title II of the Agricultural Trade Development Assistance Act of 1954 (7 U.S.C. 1721 et seq.) in providing urgent humanitarian relief in any developing country suffering a major disaster (as determined by the Secretary) in accordance with this paragraph.

"(B) EXCEPTIONAL NEED.—If the eligible commodities needed for relief cannot be made available for relief in a timely manner under the normal means of obtaining eligible commodities for food assistance because of circumstances of unanticipated and exceptional need, up to 500,000 metric tons of eligible commodities may be released under subparagraph (A).

"(C) FUNDS.—If the Secretary certifies that the funds made available for a fiscal year to carry out title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.) are not less than the funds made available for the previous fiscal year, up to 1,000,000 metric tons of eligible commodities may be released under subparagraph (A).

"(D) WAIVER OF MINIMUM TONNAGE REQUIREMENTS.—Nothing in this paragraph shall require the exercise of the waiver under section 204(a)(3) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 5624(a)(3)) as a prerequisite for the release of eligible commodities under this paragraph.

"(E) LIMITATION.—The quantity of eligible commodities released under this paragraph may not exceed 1,000,000 metric tons in any fiscal year.

"(3) PROCESSING OF ELIGIBLE COMMODITIES.—Eligible commodities that are released from the reserve established under this section may be processed in the United States and shipped to a developing country when conditions in the recipient country require processing.

"(4) EXCHANGE.—The Secretary may exchange an eligible commodity for another United States commodity of equal value, including powdered milk, pulses, and vegetable oil.

"(d) USE OF ELIGIBLE COMMODITIES.—Eligible commodities that are released from the reserve established under this section for the purpose of subsection (c) shall be made available under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) to meet famine or other urgent or extraordinary relief needs, except that section 401 of the Act (7 U.S.C. 1731), with respect to determinations of availability, shall not be applicable to the release.

"(e) MANAGEMENT OF ELIGIBLE COMMODITIES.—The Secretary shall provide—

"(1) for the management of eligible commodities in the reserve established under this section as to location and quality of eligible commodities needed to meet emergency situations; and

"(2) for the periodic rotation or replacement of stocks of eligible commodities in the reserve to avoid spoilage and deterioration of the commodities.

"(f) TREATMENT OF RESERVE UNDER OTHER LAW.—Eligible commodities in the reserve established under this section shall not be—

"(1) considered a part of the total domestic supply (including carryover) for the purpose of subsection (c) or for the purpose of administering the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.); and

"(2) subject to any quantitative limitation on exports that may be imposed under section 7 of the Export Administration Act of 1979 (50 U.S.C. App. 2406).

"(g) USE OF COMMODITY CREDIT CORPORATION.—

"(1) IN GENERAL.—Subject to the limitations provided in this section, the funds, facilities, and authorities of the Commodity Credit Corporation shall be used by the Secretary in carrying out this section, except that any restriction applicable to the acquisition, storage, or disposition of eligible commodities owned or controlled by the Commodity Credit Corporation shall not apply.

"(2) REIMBURSEMENT.—

"(A) IN GENERAL.—The Commodity Credit Corporation shall be reimbursed for the release of eligible commodities from funds made available to carry out the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.).

"(B) BASIS FOR REIMBURSEMENT.—The reimbursement shall be made on the basis of the lesser of—

"(i) the actual costs incurred by the Commodity Credit Corporation with respect to the eligible commodity; or

"(ii) the export market price of the eligible commodity (as determined by the Secretary) as of the time the eligible commodity is released from the reserve for the purpose.

"(C) SOURCE OF FUNDS.—The reimbursement may be made from funds appropriated for the purpose of reimbursement in subsequent fiscal years.

"(h) FINALITY OF DETERMINATION.—Any determination by the Secretary under this section shall be final.

"(i) TERMINATION OF AUTHORITY.—

"(1) IN GENERAL.—The authority to replenish stocks of eligible commodities to maintain the reserve established under this section shall terminate on September 30, 2002.

"(2) DISPOSAL OF ELIGIBLE COMMODITIES.—Eligible commodities remaining in the reserve after September 30, 2002, shall be disposed of by release for use in providing for emergency humanitarian food needs in developing countries as provided in this section.".

(b) CONFORMING AMENDMENT.—Section 208(d) of the Agriculture Trade Suspension Adjustment Act of 1980 (7 U.S.C. 4001(d)) is amended by striking paragraph (2) and inserting the following:

"(2) APPLICABILITY OF CERTAIN PROVISIONS.—Subsections (c), (d), (e), (f), and (g)(2) of section 302 of the Food Security Commodity Reserve Act of 1996 shall apply to commodities in any reserve established under paragraph (1), except that the references to 'eligible commodities' in the subsections shall be deemed to be references to 'agricultural commodities'.".

SEC. 226. PROTEIN BYPRODUCTS DERIVED FROM ALCOHOL FUEL PRODUCTION.

Section 1208 of the Agriculture and Food Act of 1981 (7 U.S.C. 1736n) is repealed.

SEC. 227. FOOD FOR PROGRESS PROGRAM.

The Food for Progress Act of 1985 (7 U.S.C. 1736*o*) is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) by striking "(b)(1)" and inserting "(b)"; and

(ii) in the first sentence, by inserting "intergovernmental organizations" after "cooperatives"; and

(B) by striking paragraph (2);

(2) in subsection (e)(4), by striking "203" and inserting "406";

(3) in subsection (f)—

(A) in paragraph (1), by striking "in the case of the independent states of the former Soviet Union,";

(B) by striking paragraph (2);

(C) in paragraph (4), by inserting "in each of fiscal years 1996 through 2002" after "may be used"; and

(D) by redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively;

(4) in subsection (g), by striking "1995" and inserting "2002";

(5) in subsection (j), by striking "shall" and inserting "may";

(6) in subsection (k), by striking "1995" and inserting "2002";

(7) in subsection (l)(1)—

(A) by striking "1991 through 1995" and inserting "1996 through 2002"; and

(B) by inserting ", and to provide technical assistance for monetization programs," after "monitoring of food assistance programs"; and

(8) in subsection (m)—

(A) by striking "with respect to the independent states of the former Soviet Union";

(B) by striking "private voluntary organizations and cooperatives" each place it appears and inserting "agricultural trade organizations, intergovernmental organizations, private voluntary organizations, and cooperatives"; and

(C) in paragraph (2), by striking "in the independent states".

SEC. 228. USE OF FOREIGN CURRENCY PROCEEDS FROM EXPORT SALES FINANCING.

Section 402 of the Mutual Security Act of 1954 (22 U.S.C. 1922) is repealed.

SEC. 229. STIMULATION OF FOREIGN PRODUCTION.

Section 7 of the Act of December 30, 1947 (61 Stat. 947, chapter 526; 50 U.S.C. App. 1917) is repealed.

Subtitle B—Amendments to Agricultural Trade Act of 1978

SEC. 241. AGRICULTURAL EXPORT PROMOTION STRATEGY.

(a) IN GENERAL.—Section 103 of the Agricultural Trade Act of 1978 (7 U.S.C. 5603) is amended to read as follows:

"SEC. 103. AGRICULTURAL EXPORT PROMOTION STRATEGY.

"(a) IN GENERAL.—The Secretary shall develop a strategy for implementing Federal agricultural export promotion programs that takes into account the new market opportunities for agricultural products, including opportunities that result from—

"(1) the North American Free Trade Agreement and the Uruguay Round Agreements;

"(2) any accession to membership in the World Trade Organization;

"(3) the continued economic growth in the Pacific Rim; and

"(4) other developments.

"(b) PURPOSE OF STRATEGY.—The strategy developed under subsection (a) shall encourage the maintenance, development, and expansion of export markets for United States agricultural commodities and related products, including high-value and value-added products.

"(c) GOALS OF STRATEGY.—The strategy developed under subsection (a) shall have the following goals:

"(1) By September 30, 2002, increasing the value of annual United States agricultural exports to $60,000,000,000.

"(2) By September 30, 2002, increasing the United States share of world export trade in agricultural products significantly above the average United States share from 1993 through 1995.

"(3) By September 30, 2002, increasing the United States share of world trade in high-value agricultural products to 20 percent.

"(4) Ensuring that the value of United States exports of agricultural products increases at a faster rate than the rate of increase in the value of overall world export trade in agricultural products.

"(5) Ensuring that the value of United States exports of high-value agricultural products increases at a faster rate than the rate of increase in overall world export trade in high-value agricultural products.

"(6) Ensuring to the extent practicable that—

"(A) substantially all obligations undertaken in the Uruguay Round Agreement on Agriculture that provide significantly increased access for United States agricultural commodities are implemented to the extent required by the Uruguay Round Agreements; or

"(B) applicable United States trade laws are used to secure United States rights under the Uruguay Round Agreement on Agriculture.

"(d) PRIORITY MARKETS.—

"(1) IDENTIFICATION OF MARKETS.—In developing the strategy required under subsection (a), the Secretary shall identify as priority markets—

"(A) those markets in which imports of agricultural products show the greatest potential for increase by September 30, 2002; and

"(B) those markets in which, with the assistance of Federal export promotion programs, exports of United States agricultural products show the greatest potential for increase by September 30, 2002.

"(2) IDENTIFICATION OF SUPPORTING OFFICES.—The President shall identify annually in the budget of the United States Government submitted under section 1105 of title 31, United States Code, each overseas office of the Foreign Agricultural Service that provides assistance to United States exporters in each of the priority markets identified under paragraph (1).

"(e) REPORT.—Not later than December 31, 2001, the Secretary shall prepare and submit a report to Congress assessing progress in meeting the goals established by subsection (c).

"(f) FAILURE TO MEET GOALS.—Notwithstanding any other law, if the Secretary determines that more than 2 of the goals established by subsection (c) are not met by September 30, 2002, the Secretary may not carry out agricultural trade programs under the Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) as of that date.

"(g) NO PRIVATE RIGHT OF ACTION.—This section shall not create any private right of action.".

(b) CONTINUATION OF FUNDING.—

(1) IN GENERAL.—If the Secretary of Agriculture makes a determination under section 103(f) of the Agricultural Trade Act of 1978 (as amended by subsection (a)), the Secretary shall utilize funds of the Commodity Credit Corporation to promote United States agricultural exports in a manner consistent with the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.) and obligations pursuant to the Uruguay Round Agreements.

(2) FUNDING.—The amount of Commodity Credit Corporation funds used to carry out paragraph (1) during a fiscal year shall not exceed the total outlays for agricultural trade programs under the Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) during fiscal year 2002.

(c) ELIMINATION OF REPORT.—

(1) IN GENERAL.—Section 601 of the Agricultural Trade Act of 1978 (7 U.S.C. 5711) is repealed.

(2) CONFORMING AMENDMENT.—The last sentence of section 603 of the Agricultural Trade Act of 1978 (7 U.S.C. 5713) is amended by striking ", in a consolidated report," and all that follows through "section 601" and inserting "or in a consolidated report".

SEC. 242. EXPORT CREDITS.

(a) EXPORT CREDIT GUARANTEE PROGRAM.—Section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622) is amended—

(1) in subsection (a)—

(A) by striking "GUARANTEES.—The" and inserting the following: "GUARANTEES.—

"(1) IN GENERAL.—The"; and

(B) by adding at the end the following:

"(2) SUPPLIER CREDITS.—In carrying out this section, the Commodity Credit Corporation may issue guarantees for the repayment of credit made available for a period of not more than 180 days by a United States exporter to a buyer in a foreign country.";

(2) in subsection (f)—

(A) by striking "(f) RESTRICTIONS.—The" and inserting the following:

"(f) RESTRICTIONS.—

"(1) IN GENERAL.—The"; and

(B) by adding at the end the following:

"(2) CRITERIA FOR DETERMINATION.—In making the determination required under paragraph (1) with respect to credit guarantees under subsection (b) for a country, the Secretary may consider, in addition to financial, macroeconomic, and monetary indicators—

"(A) whether an International Monetary Fund standby agreement, Paris Club rescheduling plan, or other economic restructuring plan is in place with respect to the country;

"(B) the convertibility of the currency of the country;

"(C) whether the country provides adequate legal protection for foreign investments;

"(D) whether the country has viable financial markets;

"(E) whether the country provides adequate legal protection for the private property rights of citizens of the country; and

"(F) any other factors that are relevant to the ability of the country to service the debt of the country.";

(3) by striking subsection (h) and inserting the following:

"(h) UNITED STATES AGRICULTURAL COMPONENTS.—The Commodity Credit Corporation shall finance or guarantee under this section only United States agricultural commodities.";

(4) in subsection (i)—

(A) by striking "INSTITUTIONS.—A financial" and inserting the following: "INSTITUTIONS.—

"(1) IN GENERAL.—A financial";

(B) by striking paragraph (1);

(C) by striking "(2) is" and inserting the following:

"(A) is";

(D) by striking "(3) is" and inserting the following:

"(B) is"; and

(E) by adding at the end the following:

"(2) THIRD COUNTRY BANKS.—The Commodity Credit Corporation may guarantee under subsections (a) and (b) the repayment of credit made available to finance an export sale irrespective of whether the obligor is located in the country to which the export sale is destined."; and

(5) by striking subsection (k) and inserting the following:

"(k) PROCESSED AND HIGH-VALUE PRODUCTS.—

"(1) IN GENERAL.—In issuing export credit guarantees under this section, the Commodity Credit Corporation shall, subject to paragraph (2), ensure that not less than 25 percent for each of fiscal years 1996 and 1997, 30 percent for each of fiscal years 1998 and 1999, and 35 percent for each of fiscal years 2000, 2001, and 2002, of the total amount of credit guarantees issued for a fiscal year is issued to promote the export of processed or high-value agricultural products and that the balance is issued to promote the export of bulk or raw agricultural commodities.

"(2) LIMITATION.—The percentage requirement of paragraph (1) shall apply for a fiscal year to the extent that a reduction in the total amount of credit guarantees issued for the fiscal year is not required to meet the percentage requirement.".

(b) FUNDING LEVELS.—Section 211(b) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(b)) is amended—

(1) by striking paragraph (2);

(2) by redesignating subparagraph (B) of paragraph (1) as paragraph (2) and indenting the margin of paragraph (2) (as so redesignated) so as to align with the margin of paragraph (1); and

(3) by striking paragraph (1) and inserting the following:

"(1) EXPORT CREDIT GUARANTEES.—The Commodity Credit Corporation shall make available for each of fiscal years 1996 through 2002 not less than $5,500,000,000 in credit guarantees under subsections (a) and (b) of section 202.".

(c) DEFINITIONS.—Section 102(7) of the Agricultural Trade Act of 1978 (7 U.S.C. 5602(7)) is amended by striking subparagraphs (A) and (B) and inserting the following:

"(A) an agricultural commodity or product entirely produced in the United States; or

"(B) a product of an agricultural commodity—

"(i) 90 percent or more of which by weight, excluding packaging and water, is entirely produced in the United States; and

"(ii) that the Secretary determines to be a high value agricultural product.".

(d) REGULATIONS.—Not later than 180 days after the effective date of this title, the Secretary of Agriculture shall issue regulations to carry out the amendments made by this section.

SEC. 243. MARKET PROMOTION PROGRAM.

Effective October 1, 1995, section 211(c)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)(1)) is amended—

(1) by striking "and" after "1991 through 1993,"; and

(2) by striking "through 1997," and inserting "through 1995, and not more than $100,000,000 for each of fiscal years 1996 through 2002,".

SEC. 244. EXPORT ENHANCEMENT PROGRAM.

Effective October 1, 1995, section 301(e)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5651(e)(1)) is amended to read as follows:

"(1) IN GENERAL.—The Commodity Credit Corporation shall make available to carry out the program established under this section not more than—

"(A) $350,000,000 for fiscal year 1996;
"(B) $350,000,000 for fiscal year 1997;
"(C) $500,000,000 for fiscal year 1998;
"(D) $550,000,000 for fiscal year 1999;
"(E) $579,000,000 for fiscal year 2000;
"(F) $478,000,000 for fiscal year 2001; and
"(G) $478,000,000 for fiscal year 2002.".

SEC. 245. ARRIVAL CERTIFICATION.

Section 401 of the Agricultural Trade Act of 1978 (7 U.S.C. 5662(a)) is amended by striking subsection (a) and inserting the following:

"(a) ARRIVAL CERTIFICATION.—With respect to a commodity provided, or for which financing or a credit guarantee or other assistance is made available, under a program authorized in section 201, 202, or 301, the Commodity Credit Corporation shall require the exporter of the commodity to maintain records of an official or customary commercial nature or other documents as the Secretary may require, and shall allow representatives of the Commodity Credit Corporation access to the records or documents as needed, to verify the arrival of the commodity in the country that was the intended destination of the commodity.".

SEC. 246. COMPLIANCE.

Section 402(a) of the Agricultural Trade Act of 1978 (7 U.S.C. 5662(a)) is amended—

(1) by striking paragraph (2); and

(2) by redesignating paragraph (3) as paragraph (2).

SEC. 247. REGULATIONS.

Section 404 of the Agricultural Trade Act of 1978 (7 U.S.C. 5664) is repealed.

SEC. 248. TRADE COMPENSATION AND ASSISTANCE PROGRAMS.

Title IV of the Agricultural Trade Act of 1978 (7 U.S.C. 5661 et seq.) is amended by adding at the end the following:

"SEC. 417. TRADE COMPENSATION AND ASSISTANCE PROGRAMS.

"(a) IN GENERAL.—Notwithstanding any other law, if, after the effective date of this section, the President or any other member of the Executive branch causes exports from the United States to any country to be unilaterally suspended for reasons of national security or foreign policy, and if within 180 days after the date on which the suspension is imposed on United States exports no other country agrees to participate in the suspension, the Secretary shall carry out a trade compensation and assistance program in accordance with this section (referred to in this section as a 'program').

"(b) PROVISION OF FUNDS.—Under a program, the Secretary shall make available for each fiscal year funds of the Commodity Credit Corporation, in an amount calculated under subsection (c), to promote agricultural exports or provide agricultural commodities to developing countries, under any authorities available to the Secretary.

"(c) DETERMINATION OF AMOUNT OF FUNDS.—For each fiscal year of a program, the amount of funds made available under subsection (b) shall be equal to 90 percent of the average annual value of United States agricultural exports to the country with respect to which exports are suspended during the most recent 3 years prior to the suspension for which data are available.

"(d) DURATION OF PROGRAM.—

"(1) IN GENERAL.—For each suspension of exports for which a program is implemented under this section, funds shall be made available under subsection (b) for each fiscal year or part of a fiscal year for which the suspension is in effect, but not to exceed 2 fiscal years.

"(2) PARTIAL-YEAR EMBARGOES.—Regardless of whether an embargo is in effect for only part of a fiscal year, the full amount of funds as calculated under subsection (c) shall be made available under a program for the fiscal year. If the Secretary determines that making the required amount of funds available in a partial fiscal year is impracticable, the Secretary may make all or part of the funds required to be made available in the partial fiscal year available in the following fiscal year (in addition to any funds otherwise required under a program to be made available in the following fiscal year).".

SEC. 249. FOREIGN AGRICULTURAL SERVICE.

Section 503 of the Agricultural Trade Act of 1978 (7 U.S.C. 5693) is amended to read as follows:

"SEC. 503. ESTABLISHMENT OF THE FOREIGN AGRICULTURAL SERVICE.

"The Service shall assist the Secretary in carrying out the agricultural trade policy and international cooperation policy of the United States by—

"(1) acquiring information pertaining to agricultural trade;

"(2) carrying out market promotion and development activities;

"(3) providing agricultural technical assistance and training; and

"(4) carrying out the programs authorized under this Act, the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.), and other Acts.".

SEC. 250. REPORTS.

The first sentence of section 603 of the Agricultural Trade Act of 1978 (7 U.S.C. 5713) is amended by striking "The" and inserting "Subject to section 217 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6917), the".

Subtitle C—Miscellaneous

SEC. 251. REPORTING REQUIREMENTS RELATING TO TOBACCO.

Section 214 of the Tobacco Adjustment Act of 1983 (7 U.S.C. 509) is repealed.

SEC. 252. TRIGGERED EXPORT ENHANCEMENT.

(a) READJUSTMENT OF SUPPORT LEVELS.—Section 1302 of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508; 7 U.S.C. 1421 note) is repealed.

(b) TRIGGERED MARKETING LOANS AND EXPORT ENHANCEMENT.—Section 4301 of the Omnibus Trade and Competitiveness Act of 1988 (Public Law 100–418; 7 U.S.C. 1446 note) is repealed.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective beginning with the 1996 crops of wheat, feed grains, upland cotton, and rice.

SEC. 253. DISPOSITION OF COMMODITIES TO PREVENT WASTE.

Section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by inserting after the first sentence the following: "The Secretary may use funds of the Commodity Credit Corporation to cover administrative expenses of the programs.";

(B) in paragraph (7)(D)(iv), by striking "one year of acquisition" and all that follows and inserting the following: "a reasonable length of time, as determined by the Secretary, except that the Secretary may permit the use of proceeds in a country other than the country of origin—

"(I) as necessary to expedite the transportation of commodities and products furnished under this subsection; or

"(II) if the proceeds are generated in a currency generally accepted in the other country.";

(C) in paragraph (8), by striking subparagraph (C); and

(D) by striking paragraphs (10), (11), and (12); and

(2) by striking subsection (c).

SEC. 254. DIRECT SALES OF DAIRY PRODUCTS.

Section 106 of the Agriculture and Food Act of 1981 (7 U.S.C. 1446c-1) is repealed.

SEC. 255. EXPORT SALES OF DAIRY PRODUCTS.

Section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) is repealed.

SEC. 256. DEBT-FOR-HEALTH-AND-PROTECTION SWAP.

(a) IN GENERAL.—Section 1517 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1706) is repealed.

(b) CONFORMING AMENDMENT.—Subsection (e)(3) of the Food for Progress Act of 1985 (7 U.S.C. 1736*o*(e)(3)) is amended by striking "section 106" and inserting "section 103".

SEC. 257. POLICY ON EXPANSION OF INTERNATIONAL MARKETS.

Section 1207 of the Agriculture and Food Act of 1981 (7 U.S.C. 1736m) is repealed.

SEC. 258. POLICY ON MAINTENANCE AND DEVELOPMENT OF EXPORT MARKETS.

Section 1121 of the Food Security Act of 1985 (7 U.S.C. 1736p) is amended—

(1) by striking subsection (a); and

(2) in subsection (b)—

(A) by striking "(b)"; and

(B) by striking paragraphs (1) through (4) and inserting the following:

"(1) be the premier supplier of agricultural and food products to world markets and expand exports of high value products;

"(2) support the principle of free trade and the promotion of fair trade in agricultural commodities and products;

"(3) cooperate fully in all efforts to negotiate with foreign countries further reductions in tariff and nontariff barriers to trade, including sanitary and phytosanitary measures and trade-distorting subsidies;

"(4) aggressively counter unfair foreign trade practices as a means of encouraging fairer trade;".

SEC. 259. POLICY ON TRADE LIBERALIZATION.

Section 1122 of the Food Security Act of 1985 (7 U.S.C. 1736q) is repealed.

SEC. 260. AGRICULTURAL TRADE NEGOTIATIONS.

Section 1123 of the Food Security Act of 1985 (7 U.S.C. 1736r) is amended to read as follows:

"SEC. 1123. TRADE NEGOTIATIONS POLICY.

"(a) FINDINGS.—Congress finds that—

"(1) on a level playing field, United States producers are the most competitive suppliers of agricultural products in the world;

"(2) exports of United States agricultural products will account for $53,000,000,000 in 1995, contributing a net $24,000,000,000 to the merchandise trade balance of the United States and supporting approximately 1,000,000 jobs;

"(3) increased agricultural exports are critical to the future of the farm, rural, and overall United States economy, but the opportunities for increased agricultural exports are limited by the unfair subsidies of the competitors of the United States, and a variety of tariff and nontariff barriers to highly competitive United States agricultural products;

"(4) international negotiations can play a key role in breaking down barriers to United States agricultural exports;

"(5) the Uruguay Round Agreement on Agriculture made significant progress in the attainment of increased market access opportunities for United States exports of agricultural products, for the first time—

"(A) restraining foreign trade-distorting domestic support and export subsidy programs; and

"(B) developing common rules for the application of sanitary and phytosanitary restrictions;

that should result in increased exports of United States agricultural products, jobs, and income growth in the United States;

"(6) the Uruguay Round Agreement on Agriculture did not succeed in completely eliminating trade distorting domestic support and export subsidies by—

"(A) allowing the European Union to continue unreasonable levels of spending on export subsidies; and

"(B) failing to discipline monopolistic state trading entities, such as the Canadian Wheat Board, that use nontransparent and discriminatory pricing as a hidden de facto export subsidy;

"(7) during the period 1996 through 2002, there will be several opportunities for the United States to negotiate fairer trade in agricultural products, including further negotiations under the World Trade Organization, and steps toward possible free trade agreements of the Americas and Asian-Pacific Economic Cooperation (APEC); and

"(8) the United States should aggressively use these opportunities to achieve more open and fair opportunities for trade in agricultural products.

"(b) GOALS OF THE UNITED STATES IN AGRICULTURAL TRADE NEGOTIATIONS.—The objectives of the United States with respect to future negotiations on agricultural trade include—

"(1) increasing opportunities for United States exports of agricultural products by eliminating or substantially reducing tariff and nontariff barriers to trade;

"(2) leveling the playing field for United States producers of agricultural products by limiting per unit domestic production supports to levels that are no greater than those available in the United States;

"(3) ending the practice of export dumping by eliminating all trade distorting export subsidies and disciplining state trading entities so that they do not (except in cases of bona fide food aid) sell in foreign markets at below domestic market prices nor their full costs of acquiring and delivering agricultural products to the foreign markets; and

"(4) encouraging government policies that avoid price-depressing surpluses.".

SEC. 261. POLICY ON UNFAIR TRADE PRACTICES.

Section 1164 of the Food Security Act of 1985 (Public Law 99-198; 99 Stat. 1499) is repealed.

SEC. 262. AGRICULTURAL AID AND TRADE MISSIONS.

(a) IN GENERAL.—The Agricultural Aid and Trade Missions Act (7 U.S.C. 1736bb et seq.) is repealed.

(b) CONFORMING AMENDMENT.—Section 7 of Public Law 100-277 (7 U.S.C. 1736bb note) is repealed.

SEC. 263. ANNUAL REPORTS BY AGRICULTURAL ATTACHES.

Section 108(b)(1)(B) of the Agricultural Act of 1954 (7 U.S.C. 1748(b)(1)(B)) is amended by striking "including fruits, vegetables, legumes, popcorn, and ducks".

SEC. 264. WORLD LIVESTOCK MARKET PRICE INFORMATION.

Section 1545 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 7 U.S.C. 1761 note) is repealed.

SEC. 265. ORDERLY LIQUIDATION OF STOCKS.

Sections 201 and 207 of the Agricultural Act of 1956 (7 U.S.C. 1851 and 1857) are repealed.

SEC. 266. SALES OF EXTRA LONG STAPLE COTTON.

Section 202 of the Agricultural Act of 1956 (7 U.S.C. 1852) is repealed.

SEC. 267. REGULATIONS.

Section 707 of the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992 (Public Law 102-511; 7 U.S.C. 5621 note) is amended by striking subsection (d).

SEC. 268. EMERGING MARKETS.

(a) PROMOTION OF AGRICULTURAL EXPORTS TO EMERGING MARKETS.—

(1) EMERGING MARKETS.—Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 7 U.S.C. 5622 note) is amended—

(A) in the section heading, by striking "EMERGING DEMOCRACIES" and inserting "EMERGING MARKETS";

(B) by striking "emerging democracies" each place it appears in subsections (b), (d), and (e) and inserting "emerging markets";

(C) by striking "emerging democracy" each place it appears in subsection (c) and inserting "emerging market"; and

(D) by striking subsection (f) and inserting the following:

"(f) EMERGING MARKET.—In this section and section 1543, the term 'emerging market' means any country that the Secretary determines—

"(1) is taking steps toward a market-oriented economy through the food, agriculture, or rural business sectors of the economy of the country; and

"(2) has the potential to provide a viable and significant market for United States agricultural commodities or products of United States agricultural commodities.".

(2) FUNDING.—Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended by striking subsection (a) and inserting the following:

"(a) FUNDING.—The Commodity Credit Corporation shall make available for fiscal years 1996 through 2002 not less than $1,000,000,000 of direct credits or export credit guarantees for exports to emerging markets under section 201 or 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5621 and 5622), in addition to the amounts acquired or authorized under section 211 of the Act (7 U.S.C. 5641) for the program.".

(3) AGRICULTURAL FELLOWSHIP PROGRAM.—Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended—

(A) in subsection (b), by striking the last sentence and inserting the following: "The Commodity Credit Corporation shall give priority under this subsection to—

"(A) projects that encourage the privatization of the agricultural sector or that benefit private farms or cooperatives in emerging markets; and

"(B) projects for which nongovernmental persons agree to assume a relatively larger share of the costs."; and

(B) in subsection (d)—

(i) in the matter preceding paragraph (1), by striking "the Soviet Union" and inserting "emerging markets";

(ii) in paragraph (1)—

(I) in subparagraph (A)(i)—

(aa) by striking "1995" and inserting "2002"; and

(bb) by striking "those systems, and identify" and inserting "the systems, including potential reductions in trade barriers, and identify and carry out";

(II) in subparagraph (B), by striking "shall" and inserting "may";

(III) in subparagraph (D), by inserting "(including the establishment of extension services)" after "technical assistance";

(IV) by striking subparagraph (F);

(V) by redesignating subparagraphs (G), (H), and (I) as subparagraphs (F), (G), and (H), respectively; and

(VI) in subparagraph (H) (as redesignated by subclause (V)), by striking "$10,000,000" and inserting "$20,000,000";

(iii) in paragraph (2)—

(I) by striking "the Soviet Union" each place it appears and inserting "emerging markets";

(II) in subparagraph (A), by striking "a free market food production and distribution system" and inserting "free market food production and distribution systems";

(III) in subparagraph (B)—

(aa) in clause (i), by striking "Government" and inserting "governments";

(bb) in clause (iii)(II), by striking "and" at the end;

(cc) in clause (iii)(III), by striking the period at the end and inserting "; and"; and

(dd) by adding at the end of clause (iii) the following:

"(IV) to provide for the exchange of administrators and faculty members from agricultural and other institutions to strengthen and revise educational programs in agricultural economics, agribusiness, and agrarian law, to support change towards a free market economy in emerging markets.";

(IV) by striking subparagraph (D); and

(V) by redesignating subparagraph (E) as subparagraph (D); and

(iv) by striking paragraph (3).

(4) UNITED STATES AGRICULTURAL COMMODITY.—Subsections (b) and (c) of section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 are amended by striking "section 101(6)" each place it appears and inserting "section 102(7)".

(5) REPORT.—The first sentence of section 1542(e)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended by striking "Not" and inserting "Subject to section 217 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6917), not".

(b) AGRICULTURAL FELLOWSHIP PROGRAM FOR MIDDLE INCOME COUNTRIES, EMERGING DEMOCRACIES, AND EMERGING MARKETS.—Section 1543 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3293) is amended—

(1) in the section heading, by striking "MIDDLE INCOME COUNTRIES AND EMERGING DEMOCRACIES" and inserting "MIDDLE INCOME COUNTRIES, EMERGING DEMOCRACIES, AND EMERGING MARKETS";

(2) in subsection (b), by adding at the end the following:

"(5) EMERGING MARKET.—Any emerging market, as defined in section 1542(f).''; and

(3) in subsection (c)(1), by striking "food needs" and inserting "food and fiber needs".

(c) CONFORMING AMENDMENTS.—

(1) Section 501 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1737) is amended—

(A) in subsection (a), by striking "emerging democracies" and inserting "emerging markets"; and

(B) in subsection (b), by striking paragraph (1) and inserting the following:

"(1) EMERGING MARKET.—The term 'emerging market' means any country that the Secretary determines—

"(A) is taking steps toward a market-oriented economy through the food, agriculture, or rural business sectors of the economy of the country; and

"(B) has the potential to provide a viable and significant market for United States agricultural commodities or products of United States agricultural commodities.".

(2) Section 201(d)(1)(C)(ii) of the Agricultural Trade Act of 1978 (7 U.S.C. 5621(d)(1)(C)(ii)) is amended by striking "emerging democracies" and inserting "emerging markets".

(3) Section 202(d)(3)(B) of the Agricultural Trade Act of 1978 (7 U.S.C. 5622(d)(3)(B)) is amended by striking "emerging democracies" and inserting "emerging markets".

SEC. 269. IMPORT ASSISTANCE FOR CBI BENEFICIARY COUNTRIES AND THE PHILIPPINES.

Section 583 of Public Law 100-202 (101 Stat. 1329-182) is repealed.

SEC. 270. STUDIES, REPORTS, AND OTHER PROVISIONS.

(a) IN GENERAL.—Sections 1551 through 1555, section 1559, and section 1560 of subtitle E of title XV of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 104 Stat. 3696) are repealed.

(b) LANGUAGE PROFICIENCY.—Section 1556 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 7 U.S.C. 5694 note) is amended by striking subsection (c).

SEC. 271. IMPLEMENTATION OF COMMITMENTS UNDER URUGUAY ROUND AGREEMENTS.

Part III of subtitle A of title IV of the Uruguay Round Agreements Act (Public Law 103-465; 108 Stat. 4964) is amended by adding at the end the following:

"SEC. 427. IMPLEMENTATION OF COMMITMENTS UNDER URUGUAY ROUND AGREEMENTS.

"Not later than September 30 of each fiscal year, the Secretary of Agriculture shall determine whether the obligations undertaken by foreign countries under the Uruguay Round Agreement on Agriculture are being fully implemented. If the Secretary of Agriculture determines that any foreign country, by not implementing the obligations of the country, is significantly constraining an opportunity for United States agricultural exports, the Secretary shall—

"(1) submit to the United States Trade Representative a recommendation as to whether the President should take action under any provision of law; and

"(2) transmit a copy of the recommendation to the Committee on Agriculture, and the Committee on Ways and Means, of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Finance, of the Senate.".

SEC. 272. SENSE OF CONGRESS CONCERNING MULTILATERAL DISCIPLINES ON CREDIT GUARANTEES.

It is the sense of Congress that—

(1) in negotiations to establish multilateral disciplines on agricultural export credits and credit guarantees, the United States should not agree to any arrangement that is incompatible with the provisions of United States law that authorize agricultural export credits and credit guarantees;

(2) in the negotiations (which are held under the auspices of the Organization for Economic Cooperation and Development), the United States should not reach any agreement that fails to impose disciplines on the practices of foreign government trading entities such as the Australian Wheat Board and Canadian Wheat Board; and

(3) the disciplines should include greater openness in the operations of the entities as long as the entities are subsidized by the foreign government or have monopolies for exports of a commodity that are sanctioned by the foreign government.

TITLE III—CONSERVATION

Subtitle A—Definitions

SEC. 301. DEFINITIONS.

Section 1201(a) of the Food Security Act of 1985 (16 U.S.C. 3801(a)) is amended—

(1) by redesignating paragraphs (3) through (16) as paragraphs (4) through (17), respectively; and

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

"(3) CONSERVATION SYSTEM.—The term 'conservation system' means the conservation measures and practices that are approved for application by a producer to a highly erodible field and that provide for cost effective and practical erosion reduction on the field based on local resource conditions and standards contained in the Natural Resources Conservation Service field office technical guide.".

Subtitle B—Environmental Conservation Acreage Reserve Program

SEC. 311. ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM.

Section 1230 of the Food Security Act of 1985 (16 U.S.C. 3830) is amended to read as follows:

"SEC. 1230. ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—During the 1996 through 2002 calendar years, the Secretary shall establish an environmental conservation acreage reserve program (referred to in this section as 'ECARP') to be implemented through contracts and the acquisition of easements to assist owners and operators of farms and ranches to conserve and enhance soil, water, and related natural resources, including grazing land, wetland, and wildlife habitat.

"(2) MEANS.—The Secretary shall carry out the ECARP by—

"(A) providing for the long-term protection of environmentally sensitive land; and

"(B) providing technical and financial assistance to farmers and ranchers to—

"(i) improve the management and operation of the farms and ranches; and

"(ii) reconcile productivity and profitability with protection and enhancement of the environment.

"(3) PROGRAMS.—The ECARP shall consist of—

"(A) the conservation reserve program established under subchapter B;

"(B) the wetlands reserve program established under subchapter C; and

"(C) the environmental quality incentives program established under chapter 4.

"(b) ADMINISTRATION.—

"(1) IN GENERAL.—In carrying out the ECARP, the Secretary shall enter into contracts with owners and operators and acquire interests in land through easements from owners, as provided in this chapter and chapter 4.

"(2) PRIOR ENROLLMENTS.—Acreage enrolled in the conservation reserve or wetlands reserve program prior to the effective date of this paragraph shall be considered to be placed into the ECARP.

"(c) CONSERVATION PRIORITY AREAS.—

"(1) DESIGNATION.—

"(A) IN GENERAL.—The Secretary shall designate watersheds or regions of special environmental sensitivity, including the Chesapeake Bay Region (consisting of Pennsylvania, Maryland, and Virginia), the Great Lakes Region, and the Long Island Sound Region, as conservation priority areas that are eligible for enhanced assistance through the programs established under this chapter and chapter 4.

"(B) APPLICATION.—A designation shall be made under this paragraph if agricultural practices on land within the watershed or region pose a significant threat to soil, water, and related natural resources, as determined by the Secretary, and an application is made by—

"(i) a State agency in consultation with the State technical committee established under section 1261; or

"(ii) State agencies from several States that agree to form an interstate conservation priority area.

"(C) ASSISTANCE.—The Secretary shall designate a watershed or region of special environmental sensitivity as a conservation priority area to assist, to the maximum extent practicable, agricultural producers within the watershed or region to comply with nonpoint source pollution requirements under the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) and other Federal and State environmental laws.

"(2) APPLICABILITY.—The Secretary shall designate a watershed or region of special environmental sensitivity as a conservation priority area in a manner that conforms, to the maximum extent practicable, to the functions and purposes of the conservation reserve, wetlands reserve, and environmental quality incentives programs, as applicable, if participation in the program or programs is likely to result in the resolution or amelioration of significant soil, water, and related natural resource problems related to agricultural production activities within the watershed or region.

"(3) TERMINATION.—A conservation priority area designation shall terminate on the date that is 5 years after the date of the designation, except that the Secretary may—

"(A) redesignate the area as a conservation priority area; or

"(B) withdraw the designation of a watershed or region if the Secretary determines the area is no longer affected by significant soil,water, and related natural resource impacts related to agricultural production activities.".

SEC. 312. CONSERVATION RESERVE PROGRAM.

(a) IN GENERAL.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended—

(1) by striking "1995" each place it appears and inserting "2002"; and

(2) in subsection (d), by striking "38,000,000" and inserting "36,400,000".

(b) DUTIES OF OWNERS AND OPERATORS.—Section 1232(c) of the Food Security Act of 1985 (16 U.S.C. 3832(c)) is amended by striking "1995" and inserting "2002".

SEC. 313. WETLANDS RESERVE PROGRAM.

(a) PURPOSES.—Section 1237(a) of the Food Security Act of 1985 (16 U.S.C. 3837(a)) is amended by striking "to assist owners of eligible lands in restoring and protecting wetlands" and inserting "to protect wetlands for purposes of enhancing water quality and providing wildlife benefits while recognizing landowner rights".

(b) ENROLLMENT.—Section 1237 of the Food Security Act of 1985 (16 U.S.C. 3837) is amended by striking subsection (b) and inserting the following:

"(b) MINIMUM ENROLLMENT.—The Secretary shall enroll into the wetlands reserve program—

"(1) during the 1996 through 2002 calendar years, a total of not more than 975,000 acres; and

"(2) beginning with offers accepted by the Secretary during calendar year 1997, to the maximum extent practicable, ⅓ of the acres in permanent easements, ⅓ of the acres in

30-year easements, and ⅓ of the acres in restoration cost-share agreements.".

(c) ELIGIBILITY.—Section 1237(c) of the Food Security Act of 1985 (16 U.S.C. 3837(c)) is amended—

(1) by striking "2000" and inserting "2002";

(2) by inserting "the land maximizes wildlife benefits and wetland values and functions and" after "determines that";

(3) in paragraph (1)—

(A) by striking "December 23, 1985" and inserting "January 1, 1996"; and

(B) by striking "and" at the end;

(4) by redesignating paragraph (2) as paragraph (3);

(5) by inserting after paragraph (1) the following:

"(2) enrollment of the land meets water quality goals through—

"(A) creation of tailwater pits or settlement ponds; or

"(B) enrollment of land that was enrolled (on the day before the effective date of this subparagraph) in the water bank program established under the Water Bank Act (16 U.S.C. 1301 et seq.) at a rate not to exceed the rates in effect under the program;";

(6) in paragraph (3) (as so redesignated), by striking the period at the end and inserting "; and"; and

(7) by adding at the end the following:

"(4) enrollment of the land maintains or improves wildlife habitat.".

(d) OTHER ELIGIBLE LANDS.—Section 1237(d) (16 U.S.C. 3837(d)) is amended by inserting after "subsection (c)" the following ", land that maximizes wildlife benefits and that is".

(e) EASEMENTS.—Section 1237A of the Food Security Act of 1985 (16 U.S.C. 3837a) is amended—

(1) in the section heading, by inserting before the period at the end the following: "and agreements";

(2) by striking subsection (c) and inserting the following:

"(c) RESTORATION PLANS.—The development of a restoration plan, including any compatible use, under this section shall be made through the local Natural Resources Conservation Service representative, in consultation with the State technical committee.";

(3) in subsection (f), by striking the third sentence and inserting the following: "Compensation may be provided in not less than 5, nor more than 30, annual payments of equal or unequal size, as agreed to by the owner and the Secretary."; and

(4) by adding at the end the following:

"(h) COST SHARE AGREEMENTS.—The Secretary may enroll land into the wetland reserve through agreements that require the landowner to restore wetlands on the land, if the agreement does not provide the Secretary with an easement.".

(f) COST SHARE AND TECHNICAL ASSISTANCE.—Section 1237C of the Food Security Act of 1985 (16 U.S.C. 3837c) is amended by striking subsection (b) and inserting the following:

"(b) COST SHARE AND TECHNICAL ASSISTANCE.—In the case of an easement entered into during the 1996 through 2002 calendar years, in making cost share payments under subsection (a)(1), the Secretary shall—

"(1) in the case of a permanent easement, pay the owner an amount that is not less than 75 percent, but not more than 100 percent, of the eligible costs;

"(2) in the case of a 30-year easement or a cost-share agreement, pay the owner an amount that is not less than 50 percent, but not more than 75 percent, of the eligible costs; and

"(3) provide owners technical assistance to assist landowners in complying with the terms of easements and agreements.".

SEC. 314. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.) is amended by adding at the end the following:

"CHAPTER 4—ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

"SEC. 1238. FINDINGS AND PURPOSES.

"(a) FINDINGS.—Congress finds that—

"(1) farmers and ranchers cumulatively manage more than ½ of the private lands in the continental United States;

"(2) because of the predominance of agriculture, the soil, water, and related natural resources of the United States cannot be protected without cooperative relationships between the Federal Government and farmers and ranchers;

"(3) farmers and ranchers have made tremendous progress in protecting the environment and the agricultural resource base of the United States over the past decade because of not only Federal Government programs but also their spirit of stewardship and the adoption of effective technologies;

"(4) it is in the interest of the entire United States that farmers and ranchers continue to strive to preserve soil resources and make more efforts to protect water quality and wildlife habitat, and address other broad environmental concerns;

"(5) environmental strategies that stress the prudent management of resources, as opposed to idling land, will permit the maximum economic opportunities for farmers and ranchers in the future;

"(6) unnecessary bureaucratic and paperwork barriers associated with existing agricultural conservation assistance programs decrease the potential effectiveness of the programs; and

"(7) the recent trend of Federal spending on agricultural conservation programs suggests that assistance to farmers and ranchers in future years will, absent changes in policy, dwindle to perilously low levels.

"(b) PURPOSES.—The purposes of the environmental quality incentives program established by this chapter are to—

"(1) combine into a single program the functions of—

"(A) the agricultural conservation program authorized by sections 7 and 8 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g and 590h) (as in effect before the amendments made by section 355(a)(1) of the Agricultural Reform and Improvement Act of 1996);

"(B) the Great Plains conservation program established under section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p(b)) (as in effect before the amendment made by section 355(b)(1) of the Agricultural Reform and Improvement Act of 1996); and

"(C) the water quality incentives program established under chapter 2 (as in effect before the amendment made by section 355(k) of the Agricultural Reform and Improvement Act of 1996); and

"(C) the Colorado River Basin salinity control program established under section 202(c) of the Colorado River Basin Salinity Control Act (43 U.S.C. 1592(c)) (as in effect before the amendment made by section 355(c)(1) of the Agricultural Reform and Improvement Act of 1996); and

"(2) carry out the single program in a manner that maximizes environmental benefits per dollar expended, and that provides—

"(A) flexible technical and financial assistance to farmers and ranchers that face the most serious threats to soil, water, and related natural resources, including grazing lands, wetlands, and wildlife habitat;

"(B) assistance to farmers and ranchers in complying with this title and Federal and State environmental laws, and to encourage environmental enhancement;

"(C) assistance to farmers and ranchers in making beneficial, cost-effective changes to cropping systems, grazing management, manure, nutrient, pest, or irrigation management, land uses, or other measures needed to conserve and improve soil, water, and related natural resources; and

"(D) for the consolidation and simplification of the conservation planning process to reduce administrative burdens on the owners and operators of farms and ranches.

"SEC. 1238A. DEFINITIONS.

"In this chapter:

"(1) LAND MANAGEMENT PRACTICE.—The term 'land management practice' means nutrient or manure management, integrated pest management, irrigation management, tillage or residue management, grazing management, or another land management practice the Secretary determines is needed to protect soil, water, or related resources in the most cost effective manner.

"(2) LARGE CONFINED LIVESTOCK OPERATION.—The term 'large confined livestock operation' means a farm or ranch that—

"(A) is a confined animal feeding operation; and

"(B) has more than—

"(i) 700 mature dairy cattle;

"(ii) 10,000 beef cattle;

"(iii) 150,000 laying hens or broilers;

"(iv) 55,000 turkeys;

"(v) 15,000 swine; or

"(vi) 10,000 sheep or lambs.

"(3) LIVESTOCK.—The term 'livestock' means mature dairy cows, beef cattle, laying hens, broilers, turkeys, swine, sheep, or lambs.

"(4) OPERATOR.—The term 'operator' means a person who is engaged in crop or livestock production (as defined by the Secretary).

"(5) STRUCTURAL PRACTICE.—The term 'structural practice' means the establishment of an animal waste management facility, terrace, grassed waterway, contour grass strip, filterstrip, permanent wildlife habitat, or another structural practice that the Secretary determines is needed to protect soil, water, or related resources in the most cost effective manner.

"SEC. 1238B. ESTABLISHMENT AND ADMINISTRATION OF ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—During the 1996 through 2002 fiscal years, the Secretary shall provide technical assistance, cost-sharing payments, and incentive payments to operators, who enter into contracts with the Secretary, through an environmental quality incentives program in accordance with this chapter.

"(2) ELIGIBLE PRACTICES.—

"(A) STRUCTURAL PRACTICES.—An operator who implements a structural practice shall be eligible for technical assistance or cost-sharing payments, or both.

"(B) LAND MANAGEMENT PRACTICES.—An operator who performs a land management practice shall be eligible for technical assistance or incentive payments, or both.

"(b) APPLICATION AND TERM.—A contract between an operator and the Secretary under this chapter may—

"(1) apply to 1 or more structural practices or 1 or more land management practices, or both; and

"(2) have a term of not less than 5, nor more than 10, years, as determined appropriate by the Secretary, depending on the practice or practices that are the basis of the contract.

"(c) STRUCTURAL PRACTICES.—

"(1) COMPETITIVE OFFER.—The Secretary shall administer a competitive offer system for operators proposing to receive cost-sharing payments in exchange for the implementation of 1 or more structural practices by the operator. The competitive offer system shall consist of—

"(A) the submission of a competitive offer by the operator in such manner as the Secretary may prescribe; and

"(B) evaluation of the offer in light of the priorities established in section 1238C and the projected cost of the proposal, as determined by the Secretary.

"(2) CONCURRENCE OF OWNER.—If the operator making an offer to implement a structural practice is a tenant of the land involved in agricultural production, for the offer to be acceptable, the operator shall obtain the concurrence of the owner of the land with respect to the offer.

"(d) LAND MANAGEMENT PRACTICES.—The Secretary shall establish an application and evaluation process for awarding technical assistance or incentive payments, or both, to an operator in exchange for the performance of 1 or more land management practices by the operator.

"(e) COST-SHARING AND INCENTIVE PAYMENTS.—

"(1) COST-SHARING PAYMENTS.—

"(A) IN GENERAL.—The Federal share of cost-sharing payments to an operator proposing to implement 1 or more structural practices shall not be less than 75 percent of the projected cost of the practice, as determined by the Secretary, taking into consideration any payment received by the operator from a State or local government.

"(B) LIMITATION.—An operator of a large confined livestock operation shall not be eligible for cost-sharing payments to construct an animal waste management facility.

"(C) OTHER PAYMENTS.—An operator shall not be eligible for cost-sharing payments for structural practices on eligible land under this chapter if the operator receives cost-sharing payments or other benefits for the same land under chapter 1 or 3.

"(2) INCENTIVE PAYMENTS.—The Secretary shall make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage an operator to perform 1 or more land management practices.

"(f) TECHNICAL ASSISTANCE.—

"(1) FUNDING.—The Secretary shall allocate funding under this chapter for the provision of technical assistance according to the purpose and projected cost for which the technical assistance is provided in a fiscal year. The allocated amount may vary according to the type of expertise required, quantity of time involved, and other factors as determined appropriate by the Secretary. Funding shall not exceed the projected cost to the Secretary of the technical assistance provided in a fiscal year.

"(2) OTHER AUTHORITIES.—The receipt of technical assistance under this chapter shall not affect the eligibility of the operator to receive technical assistance under other authorities of law available to the Secretary.

"(g) MODIFICATION OR TERMINATION OF CONTRACTS.—

"(1) VOLUNTARY MODIFICATION OR TERMINATION.—The Secretary may modify or terminate a contract entered into with an operator under this chapter if—

"(A) the operator agrees to the modification or termination; and

"(B) the Secretary determines that the modification or termination is in the public interest.

"(2) INVOLUNTARY TERMINATION.—The Secretary may terminate a contract under this chapter if the Secretary determines that the operator violated the contract.

"(h) NON-FEDERAL ASSISTANCE.—

"(1) IN GENERAL.—The Secretary may request the services of a State water quality agency, State fish and wildlife agency, State forestry agency, or any other governmental or private resource considered appropriate to assist in providing the technical assistance necessary for the development and implementation of a structural practice or land management practice.

"(2) LIMITATION ON LIABILITY.—No person shall be permitted to bring or pursue any claim or action against any official or entity based on or resulting from any technical assistance provided to an operator under this chapter to assist in complying with a Federal or State environmental law.

"SEC. 1238C. EVALUATION OF OFFERS AND PAYMENTS.

"(a) REGIONAL PRIORITIES.—The Secretary shall provide technical assistance, cost-sharing payments, and incentive payments to operators in a region, watershed, or conservation priority area under this chapter based on the significance of the soil, water, and related natural resource problems in the region, watershed, or area, and the structural practices or land management practices that best address the problems, as determined by the Secretary.

"(b) MAXIMIZATION OF ENVIRONMENTAL BENEFITS.—

"(1) IN GENERAL.—In providing technical assistance, cost-sharing payments, and incentive payments to operators in regions, watersheds, or conservation priority areas under this chapter, the Secretary shall accord a higher priority to assistance and payments that maximize environmental benefits per dollar expended.

"(2) NATIONAL AND REGIONAL PRIORITY.—The prioritization shall be done nationally as well as within the conservation priority area, region, or watershed in which an agricultural operation is located.

"(3) CRITERIA.—To carry out this subsection, the Secretary shall establish criteria for implementing structural practices and land management practices that best achieve conservation goals for a region, watershed, or conservation priority area, as determined by the Secretary.

"(c) STATE OR LOCAL CONTRIBUTIONS.—The Secretary shall accord a higher priority to operators whose agricultural operations are located within watersheds, regions, or conservation priority areas in which State or local governments have provided, or will provide, financial or technical assistance to the operators for the same conservation or environmental purposes.

"(d) PRIORITY LANDS.—The Secretary shall accord a higher priority to structural practices or land management practices on lands on which agricultural production has been determined to contribute to, or create, the potential for failure to meet applicable water quality standards or other environmental objectives of a Federal or State law.

"SEC. 1238D. DUTIES OF OPERATORS.

"To receive technical assistance, cost-sharing payments, or incentives payments under this chapter, an operator shall agree—

"(1) to implement an environmental quality incentives program plan that describes conservation and environmental goals to be achieved through a structural practice or land management practice, or both, that is approved by the Secretary;

"(2) not to conduct any practices on the farm or ranch that would tend to defeat the purposes of this chapter;

"(3) on the violation of a term or condition of the contract at any time the operator has control of the land, to refund any cost-sharing or incentive payment received with interest, and forfeit any future payments under this chapter, as determined by the Secretary;

"(4) on the transfer of the right and interest of the operator in land subject to the contract, unless the transferee of the right and interest agrees with the Secretary to assume all obligations of the contract, to refund all cost-sharing payments and incentive payments received under this chapter, as determined by the Secretary;

"(5) to supply information as required by the Secretary to determine compliance with the environmental quality incentives program plan and requirements of the program; and

"(6) to comply with such additional provisions as the Secretary determines are necessary to carry out the environmental quality incentives program plan.

"SEC. 1238E. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

"An environmental quality incentives program plan shall include (as determined by the Secretary)—

"(1) a description of the prevailing farm or ranch enterprises, cropping patterns, grazing management, cultural practices, or other information that may be relevant to conserving and enhancing soil, water, and related natural resources;

"(2) a description of relevant farm or ranch resources, including soil characteristics, rangeland types and condition, proximity to water bodies, wildlife habitat, or other relevant characteristics of the farm or ranch related to the conservation and environmental objectives set forth in the plan;

"(3) a description of specific conservation and environmental objectives to be achieved;

"(4) to the extent practicable, specific, quantitative goals for achieving the conservation and environmental objectives;

"(5) a description of 1 or more structural practices or 1 or more land management practices, or both, to be implemented to achieve the conservation and environmental objectives;

"(6) a description of the timing and sequence for implementing the structural practices or land management practices, or both, that will assist the operator in complying with Federal and State environmental laws; and

"(7) information that will enable evaluation of the effectiveness of the plan in achieving the conservation and environmental objectives, and that will enable evaluation of the degree to which the plan has been implemented.

"SEC. 1238F. DUTIES OF THE SECRETARY.

"To the extent appropriate, the Secretary shall assist an operator in achieving the conservation and environmental goals of an environmental quality incentives program plan by—

"(1) providing an eligibility assessment of the farming or ranching operation of the operator as a basis for developing the plan;

"(2) providing technical assistance in developing and implementing the plan;

"(3) providing technical assistance, cost-sharing payments, or incentive payments for developing and implementing 1 or more structural practices or 1 or more land management practices, as appropriate;

"(4) providing the operator with information, education, and training to aid in implementation of the plan; and

"(5) encouraging the operator to obtain technical assistance, cost-sharing payments, or grants from other Federal, State, local, or private sources.

"SEC. 1238G. ELIGIBLE LANDS.

"Agricultural land on which a structural practice or land management practice, or both, shall be eligible for technical assistance, cost-sharing payments, or incentive payments under this chapter include—

"(1) agricultural land (including cropland, rangeland, pasture, and other land on which crops or livestock are produced) that the Secretary determines poses a serious threat to soil, water, or related resources by reason of the soil types, terrain, climatic, soil, topographic, flood, or saline characteristics, or other factors or natural hazards;

"(2) an area that is considered to be critical agricultural land on which either crop or livestock production is carried out, as identified in a plan submitted by the State under section 319 of the Federal Water Pollution Control Act (33 U.S.C. 1329) as having priority problems that result from an agricultural nonpoint source of pollution;

"(3) an area recommended by a State lead agency for protection of soil, water, and related resources, as designated by a Governor of a State; and

"(4) land that is not located within a designated or approved area, but that if permitted to continue to be operated under existing management practices, would defeat the purpose of the environmental quality incentives program, as determined by the Secretary.

"SEC. 1238H. LIMITATIONS ON PAYMENTS.

"(a) PAYMENTS.—The total amount of cost-sharing and incentive payments paid to a person under this chapter may not exceed—

"(1) $10,000 for any fiscal year; or

"(2) $50,000 for any multiyear contract.

"(b) REGULATIONS.—The Secretary shall issue regulations that are consistent with section 1001 for the purpose of—

"(1) defining the term 'person' as used in subsection (a); and

"(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitations contained in subsection (a).".

Subtitle C—Conservation Funding

SEC. 321. CONSERVATION FUNDING.

(a) IN GENERAL.—Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) is amended to read as follows:

"Subtitle E—Funding

"SEC. 1241. FUNDING.

"(a) MANDATORY EXPENSES.—For each of fiscal years 1996 through 2002, the Secretary shall use the funds of the Commodity Credit Corporation to carry out the programs authorized by—

"(1) subchapter B of chapter 1 of subtitle D (including contracts extended by the Secretary pursuant to section 1437 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 16 U.S.C. 3831 note));

"(2) subchapter C of chapter 1 of subtitle D; and

"(3) chapter 4 of subtitle D.

"(b) ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.—

"(1) IN GENERAL.—For each of fiscal years 1996 through 2002, $200,000,000 of the funds of the Commodity Credit Corporation shall be available for providing technical assistance, cost-sharing payments, and incentive payments under the environmental quality incentives program under chapter 4 of subtitle D.

"(2) LIVESTOCK PRODUCTION.—For each of fiscal years 1996 through 2002, 50 percent of the funding available for technical assistance, cost-sharing payments, and incentive payments under the environmental quality incentives program shall be targeted at practices relating to livestock production.

"(c) ADVANCE APPROPRIATIONS TO CCC.—The Secretary may use the funds of the Commodity Credit Corporation to carry out chapter 3 of subtitle D, except that the Secretary may not use the funds of the Corporation unless the Corporation has received funds to cover the expenditures from appropriations made available to carry out chapter 3 of subtitle D.

"SEC. 1242. ADMINISTRATION.

"(a) PLANS.—The Secretary shall, to the extent practicable, avoid duplication in—

"(1) the conservation plans required for—

"(A) highly erodible land conservation under subtitle B;

"(B) the conservation reserve program established under subchapter B of chapter 1 of subtitle D; and

"(C) the wetlands reserve program established under subchapter C of chapter 1 of subtitle D; and

"(2) the environmental quality incentives program established under chapter 4 of subtitle D.

"(b) ACREAGE LIMITATION.—

"(1) IN GENERAL.—The Secretary shall not enroll more than 25 percent of the cropland in any county in the programs administered under the conservation reserve and wetlands reserve programs established under subchapters B and C, respectively, of chapter 1 of subtitle D. Not more than 10 percent of the cropland in a county may be subject to an easement acquired under the subchapters.

"(2) EXCEPTION.—The Secretary may exceed the limitations in paragraph (1) if the Secretary determines that—

"(A) the action would not adversely affect the local economy of a county; and

"(B) operators in the county are having difficulties complying with conservation plans implemented under section 1212.

"(3) SHELTERBELTS AND WINDBREAKS.—The limitations established under this subsection shall not apply to cropland that is subject to an easement under chapter 1 or 3 of subtitle D that is used for the establishment of shelterbelts and windbreaks.

"(c) TENANT PROTECTION.—Except for a person who is a tenant on land that is subject to a conservation reserve contract that has been extended by the Secretary, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under the programs established under subtitles B through D.

"(d) REGULATIONS.—Not later than 90 days after the effective date of this subsection, the Secretary shall issue regulations to implement the conservation reserve and wetlands reserve programs established under chapter 1 of subtitle D.".

Subtitle D—National Natural Resources Conservation Foundation

SEC. 331. SHORT TITLE.

This subtitle may be cited as the "National Natural Resources Conservation Foundation Act".

SEC. 332. DEFINITIONS.

In this subtitle (unless the context otherwise requires):

(1) BOARD.—The term "Board" means the Board of Trustees established under section 334.

(2) DEPARTMENT.—The term "Department" means the United States Department of Agriculture.

(3) FOUNDATION.—The term "Foundation" means the National Natural Resources Conservation Foundation established by section 333(a).

(4) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

SEC. 333. NATIONAL NATURAL RESOURCES CONSERVATION FOUNDATION.

(a) ESTABLISHMENT.—A National Natural Resources Conservation Foundation is established as a charitable and nonprofit corporation for charitable, scientific, and educational purposes specified in subsection (b). The Foundation is not an agency or instrumentality of the United States.

(b) PURPOSES.—The purposes of the Foundation are to—

(1) promote innovative solutions to the problems associated with the conservation of natural resources on private lands, particularly with respect to agriculture and soil and water conservation;

(2) promote voluntary partnerships between government and private interests in the conservation of natural resources;

(3) conduct research and undertake educational activities, conduct and support demonstration projects, and make grants to State and local agencies and nonprofit organizations;

(4) provide such other leadership and support as may be necessary to address conservation challenges, such as the prevention of excessive soil erosion, enhancement of soil and water quality, and the protection of wetlands, wildlife habitat, and strategically important farmland subject to urban conversion and fragmentation;

(5) encourage, accept, and administer private gifts of money and real and personal property for the benefit of, or in connection with, the conservation and related activities and services of the Department, particularly the Natural Resources Conservation Service;

(6) undertake, conduct, and encourage educational, technical, and other assistance, and other activities, that support the conservation and related programs administered by the Department (other than activities carried out on National Forest System lands), particularly the Natural Resources Conservation Service, except that the Foundation may not enforce or administer a regulation of the Department; and

(7) raise private funds to promote the purposes of the Foundation.

(c) LIMITATIONS AND CONFLICTS OF INTERESTS.—

(1) POLITICAL ACTIVITIES.—The Foundation shall not participate or intervene in a political campaign on behalf of any candidate for public office.

(2) CONFLICTS OF INTEREST.—No director, officer, or employee of the Foundation shall participate, directly or indirectly, in the consideration or determination of any question before the Foundation affecting—

(A) the financial interests of the director, officer, or employee; or

(B) the interests of any corporation, partnership, entity, organization, or other person in which the director, officer, or employee—

(i) is an officer, director, or trustee; or

(ii) has any direct or indirect financial interest.

(3) LEGISLATION OR GOVERNMENT ACTION OR POLICY.—No funds of the Foundation may be used in any manner for the purpose of influencing legislation or government action or policy.

(4) LITIGATION.—No funds of the Foundation may be used to bring or join an action against the United States or any State.

SEC. 334. COMPOSITION AND OPERATION.

(a) COMPOSITION.—The Foundation shall be administered by a Board of Trustees that shall consist of 9 voting members, each of whom shall be a United States citizen and not a Federal officer. The Board shall be composed of—

(1) individuals with expertise in agricultural conservation policy matters;

(2) a representative of private sector organizations with a demonstrable interest in natural resources conservation;

(3) a representative of statewide conservation organizations;

(4) a representative of soil and water conservation districts;

(5) a representative of organizations outside the Federal Government that are dedicated to natural resources conservation education; and

(6) a farmer or rancher.

(b) NONGOVERNMENTAL EMPLOYEES.—Service as a member of the Board shall not constitute employment by, or the holding of, an office of the United States for the purposes of any Federal law.

(c) MEMBERSHIP.—

(1) INITIAL MEMBERS.—The Secretary shall appoint 9 persons who meet the criteria established under subsection (a) as the initial members of the Board and designate 1 of the members as the initial chairperson for a 2-year term.

(2) TERMS OF OFFICE.—

(A) IN GENERAL.—A member of the Board shall serve for a term of 3 years, except that the members appointed to the initial Board shall serve, proportionately, for terms of 1, 2, and 3 years, as determined by the Secretary.

(B) LIMITATION ON TERMS.—No individual may serve more than 2 consecutive 3-year terms as a member.

(3) SUBSEQUENT MEMBERS.—The initial members of the Board shall adopt procedures in the constitution of the Foundation for the nomination and selection of subsequent members of the Board. The procedures shall require that each member, at a minimum, meets the criteria established under subsection (a) and shall provide for the selection of an individual, who is not a Federal officer or a member of the Board.

(d) CHAIRPERSON.—After the appointment of an initial chairperson under subsection (c)(1), each succeeding chairperson of the Board shall be elected by the members of the Board for a 2-year term.

(e) VACANCIES.—A vacancy on the Board shall be filled by the Board not later than 60 days after the occurrence of the vacancy.

(f) COMPENSATION.—A member of the Board shall receive no compensation from the Foundation for the service of the member on the Board.

(g) TRAVEL EXPENSES.—While away from the home or regular place of business of a member of the Board in the performance of services for the Board, the member shall be allowed travel expenses paid by the Foundation, including per diem in lieu of subsistence, at the same rate as a person employed intermittently in the Government service would be allowed under section 5703 of title 5, United States Code.

SEC. 335. OFFICERS AND EMPLOYEES.

(a) IN GENERAL.—The Board may—

(1) appoint, hire, and discharge the officers and employees of the Foundation, other than the appointment of the initial Executive Director of the Foundation;

(2) adopt a constitution and bylaws for the Foundation that are consistent with the purposes of the Foundation and this subtitle; and

(3) undertake any other activities that may be necessary to carry out this subtitle.

(b) OFFICERS AND EMPLOYEES.—

(1) APPOINTMENT AND HIRING.—An officer or employee of the Foundation—

(A) shall not, by virtue of the appointment or employment of the officer or employee, be considered a Federal employee for any purpose, including the provisions of title 5, United States Code, governing appointments in the competitive service, except that such an individual may participate in the Federal employee retirement system as if the individual were a Federal employee; and

(B) may not be paid by the Foundation a salary in excess of $125,000 per year.

(2) EXECUTIVE DIRECTOR.—

(A) INITIAL DIRECTOR.—The Secretary shall appoint an individual to serve as the initial Executive Director of the Foundation who shall serve, at the direction of the Board, as the chief operating officer of the Foundation.

(B) SUBSEQUENT DIRECTORS.—The Board shall appoint each subsequent Executive Director of the Foundation who shall serve, at the direction of the Board, as the chief operating officer of the Foundation.

(C) QUALIFICATIONS.—The Executive Director shall be knowledgeable and experienced in matters relating to natural resources conservation.

SEC. 336. CORPORATE POWERS AND OBLIGATIONS OF THE FOUNDATION.

(a) IN GENERAL.—The Foundation—

(1) may conduct business throughout the United States and the territories and possessions of the United States; and

(2) shall at all times maintain a designated agent who is authorized to accept service of process for the Foundation, so that the serving of notice to, or service of process on, the agent, or mailed to the business address of the agent, shall be considered as service on or notice to the Foundation.

(b) SEAL.—The Foundation shall have an official seal selected by the Board that shall be judicially noticed.

(c) POWERS.—To carry out the purposes of the Foundation under section 333(b), the Foundation shall have, in addition to the powers otherwise provided under this subtitle, the usual powers of a corporation, including the power—

(1) to accept, receive, solicit, hold, administer, and use any gift, devise, or bequest, either absolutely or in trust, of real or personal property or any income from, or other interest in, the gift, devise, or bequest;

(2) to acquire by purchase or exchange any real or personal property or interest in property, except that funds provided under section 310 may not be used to purchase an interest in real property;

(3) unless otherwise required by instrument of transfer, to sell, donate, lease, invest, reinvest, retain, or otherwise dispose of any property or income from property;

(4) to borrow money from private sources and issue bonds, debentures, or other debt instruments, subject to section 339, except that the aggregate amount of the borrowing and debt instruments outstanding at any time may not exceed $1,000,000;

(5) to sue and be sued, and complain and defend itself, in any court of competent jurisdiction, except that a member of the Board shall not be personally liable for an action in the performance of services for the Board, except for gross negligence;

(6) to enter into a contract or other agreement with an agency of State or local government, educational institution, or other private organization or person and to make such payments as may be necessary to carry out the functions of the Foundation; and

(7) to do any and all acts that are necessary to carry out the purposes of the Foundation.

(d) INTEREST IN PROPERTY.—

(1) IN GENERAL.—The Foundation may acquire, hold, and dispose of lands, waters, or other interests in real property by donation, gift, devise, purchase, or exchange.

(2) INTERESTS IN REAL PROPERTY.—For purposes of this subtitle, an interest in real property shall be treated, among other things, as including an easement or other right for the preservation, conservation, protection, or enhancement of agricultural, natural, scenic, historic, scientific, educational, inspirational, or recreational resources.

(3) GIFTS.—A gift, devise, or bequest may be accepted by the Foundation even though the gift, devise, or bequest is encumbered, restricted, or subject to a beneficial interest of a private person if any current or future interest in the gift, devise, or bequest is for the benefit of the Foundation.

SEC. 337. ADMINISTRATIVE SERVICES AND SUPPORT.

For each of fiscal years 1996 through 1998, the Secretary may provide, without reimbursement, personnel, facilities, and other administrative services of the Department to the Foundation.

SEC. 338. AUDITS AND PETITION OF ATTORNEY GENERAL FOR EQUITABLE RELIEF.

(a) AUDITS.—

(1) IN GENERAL.—The accounts of the Foundation shall be audited in accordance with Public Law 88–504 (36 U.S.C. 1101 et seq.), including an audit of lobbying and litigation activities carried out by the Foundation.

(2) CONFORMING AMENDMENT.—The first section of Public Law 88–504 (36 U.S.C. 1101) is amended by adding at the end the following:

"(77) The National Natural Resources Conservation Foundation.".

(b) RELIEF WITH RESPECT TO CERTAIN FOUNDATION ACTS OR FAILURE TO ACT.—The Attorney General may petition in the United States District Court for the District of Columbia for such equitable relief as may be necessary or appropriate, if the Foundation—

(1) engages in, or threatens to engage in, any act, practice, or policy that is inconsistent with this subtitle; or

(2) refuses, fails, neglects, or threatens to refuse, fail, or neglect, to discharge the obligations of the Foundation under this subtitle.

SEC. 339. RELEASE FROM LIABILITY.

(a) IN GENERAL.—The United States shall not be liable for any debt, default, act, or omission of the Foundation. The full faith and credit of the United States shall not extend to the Foundation.

(b) STATEMENT.—An obligation issued by the Foundation, and a document offering an obligation, shall include a prominent statement that the obligation is not directly or indirectly guaranteed, in whole or in part, by

the United States (or an agency or instrumentality of the United States).

SEC. 340. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Department to be made available to the Foundation $1,000,000 for each of fiscal years 1997 through 1999 to initially establish and carry out activities of the Foundation.

Subtitle E—Miscellaneous

SEC. 351. FLOOD RISK REDUCTION.

(a) IN GENERAL.—During fiscal years 1996 through 2002, the Secretary of Agriculture (referred to in this section as the "Secretary") may enter into a contract with contract acreage under title I on a farm with land that is frequently flooded.

(b) DUTIES OF PRODUCERS.—Under the terms of the contract, with respect to acres that are subject to the contract, the producer must agree to—

(1) the termination of any contract acreage;

(2) forgo loans for contract commodities, oilseeds, and extra long staple cotton;

(3) not apply for crop insurance issued or reinsured by the Secretary;

(4) comply with applicable wetlands and high erodible land conservation compliance requirements established under title XII of the Food Security Act of 1985 (16 U.S.C. 3801 et seq.);

(5) not apply for any conservation program payments from the Secretary;

(6) not apply for disaster program benefits provided by the Secretary; and

(7) refund the payments, with interest, issued under the flood risk reduction contract to the Secretary, if the producer violates the terms of the contract or if the producer transfers the property to another person who violates the contract.

(c) DUTIES OF SECRETARY.—In return for a flood risk reduction contract entered into by a producer under this section, the Secretary shall agree to pay the producer for the 1996 through 2002 crops not more than 95 percent of the projected contract payments under title I, and not more than 95 percent of the projected payments and subsidies from the Federal Crop Insurance Corporation.

(d) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

SEC. 352. FORESTRY.

(a) FORESTRY INCENTIVES PROGRAM.—Section 4 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103) is amended by striking subsection (k).

(b) OFFICE OF INTERNATIONAL FORESTRY.—Section 2405 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6704) is amended by adding at the end the following:

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized each fiscal year such sums as are necessary to carry out this section.".

SEC. 353. STATE TECHNICAL COMMITTEES.

Section 1261(c) of the Food Security Act of 1985 (16 U.S.C. 3861(c)) is amended—

(1) in paragraph (7), by striking "and" at the end;

(2) in paragraph (8), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(9) agricultural producers.".

SEC. 354. CONSERVATION OF PRIVATE GRAZING LAND.

(a) FINDINGS.—Congress finds that—

(1) privately owned grazing land constitutes nearly ½ of the non-Federal land of the United States and is basic to the environmental, social, and economic stability of rural communities;

(2) privately owned grazing land contains a complex set of interactions among soil, water, air, plants, and animals;

(3) grazing land constitutes the single largest watershed cover type in the United States and contributes significantly to the quality and quantity of water available for all of the many uses of the land;

(4) private grazing land constitutes the most extensive wildlife habitat in the United States;

(5) private grazing land can provide opportunities for improved nutrient management from land application of animal manures and other by-product nutrient resources;

(6) owners and managers of private grazing land need to continue to recognize conservation problems when the problems arise and receive sound technical assistance to improve or conserve grazing land resources to meet ecological and economic demands;

(7) new science and technology must continually be made available in a practical manner so owners and managers of private grazing land may make informed decisions concerning vital grazing land resources;

(8) agencies of the Department of Agriculture with private grazing land responsibilities are the agencies that have the expertise and experience to provide technical assistance, education, and research to owners and managers of private grazing land for the long-term productivity and ecological health of grazing land;

(9) although competing demands on private grazing land resources are greater than ever before, assistance to private owners and managers of private grazing land is currently limited and does not meet the demand and basic need for adequately sustaining or enhancing the private grazing lands resources; and

(10) privately owned grazing land can be enhanced to provide many benefits to all Americans through voluntary cooperation among owners and managers of the land, local conservation districts, and the agencies of the Department of Agriculture responsible for providing assistance to owners and managers of land and to conservation districts.

(b) PURPOSE.—It is the purpose of this section to authorize the Secretary of Agriculture to provide a coordinated technical, educational, and related assistance program to conserve and enhance private grazing land resources and provide related benefits to all citizens of the United States by—

(1) establishing a coordinated and cooperative Federal, State, and local grazing conservation program for management of private grazing land;

(2) strengthening technical, educational, and related assistance programs that provide assistance to owners and managers of private grazing land;

(3) conserving and improving wildlife habitat on private grazing land;

(4) conserving and improving fish habitat and aquatic systems through grazing land conservation treatment;

(5) protecting and improving water quality;

(6) improving the dependability and consistency of water supplies;

(7) identifying and managing weed, noxious weed, and brush encroachment problems on private grazing land; and

(8) integrating conservation planning and management decisions by owners and managers of private grazing land, on a voluntary basis.

(c) DEFINITIONS.—In this section:

(1) PRIVATE GRAZING LAND.—The term "private grazing land" means privately owned, State-owned, tribally-owned, and any other non-federally owned rangeland, pastureland, grazed forest land, and hay land.

(2) SECRETARY.—The term "Secretary" means the Secretary of Agriculture, acting through the Natural Resources Conservation Service.

(d) PRIVATE GRAZING LAND CONSERVATION ASSISTANCE.—

(1) ASSISTANCE TO GRAZING LANDOWNERS AND OTHERS.—Subject to the availability of appropriations, the Secretary shall establish a voluntary program to provide technical, educational, and related assistance to owners and managers of private grazing land and public agencies, through local conservation districts, to enable the landowners, managers, and public agencies to voluntarily carry out activities that are consistent with this section, including—

(A) maintaining and improving private grazing land and the multiple values and uses that depend on private grazing land;

(B) implementing grazing land management technologies;

(C) managing resources on private grazing land, including—

(i) planning, managing, and treating private grazing land resources;

(ii) ensuring the long-term sustainability of private grazing land resources;

(iii) harvesting, processing, and marketing private grazing land resources; and

(iv) identifying and managing weed, noxious weed, and brush encroachment problems;

(D) protecting and improving the quality and quantity of water yields from private grazing land;

(E) maintaining and improving wildlife and fish habitat on private grazing land;

(F) enhancing recreational opportunities on private grazing land;

(G) maintaining and improving the aesthetic character of private grazing lands; and

(H) identifying the opportunities and encouraging the diversification of private grazing land enterprises.

(2) PROGRAM ELEMENTS.—

(A) FUNDING.—The program under paragraph (1) shall be funded through a specific line-item in the annual appropriations for the Natural Resources Conservation Service.

(B) TECHNICAL ASSISTANCE AND EDUCATION.—Personnel of the Department of Agriculture trained in pasture and range management shall be made available under the program to deliver and coordinate technical assistance and education to owners and managers of private grazing land, at the request of the owners and managers.

(e) GRAZING TECHNICAL ASSISTANCE SELF-HELP.—

(1) FINDINGS.—Congress finds that—

(A) there is a severe lack of technical assistance for grazing producers;

(B) the Federal budget precludes any significant expansion, and may force a reduction of, current levels of technical support; and

(C) farmers and ranchers have a history of cooperatively working together to address common needs in the promotion of their products and in the drainage of wet areas through drainage districts.

(2) ESTABLISHMENT OF GRAZING DEMONSTRATION.—The Secretary may establish 2 grazing management demonstration districts at the recommendation of the Grazing Lands Conservation Initiative Steering Committee.

(3) PROCEDURE.—

(A) PROPOSAL.—Within a reasonable time after the submission of a request of an organization of farmers or ranchers engaged in

grazing, the Secretary shall propose that a grazing management district be established.

(B) FUNDING.—The terms and conditions of the funding and operation of the grazing management district shall be proposed by the producers.

(C) APPROVAL.—The Secretary shall approve the proposal if the Secretary determines that the proposal—

(i) is reasonable;

(ii) will promote sound grazing practices; and

(iii) contains provisions similar to the provisions contained in the promotion orders in effect on the effective date of this section.

(D) AREA INCLUDED.—The area proposed to be included in a grazing management district shall be determined by the Secretary on the basis of a petition by farmers or ranchers.

(E) AUTHORIZATION.—The Secretary may use authority under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to operate, on a demonstration basis, a grazing management district.

(F) ACTIVITIES.—The activities of a grazing management district shall be scientifically sound activities, as determined by the Secretary in consultation with a technical advisory committee composed of ranchers, farmers, and technical experts.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

(1) $20,000,000 for fiscal year 1996;

(2) $40,000,000 for fiscal year 1997; and

(3) $60,000,000 for fiscal year 1998 and each subsequent fiscal year.

SEC. 355. CONFORMING AMENDMENTS.

(a) AGRICULTURAL CONSERVATION PROGRAM.—

(1) ELIMINATION.—

(A) Section 8 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h) is amended—

(i) in subsection (b)—

(I) by striking paragraphs (1) through (4) and inserting the following:

"(1) ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.—The Secretary shall provide technical assistance, cost share payments, and incentive payments to operators through the environmental quality incentives program in accordance with chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.).."; and

(II) by striking paragraphs (6) through (8); and

(ii) by striking subsections (d), (e), and (f).

(B) The first sentence of section 11 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590k) is amended by striking "performance: *Provided further*," and all that follows through "or other law" and inserting "performance".

(C) Section 14 of the Act (16 U.S.C. 590n) is amended—

(i) in the first sentence, by striking "or 8"; and

(ii) by striking the second sentence.

(D) Section 15 of the Act (16 U.S.C. 590o) is amended—

(i) in the first undesignated paragraph—

(I) in the first sentence, by striking "sections 7 and 8" and inserting "section 7"; and

(II) by striking the third sentence; and

(ii) by striking the second undesignated paragraph.

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (1) of the last proviso of the matter under the heading "CONSERVATION RESERVE PROGRAM" under the heading "SOIL BANK PROGRAMS" of title I of the Department of Agriculture and Farm Credit Administration Appropriation Act, 1959 (72 Stat. 195; 7 U.S.C. 1831a) is amended by striking "Agricultural Conservation Program" and inserting "environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.)".

(B) Section 4 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103) is amended by striking "as added by the Agriculture and Consumer Protection Act of 1973" each place it appears in subsections (d) and (i) and inserting "as in effect before the amendment made by section 355(a)(1) of the Agricultural Reform and Improvement Act of 1996".

(C) Section 226(b)(4) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6932(b)(4)) is amended by striking "and the agricultural conservation program under the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g et seq.)".

(D) Section 246(b)(8) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)(8)) is amended by striking "and the agricultural conservation program under the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g et seq.)".

(E) Section 1271(c)(3)(C) of the Food, Agriculture, Conservation, and Trade Act of 1990 (16 U.S.C. 2106a(c)(3)(C)) is amended by striking "Agricultural Conservation Program established under section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h, 5901, or 590p)" and inserting "environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.)".

(F) Section 126(a)(5) of the Internal Revenue Code of 1986 is amended to read as follows:

"(5) The environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.).".

(G) Section 304(a) of the Lake Champlain Special Designation Act of 1990 (Public Law 101-596; 33 U.S.C. 1270 note) is amended—

(i) in the subsection heading, by striking "SPECIAL PROJECT AREA UNDER THE AGRICULTURAL CONSERVATION PROGRAM" and inserting "A PRIORITY AREA UNDER THE ENVIRONMENTAL QUALITY INCENTIVES PROGRAM"; and

(ii) in paragraph (1), by striking "special project area under the Agricultural Conservation Program established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b))" and inserting "priority area under the environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.)".

(H) Section 6 of the Department of Agriculture Organic Act of 1956 (70 Stat. 1033) is amended by striking subsection (b).

(b) GREAT PLAINS CONSERVATION PROGRAM.—

(1) ELIMINATION.—Section 16 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p) is repealed.

(2) CONFORMING AMENDMENTS.—

(A) The Agricultural Adjustment Act of 1938 is amended by striking "Great Plains program" each place it appears in sections 344(f)(8) and 377 (7 U.S.C. 1344(f)(8) and 1377) and inserting "environmental quality incentives program established under chapter 2 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.)".

(B) Section 246(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)) is amended by striking paragraph (2).

(C) Section 126(a) of the Internal Revenue Code of 1986 is amended—

(i) by striking paragraph (6); and

(ii) by redesignating paragraphs (7) through (10) as paragraphs (6) through (9), respectively.

(c) COLORADO RIVER BASIN SALINITY CONTROL PROGRAM.—

(1) ELIMINATION.—Section 202 of the Colorado River Basin Salinity Control Act (43 U.S.C. 1592) is amended by striking subsection (c).

(2) CONFORMING AMENDMENT.—Section 246(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)) is amended by striking paragraph (6).

(d) RURAL ENVIRONMENTAL CONSERVATION PROGRAM.—

(1) ELIMINATION.—Title X of the Agricultural Act of 1970 (16 U.S.C. 1501 et seq.) is repealed.

(2) CONFORMING AMENDMENTS.—Section 246(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)) is amended—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) through (8) as paragraphs (1) through (7), respectively.

(e) OTHER CONSERVATION PROVISIONS.—Subtitle F of title XII of the Food Security Act of 1985 (16 U.S.C. 2005a and 2101 note) is repealed.

(f) COMMODITY CREDIT CORPORATION CHARTER ACT.—Section 5(g) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(g)) is amended to read as follows:

"(g) Carry out conservation functions and programs.".

(g) RESOURCE CONSERVATION.—

(1) ELIMINATION.—Subtitles A, B, D, E, F, G, and J of title XV of the Agriculture and Food Act of 1981 (95 Stat. 1328; 16 U.S.C. 3401 et seq.) are repealed.

(2) CONFORMING AMENDMENT.—Section 739 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1982 (7 U.S.C. 2272a), is repealed.

(h) ENVIRONMENTAL EASEMENT PROGRAM.—Section 1239(a) of the Food Security Act of 1985 (16 U.S.C. 3839(a)) is amended by striking "1991 through 1995" and inserting "1996 through 2002".

(i) RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.—Section 1538 of the Agriculture and Food Act of 1981 (16 U.S.C. 3461) is amended by striking "1991 through 1995" and inserting "1996 through 2002".

(j) TECHNICAL AMENDMENT.—The first sentence of the matter under the heading "Commodity Credit Corporation" of Public Law 99-263 (100 Stat. 59; 16 U.S.C. 3841 note) is amended by striking ": Provided further," and all that follows through "Acts".

(k) AGRICULTURAL WATER QUALITY INCENTIVES PROGRAM.—Chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.) is repealed.

TITLE IV—CREDIT

Subtitle A—Agricultural Credit

CHAPTER 1—FARM OWNERSHIP LOANS

SEC. 401. LIMITATION ON DIRECT FARM OWNERSHIP LOANS.

Section 302 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922) is amended by striking subsection (b) and inserting the following:

"(b) DIRECT LOANS.—

"(1) IN GENERAL.—Subject to paragraph (3), the Secretary may only make a direct loan

under this subtitle to a farmer or rancher who has operated a farm or ranch for not less than 3 years and—

"(A) is a qualified beginning farmer or rancher;

"(B) has not received a previous direct farm ownership loan made under this subtitle; or

"(C) has not received a direct farm ownership loan under this subtitle more than 10 years before the date the new loan would be made.

"(2) YOUTH LOANS.—The operation of an enterprise by a youth under section 311(b) shall not be considered the operation of a farm or ranch for purposes of paragraph (1).

"(3) TRANSITION RULE.—

"(A) IN GENERAL.—Subject to subparagraphs (B) and (C), paragraph (1) shall not apply to a farmer or rancher who has a direct loan outstanding under this subtitle on the date of enactment of this paragraph.

"(B) LESS THAN 5 YEARS.—If, as of the date of enactment of this paragraph, a farmer or rancher has had a direct loan outstanding under this subtitle for less than 5 years, the Secretary shall not make another loan to the farmer or rancher under this subtitle after the date that is 10 years after the date of enactment of this paragraph.

"(C) 5 YEARS OR MORE.—If, as of the date of enactment of this paragraph, a farmer or rancher has had a direct loan outstanding under this subtitle for 5 years or more, the Secretary shall not make another loan to the farmer or rancher under this subtitle after the date that is 5 years after the date of enactment of this paragraph.".

SEC. 402. PURPOSES OF LOANS.

Section 303 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1923) is amended to read as follows:

"SEC. 303. PURPOSES OF LOANS.

"(a) ALLOWED PURPOSES.—

"(1) DIRECT LOANS.—A farmer or rancher may use a direct loan made under this subtitle only for—

"(A) acquiring or enlarging a farm or ranch;

"(B) making capital improvements to a farm or ranch;

"(C) paying loan closing costs related to acquiring, enlarging, or improving a farm or ranch; or

"(D) paying for activities to promote soil and water conservation and protection under section 304 on the farm or ranch.

"(2) GUARANTEED LOANS.—A farmer or rancher may use a loan guaranteed under this subtitle only for—

"(A) acquiring or enlarging a farm or ranch;

"(B) making capital improvements to a farm or ranch;

"(C) paying loan closing costs related to acquiring, enlarging, or improving a farm or ranch;

"(D) paying for activities to promote soil and water conservation and protection under section 304 on the farm or ranch; or

"(E) refinancing indebtedness.

"(b) PREFERENCES.—In making or guaranteeing a loan for farm or ranch purchase, the Secretary shall give a preference to a person who—

"(1) has a dependent family;

"(2) to the extent practicable, is able to make an initial down payment; or

"(3) is an owner of livestock or farm or ranch equipment that is necessary to successfully carry out farming or ranching operations.

"(c) HAZARD INSURANCE REQUIREMENT.—

"(1) IN GENERAL.—The Secretary may not make a loan to a farmer or rancher under this subtitle unless the farmer or rancher has, or agrees to obtain, hazard insurance on any real property to be acquired or improved with the loan.

"(2) DETERMINATION.—Not later than 180 days after the date of enactment of this subsection, the Secretary shall determine the appropriate level of insurance to be required under paragraph (1).

"(3) TRANSITIONAL PROVISION.—Paragraph (1) shall not apply until the Secretary makes the determination required under paragraph (2).".

SEC. 403. SOIL AND WATER CONSERVATION AND PROTECTION.

Section 304 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1924) is amended—

(1) by striking subsections (b) and (c);

(2) by striking "SEC. 304. (a)(1) Loans" and inserting the following:

"SEC. 304. SOIL AND WATER CONSERVATION AND PROTECTION.

"(a) IN GENERAL.—Loans";

(3) by striking "(2) In making or insuring" and inserting the following:

"(b) PRIORITY.—In making or guaranteeing";

(4) by striking "(3) The Secretary" and inserting the following:

"(c) LOAN MAXIMUM.—The Secretary";

(5) by redesignating subparagraphs (A) through (F) of subsection (a) (as amended by paragraph (2)) as paragraphs (1) through (6), respectively; and

(6) by redesignating subparagraphs (A) and (B) of subsection (c) (as amended by paragraph (4)) as paragraphs (1) and (2), respectively.

SEC. 404. INTEREST RATE REQUIREMENTS.

Section 307(a)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(3)) is amended—

(1) in subparagraph (B), by inserting "subparagraph (D) and in" after "Except as provided in"; and

(2) by adding at the end the following:

"(D) JOINT FINANCING ARRANGEMENT.—If a direct farm ownership loan is made under this subtitle as part of a joint financing arrangement and the amount of the direct farm ownership loan does not exceed 50 percent of the total principal amount financed under the arrangement, the interest rate on the direct farm ownership loan shall be 4 percent annually.".

SEC. 405. INSURANCE OF LOANS.

Section 308 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1928) is amended to read as follows:

"SEC. 308. FULL FAITH AND CREDIT.

"(a) IN GENERAL.—A contract of insurance or guarantee executed by the Secretary under this title shall be an obligation supported by the full faith and credit of the United States.

"(b) CONTESTABILITY.—A contract of insurance or guarantee executed by the Secretary under this title shall be incontestable except for fraud or misrepresentation that the lender or any holder—

"(1) has actual knowledge of at the time the contract or guarantee is executed; or

"(2) participates in or condones.".

SEC. 406. LOANS GUARANTEED.

Section 309(h) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(h)) is amended by adding at the end the following:

"(4) MAXIMUM GUARANTEE OF 90 PERCENT.—Except as provided in paragraph (5), a loan guarantee under this title shall be for not more than 90 percent of the principal and interest due on the loan.

"(5) REFINANCED LOANS GUARANTEED AT 95 PERCENT.—The Secretary shall guarantee 95 percent of—

"(A) in the case of a loan that solely refinances a direct loan made under this title, the principal and interest due on the loan on the date of the refinancing; or

"(B) in the case of a loan that is used for multiple purposes, the portion of the loan that refinances the principal and interest due on a direct loan made under this title that is outstanding on the date the loan is guaranteed.

"(6) BEGINNING FARMER LOANS GUARANTEED UP TO 95 PERCENT.—The Secretary may guarantee up to 95 percent of—

"(A) a farm ownership loan for acquiring a farm or ranch to a borrower who is participating in the down payment loan program under section 310E; or

"(B) an operating loan to a borrower who is participating in the down payment loan program under section 310E that is made during the period that the borrower has a direct loan for acquiring a farm or ranch.".

CHAPTER 2—OPERATING LOANS

SEC. 411. LIMITATION ON DIRECT OPERATING LOANS.

(a) IN GENERAL.—Section 311 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941) is amended by striking subsection (c) and inserting the following:

"(c) DIRECT LOANS.—

"(1) IN GENERAL.—Subject to paragraph (3), the Secretary may only make a direct loan under this subtitle to a farmer or rancher who—

"(A) is a qualified beginning farmer or rancher who has not operated a farm or ranch, or who has operated a farm or ranch for not more than 5 years;

"(B) has not had a previous direct operating loan under this subtitle; or

"(C) has not had a previous direct operating loan under this subtitle for more than 7 years.

"(2) YOUTH LOANS.—In this subsection, the term 'direct operating loan' shall not include a loan made to a youth under subsection (b).

"(3) TRANSITION RULE.—If, as of the date of enactment of this paragraph, a farmer or rancher has received a direct operating loan under this subtitle during each of 4 or more previous years, the borrower shall be eligible to receive a direct operating loan under this subtitle during 3 additional years after the date of enactment of this paragraph.".

(b) YOUTH ENTERPRISES NOT FARMING OR RANCHING.—Section 311(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(b)) is amended by adding at the end the following:

"(4) YOUTH ENTERPRISES NOT FARMING OR RANCHING.—The operation of an enterprise by a youth under this subsection shall not be considered the operation of a farm or ranch under this title.".

SEC. 412. PURPOSES OF OPERATING LOANS.

Section 312 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1942) is amended to read as follows:

"SEC. 312. PURPOSES OF LOANS.

"(a) IN GENERAL.—A direct loan may be made under this subtitle only for—

"(1) paying the costs incident to reorganizing a farming or ranching system for more profitable operation;

"(2) purchasing livestock, poultry, or farm or ranch equipment;

"(3) purchasing feed, seed, fertilizer, insecticide, or farm or ranch supplies, or to meet other essential farm or ranch operating expenses, including cash rent;

"(4) financing land or water development, use, or conservation;

"(5) paying loan closing costs;

"(6) assisting a farmer or rancher in effecting an addition to, or alteration of, the equipment, facilities, or methods of operation of a farm or ranch to comply with a standard promulgated under section 6 of the Occupational Safety and Health Act of 1970 (29 U.S.C. 655) or a standard adopted by a State under a plan approved under section 18 of the Act (29 U.S.C. 667), if the Secretary determines that without assistance under this paragraph the farmer or rancher is likely to suffer substantial economic injury due to compliance with the standard;

"(7) training a limited-resource borrower receiving a loan under section 310D in maintaining records of farming and ranching operations;

"(8) training a borrower under section 359;

"(9) refinancing the indebtedness of a borrower if the borrower—

"(A) has refinanced a loan under this subtitle not more than 4 times previously; and

"(B)(i) is a direct loan borrower under this title at the time of the refinancing and has suffered a qualifying loss because of a natural disaster declared by the Secretary under this title or a major disaster or emergency designated by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.); or

"(ii) is refinancing a debt obtained from a creditor other than the Secretary; or

"(10) providing other farm, ranch, or home needs, including family subsistence.

"(b) GUARANTEED LOANS.—A loan may be guaranteed under this subtitle only for—

"(1) paying the costs incident to reorganizing a farming or ranching system for more profitable operation;

"(2) purchasing livestock, poultry, or farm or ranch equipment;

"(3) purchasing feed, seed, fertilizer, insecticide, or farm or ranch supplies, or to meet other essential farm or ranch operating expenses, including cash rent;

"(4) financing land or water development, use, or conservation;

"(5) refinancing indebtedness;

"(6) paying loan closing costs;

"(7) assisting a farmer or rancher in effecting an addition to, or alteration of, the equipment, facilities, or methods of operation of a farm or ranch to comply with a standard promulgated under section 6 of the Occupational Safety and Health Act of 1970 (29 U.S.C. 655) or a standard adopted by a State under a plan approved under section 18 of the Act (29 U.S.C. 667), if the Secretary determines that without assistance under this paragraph the farmer or rancher is likely to suffer substantial economic injury due to compliance with the standard;

"(8) training a borrower under section 359; or

"(9) providing other farm, ranch, or home needs, including family subsistence.

"(c) HAZARD INSURANCE REQUIREMENT.—

"(1) IN GENERAL.—The Secretary may not make a loan to a farmer or rancher under this subtitle unless the farmer or rancher has, or agrees to obtain, hazard insurance on any property to be acquired with the loan.

"(2) DETERMINATION.—Not later than 180 days after the date of enactment of this paragraph, the Secretary shall determine the appropriate level of insurance to be required under paragraph (1).

"(3) TRANSITIONAL PROVISION.—Paragraph (1) shall not apply until the Secretary makes the determination required under paragraph (2).

"(d) PRIVATE RESERVE.—

"(1) IN GENERAL.—Notwithstanding any other provision of this title, the Secretary may reserve the lesser of 10 percent or $5,000 of the amount of a direct loan made under this subtitle, to be placed in a nonsupervised bank account that may be used at the discretion of the borrower for any necessary family living need or purpose that is consistent with any farming or ranching plan agreed to by the Secretary and the borrower prior to the date of the loan.

"(2) ADJUSTMENT OF RESERVE.—If a borrower exhausts the amount of funds reserved under paragraph (1), the Secretary may—

"(A) review and adjust the farm or ranch plan referred to in paragraph (1) with the borrower and reschedule the loan;

"(B) extend additional credit;

"(C) use income proceeds to pay necessary farm, ranch, home, or other expenses; or

"(D) provide additional available loan servicing.".

SEC. 413. PARTICIPATION IN LOANS.

Section 315 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1945) is repealed.

SEC. 414. LINE-OF-CREDIT LOANS.

Section 316 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1946) is amended by adding at the end the following:

"(c) LINE-OF-CREDIT LOANS.—

"(1) IN GENERAL.—A loan made or guaranteed by the Secretary under this subtitle may be in the form of a line-of-credit loan.

"(2) TERM.—A line-of-credit loan under paragraph (1) shall terminate not later than 5 years after the date that the loan is made or guaranteed.

"(3) ELIGIBILITY.—For purposes of determining eligibility for a farm operating loan, each year in which a farmer or rancher takes an advance or draws on a line-of-credit loan the farmer or rancher shall be considered to have received an operating loan for 1 year.".

SEC. 415. INSURANCE OF OPERATING LOANS.

Section 317 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1947) is repealed.

SEC. 416. SPECIAL ASSISTANCE FOR BEGINNING FARMERS AND RANCHERS.

(a) IN GENERAL.—Section 318 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1948) is repealed.

(b) CONFORMING AMENDMENT.—Section 310F of the Consolidated Farm and Rural Development Act (7 U.S.C. 1936) is repealed.

SEC. 417. LIMITATION ON PERIOD FOR WHICH BORROWERS ARE ELIGIBLE FOR GUARANTEED ASSISTANCE.

Section 319 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1949) is amended by striking subsection (b) and inserting the following:

"(b) LIMITATION ON PERIOD BORROWERS ARE ELIGIBLE FOR GUARANTEED ASSISTANCE.—

"(1) GENERAL RULE.—Subject to paragraph (2), the Secretary shall not guarantee a loan under this subtitle for a borrower for any year after the 15th year that a loan is made to, or a guarantee is provided with respect to, the borrower under this subtitle.

"(2) TRANSITION RULE.—If, as of October 28, 1992, a farmer or rancher has received a direct or guaranteed operating loan under this subtitle during each of 10 or more previous years, the borrower shall be eligible to receive a guaranteed operating loan under this subtitle during 5 additional years after October 28, 1992.".

CHAPTER 3—EMERGENCY LOANS

SEC. 421. HAZARD INSURANCE REQUIREMENT.

Section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961) is amended by striking subsection (b) and inserting the following:

"(b) HAZARD INSURANCE REQUIREMENT.—

"(1) IN GENERAL.—The Secretary may not make a loan to a farmer or rancher under this subtitle to cover a property loss unless the farmer or rancher had hazard insurance that insured the property at the time of the loss.

"(2) DETERMINATION.—Not later than 180 days after the date of enactment of this paragraph, the Secretary shall determine the appropriate level of insurance to be required under paragraph (1).

"(3) TRANSITIONAL PROVISION.—Paragraph (1) shall not apply until the Secretary makes the determination required under paragraph (2).".

SEC. 422. MAXIMUM EMERGENCY LOAN INDEBTEDNESS.

Section 324 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1964) is amended by striking "SEC. 324. (a) No loan" and all that follows through the end of subsection (a) and inserting the following:

"SEC. 324. TERMS OF LOANS.

"(a) MAXIMUM AMOUNT OF LOAN.—The Secretary may not make a loan under this subtitle that—

"(1) exceeds the actual loss caused by a disaster; or

"(2) would cause the total indebtedness of the borrower under this subtitle to exceed $500,000.".

SEC. 423. INSURANCE OF EMERGENCY LOANS.

Section 328 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1968) is repealed.

CHAPTER 4—ADMINISTRATIVE PROVISIONS

SEC. 431. USE OF COLLECTION AGENCIES.

Section 331 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981) is amended by adding at the end the following:

"(d) PRIVATE COLLECTION AGENCY.—The Secretary may use a private collection agency to collect a claim or obligation described in subsection (b)(5).".

SEC. 432. NOTICE OF LOAN SERVICE PROGRAMS.

Section 331D(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981d(a)) is amended by striking "180 days delinquent in" and inserting "90 days past due on".

SEC. 433. SALE OF PROPERTY.

Section 335 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985) is amended—

(1) in subsection (b), by striking "subsection (e)" and inserting "subsections (c) and (e)";

(2) by striking subsection (c) and inserting the following:

"(c) SALE OF PROPERTY.—

"(1) IN GENERAL.—Subject to this subsection and subsection (e)(1)(A), the Secretary shall offer to sell real property that is acquired by the Secretary under this title in the following order and method of sale:

"(A) ADVERTISEMENT.—Not later than 15 days after acquiring real property, the Secretary shall publicly advertise the property for sale.

"(B) BEGINNING FARMER OR RANCHER.—

"(i) IN GENERAL.—Not later than 75 days after acquiring real property, the Secretary shall attempt to sell the property to a qualified beginning farmer or rancher at current market value based on a current appraisal.

"(ii) RANDOM SELECTION.—If more than 1 qualified beginning farmer or rancher offers to purchase the property, the Secretary shall select between the qualified applicants on a random basis.

"(iii) APPEAL OF RANDOM SELECTION.—A random selection or denial by the Secretary of a beginning farmer or rancher for farm inventory property under this subparagraph shall be final and not administratively appealable.

"(C) PUBLIC SALE.—If no acceptable offer is received from a qualified beginning farmer or rancher under subparagraph (B) within 75 days of acquiring the real property, the Secretary shall, within 30 days, sell the property after public notice at a public sale, and, if no acceptable bid is received, by negotiated sale, at the best price obtainable.

"(2) TRANSITIONAL RULES.—

"(A) PREVIOUS LEASE.—In the case of real property acquired prior to the date of enactment of this subparagraph that the Secretary leased prior to the date of enactment of this subparagraph, the Secretary shall offer to sell the property according to paragraph (1) not later than 60 days after the lease expires.

"(B) PREVIOUSLY IN INVENTORY.—In the case of real property acquired prior to the date of enactment of this subparagraph that the Secretary has not leased, the Secretary shall offer to sell the property according to paragraph (1) not later than 60 days after the date of enactment of this subparagraph.

"(3) INTEREST.—

"(A) IN GENERAL.—Subject to subparagraph (B), any conveyance under this subsection shall include all of the interest of the United States, including mineral rights.

"(B) CONSERVATION.—The Secretary may for conservation purposes grant or sell an easement, restriction, development right, or similar legal right to a State, a political subdivision of a State, or a private nonprofit organization separately from the underlying fee or other rights owned by the Secretary.

"(4) OTHER LAW.—This title shall not be subject to the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).

"(5) LEASE OF PROPERTY.—

"(A) IN GENERAL.—Subject to subparagraph (B), the Secretary may not lease any real property acquired under this title.

"(B) EXCEPTION.—

"(i) BEGINNING FARMER OR RANCHER.—Notwithstanding paragraph (1), the Secretary may lease or contract to sell a farm or ranch acquired by the Secretary under this title to a beginning farmer or rancher if the beginning farmer or rancher qualifies for a credit sale or direct farm ownership loan but credit sale authority for loans or direct farm ownership funds, respectively, are not available.

"(ii) TERM.—A lease or contract to sell to a beginning farmer or rancher under clause (i) shall be until the earlier of—

"(I) the date that is 18 months after the date of the lease or sale; or

"(II) the date that direct farm ownership loan funds or credit sale authority for loans become available to the beginning farmer or rancher.

"(iii) INCOME-PRODUCING CAPABILITY.—In determining the rental rate on real property leased under this subparagraph, the Secretary shall consider the income-producing capability of the property during the term that the property is leased.

"(6) DETERMINATION BY SECRETARY.—

"(A) EXPEDITED REVIEW.—On the request of an applicant, the Secretary shall provide within 30 days of denial of the applicant's application for an expedited review by the appropriate State Director of whether the applicant is a beginning farmer or rancher for the purpose of acquiring farm inventory property.

"(B) APPEAL.—The results of a review conducted by a State Director under subparagraph (A) shall be final and not administratively appealable.

"(C) EFFECTS OF REVIEW.—

"(i) IN GENERAL.—The Secretary shall maintain statistical data on the number and results of reviews conducted under subparagraph (A) and whether the reviews adversely impact on—

"(I) selling farm inventory property to beginning farmers and ranchers; and

"(II) disposing of real property in inventory.

"(ii) NOTIFICATION.—The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate if the Secretary determines that reviews under subparagraph (A) are adversely impacting the selling of farm inventory property to beginning farmers or ranchers or on disposing of real property in inventory."; and

(3) in subsection (e)—

(A) in paragraph (1)—

(i) by striking subparagraphs (A) through (C);

(ii) by redesignating subparagraphs (D) through (G) as subparagraphs (A) through (D), respectively;

(iii) in subparagraph (A) (as redesignated by clause (ii))—

(I) in clause (i)—

(aa) in the matter preceding subclause (I), by striking "(G)" and inserting "(D)";

(bb) by striking subclause (I) and inserting the following:

"(I) the Secretary acquires property under this title that is located within an Indian reservation; and";

(cc) in subclause (II), by striking ", and" at the end and inserting a semicolon; and

(dd) by striking subclause (III); and

(II) in clause (iii), by striking "The Secretary shall" and all that follows through "of subparagraph (A)," and inserting "Not later than 90 days after acquiring the property, the Secretary shall"; and

(iv) in subparagraph (D) (as redesignated by clause (ii))—

(I) in clause (i), by striking "(D)" in the matter following subclause (IV) and inserting "(A)";

(II) in clause (iii)(I), by striking "subparagraphs (C)(i), (C)(ii), and (D)" and inserting "subparagraph (A)"; and

(III) by striking clause (v) and inserting the following:

"(v) FORECLOSURE PROCEDURES.—

"(I) NOTICE TO BORROWER.—If a borrower-owner does not voluntarily convey to the Secretary real property described in clause (i), not less than 30 days before a foreclosure sale of the property the Secretary shall provide the Indian borrower-owner with the option of—

"(aa) requiring the Secretary to assign the loan and security instruments to the Secretary of the Interior, provided the Secretary of the Interior agrees to the assignment, releasing the Secretary of Agriculture from all further responsibility for collection of any amounts with regard to the loan secured by the real property; or

"(bb) requiring the Secretary to assign the loan and security instruments to the tribe having jurisdiction over the reservation in which the real property is located, provided the tribe agrees to the assignment.

"(II) NOTICE TO TRIBE.—If a borrower-owner does not voluntarily convey to the Secretary real property described in clause (i), not less than 30 days before a foreclosure sale of the property the Secretary shall provide written notice to the Indian tribe that has jurisdiction over the reservation in which the real property is located of—

"(aa) the sale;

"(bb) the fair market value of the property; and

"(cc) the requirements of this subparagraph.

"(III) ASSUMED LOANS.—If an Indian tribe assumes a loan under subclause (I)—

"(aa) the Secretary shall not foreclose the loan because of any default that occurred prior to the date of the assumption;

"(bb) the loan shall be for the lesser of the outstanding principal and interest of the loan or the fair market value of the property; and

"(cc) the loan shall be treated as though the loan was made under Public Law 91-229 (25 U.S.C. 488 et seq.).";

(B) by striking paragraph (3);

(C) in paragraph (4)—

(i) by striking subparagraph (B);

(ii) in subparagraph (A)—

(I) in clause (i), by striking "(i)"; and

(II) by redesignating clause (ii) as subparagraph (B); and

(iii) in subparagraph (B) (as redesignated by clause (ii)(II)), by striking "clause (i)" and inserting "subparagraph (A)";

(D) by striking paragraph (5);

(E) by striking paragraph (6);

(F) by redesignating paragraph (4) as paragraph (3); and

(G) by redesignating paragraphs (7) through (10) as paragraphs (4) through (7), respectively.

SEC. 434. DEFINITIONS.

Section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)) is amended—

(1) in paragraph (11)—

(A) in the text preceding subparagraph (A), by striking "applicant—" and inserting "applicant, regardless of whether participating in a program under section 310E—"; and

(B) in subparagraph (F)—

(i) by striking "15 percent" and inserting "35 percent"; and

(ii) by inserting before the semicolon at the end the following: ", except that this subparagraph shall not apply to loans under subtitle B"; and

(2) by adding at the end the following:

"(12) DEBT FORGIVENESS.—

"(A) IN GENERAL.—The term 'debt forgiveness' means reducing or terminating a farm loan made or guaranteed under this title, in a manner that results in a loss to the Secretary, through—

"(i) writing-down or writing-off a loan under section 353;

"(ii) compromising, adjusting, reducing, or charging-off a debt or claim under section 331;

"(iii) paying a loss on a guaranteed loan under section 357; or

"(iv) discharging a debt as a result of bankruptcy.

"(B) LOAN RESTRUCTURING.—The term 'debt forgiveness' does not include consolidation, rescheduling, reamortization, or deferral.".

SEC. 435. AUTHORIZATION FOR LOANS.

Section 346 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994) is amended—

(1) in the second sentence of subsection (a), by striking "with or without" and all that follows through "administration" and inserting the following: "without authority for the Secretary to transfer amounts between the categories"; and

(2) by striking subsection (b) and inserting the following:

"(b) AUTHORIZATION FOR LOANS.—

"(1) IN GENERAL.—The Secretary may make or guarantee loans under subtitles A and B from the Agricultural Credit Insurance Fund established under section 309 in not more than the following amounts:

"(A) FISCAL YEAR 1996.—For fiscal year 1996, $3,085,000,000, of which—

"(i) $585,000,000 shall be for direct loans, of which—

"(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $500,000,000 shall be for operating loans under subtitle B; and

"(ii) $2,500,000,000 shall be for guaranteed loans, of which—

"(I) $600,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $1,900,000,000 shall be for operating loans under subtitle B.

"(B) FISCAL YEAR 1997.—For fiscal year 1997, $3,165,000,000, of which—

"(i) $585,000,000 shall be for direct loans, of which—

"(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $500,000,000 shall be for operating loans under subtitle B; and

"(ii) $2,580,000,000 shall be for guaranteed loans, of which—

"(I) $630,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $1,950,000,000 shall be for operating loans under subtitle B.

"(C) FISCAL YEAR 1998.—For fiscal year 1998, $3,245,000,000, of which—

"(i) $585,000,000 shall be for direct loans, of which—

"(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $500,000,000 shall be for operating loans under subtitle B; and

"(ii) $2,660,000,000 shall be for guaranteed loans, of which—

"(I) $660,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $2,000,000,000 shall be for operating loans under subtitle B.

"(D) FISCAL YEAR 1999.—For fiscal year 1999, $3,325,000,000, of which—

"(i) $585,000,000 shall be for direct loans, of which—

"(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $500,000,000 shall be for operating loans under subtitle B; and

"(ii) $2,740,000,000 shall be for guaranteed loans, of which—

"(I) $690,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $2,050,000,000 shall be for operating loans under subtitle B.

"(E) FISCAL YEAR 2000.—For fiscal year 2000, $3,435,000,000, of which—

"(i) $585,000,000 shall be for direct loans, of which—

"(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $500,000,000 shall be for operating loans under subtitle B; and

"(ii) $2,850,000,000 shall be for guaranteed loans, of which—

"(I) $750,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $2,100,000,000 shall be for operating loans under subtitle B.

"(F) FISCAL YEAR 2001.—For fiscal year 2001, $3,435,000,000, of which—

"(i) $585,000,000 shall be for direct loans, of which—

"(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $500,000,000 shall be for operating loans under subtitle B; and

"(ii) $2,850,000,000 shall be for guaranteed loans, of which—

"(I) $750,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $2,100,000,000 shall be for operating loans under subtitle B.

"(G) FISCAL YEAR 2002.—For fiscal year 2002, $3,435,000,000, of which—

"(i) $585,000,000 shall be for direct loans, of which—

"(I) $85,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $500,000,000 shall be for operating loans under subtitle B; and

"(ii) $2,850,000,000 shall be for guaranteed loans, of which—

"(I) $750,000,000 shall be for farm ownership loans under subtitle A; and

"(II) $2,100,000,000 shall be for operating loans under subtitle B.

"(2) BEGINNING FARMERS AND RANCHERS.—

"(A) DIRECT LOANS.—

"(i) FARM OWNERSHIP LOANS.—Of the amounts made available under paragraph (1) for direct farm ownership loans, the Secretary shall reserve 70 percent of available funds for qualified beginning farmers and ranchers.

"(ii) OPERATING LOANS.—Of the amounts made available under paragraph (1) for direct operating loans, the Secretary shall reserve for qualified beginning farmers and ranchers—

"(I) for fiscal year 1996, 25 percent;

"(II) for fiscal year 1997, 25 percent;

"(III) for fiscal year 1998, 25 percent;

"(IV) for fiscal year 1999, 30 percent; and

"(V) for each of fiscal years 2000 through 2002, 35 percent.

"(iii) FUNDS RESERVED UNTIL SEPTEMBER 1.—Funds reserved for beginning farmers or ranchers under this subparagraph shall be reserved only until September 1 of each fiscal year.

"(B) GUARANTEED LOANS.—

"(i) FARM OWNERSHIP LOANS.—Of the amounts made available under paragraph (1) for guaranteed farm ownership loans, the Secretary shall reserve 25 percent for qualified beginning farmers and ranchers.

"(ii) OPERATING LOANS.—Of the amounts made available under paragraph (1) for guaranteed operating loans, the Secretary shall reserve 40 percent for qualified beginning farmers and ranchers.

"(iii) FUNDS RESERVED UNTIL APRIL 1.—Funds reserved for beginning farmers or ranchers under this subparagraph shall be reserved only until April 1 of each fiscal year.

"(C) RESERVED FUNDS FOR ALL QUALIFIED BEGINNING FARMERS AND RANCHERS.—If a qualified beginning farmer or rancher meets the eligibility criteria for receiving a direct or guaranteed loan under section 302, 310E, or 311, the Secretary shall make or guarantee the loan if sufficient funds reserved under this paragraph are available to make or guarantee the loan.

"(3) TRANSFER FOR DOWN PAYMENT LOANS.—

"(A) IN GENERAL.—Notwithstanding subsection (a), subject to subparagraph (B)—

"(i) beginning on August 1 of each fiscal year, the Secretary shall use available unsubsidized guaranteed farm operating loan funds to fund approved direct farm ownership loans to beginning farmers and ranchers under the down payment loan program established under section 310E; and

"(ii) beginning on September 1 of each fiscal year, the Secretary shall use available unsubsidized guaranteed farm operating loan funds to fund approved direct farm ownership loans to beginning farmers and ranchers.

"(B) LIMITATION.—The Secretary shall limit the transfer of funds under subparagraph (A) so that all guaranteed farm operating loans that have been approved, or will be approved, during the fiscal year shall be funded to extent of appropriated amounts.

"(4) TRANSFER FOR CREDIT SALES OF FARM INVENTORY PROPERTY.—

"(A) IN GENERAL.—Notwithstanding subsection (a), subject to subparagraphs (B) and (C), beginning on September 1 of each fiscal year, the Secretary may use available emergency disaster loan funds appropriated for the fiscal year to fund the credit sale of farm real estate in the inventory of the Secretary.

"(B) SUPPLEMENTAL APPROPRIATIONS.—The transfer authority provided under subparagraph (A) does not include any emergency disaster loan funds made available to the Secretary for any fiscal year as a result of a supplemental appropriation made by Congress.

"(C) LIMITATION.—The Secretary shall limit the transfer of funds under subparagraph (A) so that all emergency disaster loans that have been approved, or will be approved, during the fiscal year shall be funded to extent of appropriated amounts.".

SEC. 436. LIST OF CERTIFIED LENDERS AND INVENTORY PROPERTY DEMONSTRATION PROJECT.

(a) IN GENERAL.—Section 351 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999) is amended—

(1) in subsection (f)—

(A) by striking "Each Farmers Home Administration county supervisor" and inserting "The Secretary";

(B) by striking "approved lenders" and inserting "lenders"; and

(C) by striking "the Farmers Home Administration"; and

(2) by striking subsection (h).

(b) TECHNICAL AMENDMENTS.—

(1) Section 1320 of the Food Security Act of 1985 (Public Law 99-198; 7 U.S.C. 1999 note) is amended by striking "Effective only" and all that follows through "1995, the" and inserting "The".

(2) Section 351(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999) is amended—

(A) by striking "SEC. 351. (a) The" and inserting the following:

"SEC. 351. INTEREST RATE REDUCTION PROGRAM.

"(a) ESTABLISHMENT OF PROGRAM.—

"(1) IN GENERAL.—The"; and

(B) by adding at the end the following:

"(2) TERMINATION OF AUTHORITY.—The authority provided by this subsection shall terminate on September 30, 2002.".

SEC. 437. HOMESTEAD PROPERTY.

Section 352(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2000(c)) is amended—

(1) in paragraph (1)(A), by striking "90" each place it appears and inserting "30"; and

(2) in paragraph (6), by striking "Within 30" and all that follows through "title," and insert "Not later than the date of acquisition of the property securing a loan made under this title (or, in the case of real property in inventory on the effective date of the Agricultural Reform and Improvement Act of 1996, not later than 5 days after the date of enactment of the Act)," and by striking the second sentence.

SEC. 438. RESTRUCTURING.

Section 353 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001) is amended—

(1) in subsection (c)—

(A) in paragraph (3) by striking subparagraph (C) and inserting the following:

"(C) CASH FLOW MARGIN.—

"(i) ASSUMPTION.—For the purpose of assessing under subparagraph (A) the ability of a borrower to meet debt obligations and continue farming operations, the Secretary shall assume that the borrower needs up to 110 percent of the amount indicated for payment of farm operating expenses, debt service obligations, and family living expenses.

"(ii) AVAILABLE INCOME.—If an amount up to 110 percent of the amount determined under subparagraph (A) is available, the Secretary shall consider the income of the borrower to be adequate to meet all expenses, including the debt obligations of the borrower."; and

(B) by striking paragraph (6) and inserting the following:

"(6) TERMINATION OF LOAN OBLIGATIONS.—The obligations of a borrower to the Secretary under a loan shall terminate if—

"(A) the borrower satisfies the requirements of paragraphs (1) and (2) of subsection (b);

"(B) the value of the restructured loan is less than the recovery value; and

"(C) not later than 90 days after receipt of the notification described in paragraph (4)(B), the borrower pays (or obtains third-party financing to pay) the Secretary an amount equal to the current market value.";

(2) by striking subsection (k); and

(3) by redesignating subsections (l) through (p) as subsections (k) through (o), respectively.

SEC. 439. TRANSFER OF INVENTORY LANDS.

Section 354 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2002) is amended—

(1) in the matter preceding paragraph (1), by striking "The Secretary, without reimbursement," and inserting the following:

"(a) IN GENERAL.—Subject to subsection (b), the Secretary";

(2) by striking paragraph (2) and inserting the following:

"(2) that is eligible to be disposed of in accordance with section 335; and"; and

(3) by adding at the end the following:

"(b) CONDITIONS.—The Secretary may not transfer any property or interest under subsection (a) unless—

"(1) at least 2 public notices are given of the transfer;

"(2) if requested, at least 1 public meeting is held prior to the transfer; and

"(3) the Governor and at least 1 elected county official are consulted prior to the transfer.".

SEC. 440. IMPLEMENTATION OF TARGET PARTICIPATION RATES.

Section 355 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003) is amended by adding at the end the following:

"(f) IMPLEMENTATION CONSISTENT WITH SUPREME COURT HOLDING.—Not later than 180 days after the date of enactment of this subsection, the Secretary shall ensure that the implementation of this section is consistent with the holding of the Supreme Court in Adarand Constructors, Inc. v. Federico Pena, Secretary of Transportation, 63 U.S.L.W. 4523 (U.S. June 12, 1995).".

SEC. 441. DELINQUENT BORROWERS AND CREDIT STUDY.

The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding at the end the following:

"SEC. 372. PAYMENT OF INTEREST AS A CONDITION OF LOAN SERVICING FOR BORROWERS.

"The Secretary may not reschedule or reamortize a loan for a borrower under this title who has not requested consideration under section 331D(e) unless the borrower pays a portion, as determined by the Secretary, of the interest due on the loan.

"SEC. 373. LOAN AND LOAN SERVICING LIMITATIONS.

"(a) DELINQUENT BORROWERS PROHIBITED FROM OBTAINING DIRECT OPERATING LOANS.—The Secretary may not make a direct operating loan under subtitle B to a borrower who is delinquent on any loan made or guaranteed under this title.

"(b) LOANS PROHIBITED FOR BORROWERS THAT HAVE RECEIVED DEBT FORGIVENESS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary may not make or guarantee a loan under this title to a borrower who received debt forgiveness under this title.

"(2) EXCEPTION.—The Secretary may make a direct or guaranteed farm operating loan for paying annual farm or ranch operating expenses to a borrower who was restructured with debt write-down under section 353.

"(c) NO MORE THAT 1 DEBT FORGIVENESS FOR A BORROWER ON A DIRECT LOAN.—The Secretary may not provide debt forgiveness to a borrower on a direct loan made under this title if the borrower has received debt forgiveness on another direct loan under this title.

"SEC. 374. CREDIT STUDY.

"(a) IN GENERAL.—The Secretary of Agriculture shall perform a study and report to the Committee on Agriculture in the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry in the Senate on the demand for and availability of credit in rural areas for agriculture, rural housing, and rural development.

"(b) PURPOSE.—The purpose of the study is to ensure that Congress has current and comprehensive information to consider as Congress deliberates on the credit needs of rural America and the availability of credit to satisfy the needs of rural America.

"(c) ITEMS IN STUDY.—The study should be based on the most current available data and should include—

"(1) rural demand for credit from the Farm Credit System, the ability of the Farm Credit System to meet the demand, and the extent to which the Farm Credit System provided loans to satisfy the demand;

"(2) rural demand for credit from the nation's banking system, the ability of banks to meet the demand, and the extent to which banks provided loans to satisfy the demand;

"(3) rural demand for credit from the Secretary, the ability of the Secretary to meet the demand, and the extent to which the Secretary provided loans to satisfy the demand;

"(4) rural demand for credit from other Federal agencies, the ability of the agencies to meet the demand, and the extent to which the agencies provided loans to satisfy the demand;

"(5) what measure or measures exist to gauge the overall demand for rural credit and the extent to which rural demand for credit is satisfied, and what the measures have shown;

"(6) a comparison of the interest rates and terms charged by the Farm Credit System Farm Credit Banks, production credit associations, and banks for cooperatives with the rates and terms charged by the nation's banks for credit of comparable risk and maturity;

"(7) the advantages and disadvantages of the modernization and expansion proposals of the Farm Credit System on the Farm Credit System, the nation's banking system, rural users of credit, local rural communities, and the Federal Government, including—

"(A) any added risk to the safety and soundness of the Farm Credit System that may result from approval of a proposal; and

"(B) any positive or adverse impacts on competition between the Farm Credit System and the nation's banks in providing credit to rural users;

"(8) the nature and extent of the unsatisfied rural credit need that the Farm Credit System proposal are supposed to address and what aspects of the present Farm Credit System prevent the Farm Credit System from meeting the need;

"(9) the advantages and disadvantages of the proposal by commercial bankers to allow banks access to the Farm Credit System as a funding source on the Farm Credit System, the nation's banking system, rural users of credit, local rural communities, and the Federal Government, including—

"(A) any added risk to the safety and soundness of the Farm Credit System that may result from approval of the proposal; and

"(B) any positive or adverse impacts on competition between the Farm Credit System and the nation's banks in providing credit to rural users; and

"(10) problems that commercial banks have in obtaining capital for lending in rural areas, how access to Farm Credit System funds would improve the availability of capital in rural areas in ways that cannot be achieved in the present system, and the possible effects on the viability of the Farm Credit System of granting banks access to Farm Credit System funds.

"(d) INTERAGENCY TASK FORCE.—In completing the study, the Secretary shall use, among other things, data and information obtained by the interagency task force on rural credit.".

CHAPTER 5—GENERAL PROVISIONS

SEC. 451. CONFORMING AMENDMENTS.

(a) Section 307(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)) is amended—

(1) in paragraph (4), by striking "304(b), 306(a)(1), and 310B" and inserting "306(a)(1) and 310B"; and

(2) in paragraph (6)(B)—

(A) by striking clauses (i), (ii), and (vii);

(B) in clause (v), by adding "and" at the end;

(C) in clause (vi), by striking ", and" at the end and inserting a period; and

(D) by redesignating clauses (iii) through (vi) as clauses (i) through (iv), respectively.

(b) The second sentence of section 309(g)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(g)(1)) is amended by striking "section 308,".

(c) Section 309A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929a) is amended—

(1) in the second sentence of subsection (a), by striking "304(b), 306(a)(1), 306(a)(14), 310B, and 312(b)" and inserting "306(a)(1), 306(a)(14), and 310B"; and

(2) in subsection (b), by striking "and section 308".

(d) Section 310B(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(d)) is amended—

(1) by striking "sections 304(b), 310B, and 312(b)" each place it appears in paragraphs (2), (3), and (4) and inserting "this section"; and

(2) in paragraph (6), by striking "this section, section 304, or section 312" and inserting "this section".

(e) The first sentence of section 310D(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1934(a)) is amended by striking "paragraphs (1) through (5) of section 303(a), or subparagraphs (A) through (E) of section 304(a)(1)" and inserting "section 303(a), or paragraphs (1) through (5) of section 304(b)".

(f) Section 311(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(b)(1)) is amended by striking "and for the purposes specified in section 312".

(g) Section 316(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1946(a)) is amended by striking paragraph (3).

(h) Section 343 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991) is amended—

(1) in subsection (a)(10), by striking "recreation loan (RL) under section 304,"; and

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking "351(h),"; and

(B) by striking paragraph (4) and inserting the following:

"(4) PRESERVATION LOAN SERVICE PROGRAM.—The term "preservation loan service program" means homestead retention as authorized under section 352.".

(i) The first sentence of section 344 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1992) is amended by striking "304(b), 306(a)(1), 310B, 312(b), or 312(c)" and inserting "306(a)(1), 310B, or 312(c)".

(j) Section 353(1) of the Consolidated Farm and Rural Development Act (as redesignated by section 438(3)) is further amended by striking "and subparagraphs (A)(i) and (C)(i) of section 335(e)(1),".

Subtitle B—Farm Credit System

CHAPTER 1—AGRICULTURAL MORTGAGE SECONDARY MARKET

SEC. 461. DEFINITION OF REAL ESTATE.

Section 8.0(1)(B)(ii) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(1)(B)(ii)) is amended by striking "with a purchase price" and inserting ", excluding the land to which the dwelling is affixed, with a value".

SEC. 462. DEFINITION OF CERTIFIED FACILITY.

Section 8.0(3) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(3)) is amended—

(1) in subparagraph (A), by striking "a secondary marketing agricultural loan" and inserting "an agricultural mortgage marketing"; and

(2) in subparagraph (B), by striking ", but only" and all that follows through "(9)(B)".

SEC. 463. DUTIES OF FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

Section 8.1(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-1(b)) is amended—

(1) in paragraph (2), by striking "and" at the end;

(2) in paragraph (3), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(4) purchase qualified loans and issue securities representing interests in, or obligations backed by, the qualified loans, guaranteed for the timely repayment of principal and interest.".

SEC. 464. POWERS OF THE CORPORATION.

Section 8.3(c) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-3(c)) is amended—

(1) by redesignating paragraphs (13) and (14) as paragraphs (14) and (15), respectively; and

(2) by inserting after paragraph (12) the following:

"(13) To purchase, hold, sell, or assign a qualified loan, to issue a guaranteed security, representing an interest in, or an obligation backed by, the qualified loan, and to perform all the functions and responsibilities of an agricultural mortgage marketing facility operating as a certified facility under this title.".

SEC. 465. FEDERAL RESERVE BANKS AS DEPOSITORIES AND FISCAL AGENTS.

Section 8.3 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-3) is amended—

(1) in subsection (d), by striking "may act as depositories for, or" and inserting "shall act as depositories for, and"; and

(2) in subsection (e), by striking "Secretary of the Treasury may authorize the Corporation to use" and inserting "Corporation shall have access to".

SEC. 466. CERTIFICATION OF AGRICULTURAL MORTGAGE MARKETING FACILITIES.

Section 8.5 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-5) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by inserting "(other than the Corporation)" after "agricultural mortgage marketing facilities"; and

(B) in paragraph (2), by inserting "(other than the Corporation)" after "agricultural mortgage marketing facility"; and

(2) in subsection (e)(1), by striking "(other than the Corporation)".

SEC. 467. GUARANTEE OF QUALIFIED LOANS.

Section 8.6 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-6) is amended—

(1) in subsection (a)(1)—

(A) by striking "Corporation shall guarantee" and inserting the following: "Corporation—

"(A) shall guarantee";

(B) by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(B) may issue a security, guaranteed as to the timely payment of principal and interest, that represents an interest solely in, or an obligation fully backed by, a pool consisting of qualified loans that—

"(i) meet the standards established under section 8.8; and

"(ii) have been purchased and held by the Corporation.";

(2) in subsection (d)—

(A) by striking paragraph (4); and

(B) by redesignating paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6), respectively; and

(3) in subsection (g)(2), by striking "section 8.0(9)(B))" and inserting "section 8.0(9))".

SEC. 468. MANDATORY RESERVES AND SUBORDINATED PARTICIPATION INTERESTS ELIMINATED.

(a) GUARANTEE OF QUALIFIED LOANS.—Section 8.6 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-6) is amended by striking subsection (b).

(b) RESERVES AND SUBORDINATED PARTICIPATION INTERESTS.—Section 8.7 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-7) is repealed.

(c) CONFORMING AMENDMENTS.—

(1) Section 8.0(9)(B)(i) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(9)(B)(i)) is amended by striking "8.7, 8.8," and inserting "8.8".

(2) Section 8.6(a)(2) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-6(a)(2)) is amended by striking "subject to the provisions of subsection (b)".

SEC. 469. STANDARDS REQUIRING DIVERSIFIED POOLS.

(a) IN GENERAL.—Section 8.6 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-6) (as amended by section 468) is amended—

(1) by striking subsection (c); and

(2) by redesignating subsections (d) through (g) as subsections (b) through (e), respectively.

(b) CONFORMING AMENDMENTS.—

(1) Section 8.0(9)(B)(i) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(9)(B)(i)) is amended by striking "(f)" and inserting "(d)".

(2) Section 8.13(a) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-13(a)) is amended by striking "sections 8.6(b) and" in each place it appears and inserting "section".

(3) Section 8.32(b)(1)(C) of the Farm Credit Act of 1971 (12 U.S.C. 2279bb-1(b)(1)(C)) is amended—

(A) by striking "shall" and inserting "may"; and

(B) by inserting "(as in effect before the date of the enactment of the Agricultural Reform and Improvement Act of 1996)" before the semicolon.

(4) Section 8.6(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-6(b)) (as redesignated by subsection (a)(2)) is amended—

(A) by striking paragraph (4) (as redesignated by section 467(2)(B)); and

(B) by redesignating paragraphs (5) and (6) (as redesignated by section 467(2)(B)) as paragraphs (4) and (5), respectively.

SEC. 470. SMALL FARMS.

Section 8.8(e) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-8(e)) is amended by adding at the end the following: "The Board shall promote and encourage the inclusion of qualified loans for small farms and family farmers in the agricultural mortgage secondary market.".

SEC. 471. DEFINITION OF AN AFFILIATE.

Section 8.11(e) of the Farm Credit Act of 1971 (21 U.S.C. 2279aa-11(e)) is amended—

(1) by striking "a certified facility or"; and

(2) by striking "paragraphs (3) and (7), respectively, of section 8.0" and inserting "section 8.0(7)".

SEC. 472. STATE USURY LAWS SUPERSEDED.

Section 8.12 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-12) is amended by striking subsection (d) and inserting the following:

"(d) STATE USURY LAWS SUPERSEDED.—A provision of the Constitution or law of any State shall not apply to an agricultural loan made by an originator or a certified facility in accordance with this title for sale to the Corporation or to a certified facility for inclusion in a pool for which the Corporation has provided, or has committed to provide, a guarantee, if the loan, not later than 180 days after the date the loan was made, is sold to the Corporation or included in a pool for which the Corporation has provided a guarantee, if the provision—

"(1) limits the rate or amount of interest, discount points, finance charges, or other charges that may be charged, taken, received, or reserved by an agricultural lender or a certified facility; or

"(2) limits or prohibits a prepayment penalty (either fixed or declining), yield maintenance, or make-whole payment that may be charged, taken, or received by an agricultural lender or a certified facility in connection with the full or partial payment of the principal amount due on a loan by a borrower in advance of the scheduled date for the payment under the terms of the loan, otherwise known as a prepayment of the loan principal.".

SEC. 473. EXTENSION OF CAPITAL TRANSITION PERIOD.

Section 8.32 of the Farm Credit Act of 1971 (12 U.S.C. 2279bb-1) is amended—

(1) in the first sentence of subsection (a), by striking "Not later than the expiration of the 2-year period beginning on December 13,

1991," and inserting "Not sooner than the expiration of the 3-year period beginning on the date of enactment of the Agricultural Reform and Improvement Act of 1996,";

(2) in the first sentence of subsection (b)(2), by striking "5-year" and inserting "8-year"; and

(3) in subsection (d)—

(A) in the first sentence—

(i) by striking "The regulations establishing" and inserting the following:

"(1) IN GENERAL.—The regulations establishing"; and

(ii) by striking "shall contain" and inserting the following: "shall—

"(A) be issued by the Director for public comment in the form of a notice of proposed rulemaking, to be first published after the expiration of the period referred to in subsection (a); and

"(B) contain"; and

(B) in the second sentence, by striking "The regulations shall" and inserting the following:

"(2) SPECIFICITY.—The regulations referred to in paragraph (1) shall".

SEC. 474. MINIMUM CAPITAL LEVEL.

Section 8.33 of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–2) is amended to read as follows:

"SEC. 8.33. MINIMUM CAPITAL LEVEL.

"(a) IN GENERAL.—Except as provided in subsection (b), for purposes of this subtitle, the minimum capital level for the Corporation shall be an amount of core capital equal to the sum of—

"(1) 2.75 percent of the aggregate on-balance sheet assets of the Corporation, as determined in accordance with generally accepted accounting principles; and

"(2) 0.75 percent of the aggregate off-balance sheet obligations of the Corporation, which, for the purposes of this subtitle, shall include—

"(A) the unpaid principal balance of outstanding securities that are guaranteed by the Corporation and backed by pools of qualified loans;

"(B) instruments that are issued or guaranteed by the Corporation and are substantially equivalent to instruments described in subparagraph (A); and

"(C) other off-balance sheet obligations of the Corporation.

"(b) TRANSITION PERIOD.—

"(1) IN GENERAL.—For purposes of this subtitle, the minimum capital level for the Corporation—

"(A) prior to January 1, 1997, shall be the amount of core capital equal to the sum of—

"(i) 0.45 percent of aggregate off-balance sheet obligations of the Corporation;

"(ii) 0.45 percent of designated on-balance sheet assets of the Corporation, as determined under paragraph (2); and

"(iii) 2.50 percent of on-balance sheet assets of the Corporation other than assets designated under paragraph (2);

"(B) during the 1-year period ending December 31, 1997, shall be the amount of core capital equal to the sum of—

"(i) 0.55 percent of aggregate off-balance sheet obligations of the Corporation;

"(ii) 1.20 percent of designated on-balance sheet assets of the Corporation, as determined under paragraph (2); and

"(iii) 2.55 percent of on-balance sheet assets of the Corporation other than assets designated under paragraph (2);

"(C) during the 1-year period ending December 31, 1998, shall be the amount of core capital equal to—

"(i) if the Corporation's core capital is not less than $25,000,000 on January 1, 1998, the sum of—

"(I) 0.65 percent of aggregate off-balance sheet obligations of the Corporation;

"(II) 1.95 percent of designated on-balance sheet assets of the Corporation, as determined under paragraph (2); and

"(III) 2.65 percent of on-balance sheet assets of the Corporation other than assets designated under paragraph (2); or

"(ii) if the Corporation's core capital is less than $25,000,000 on January 1, 1998, the amount determined under subsection (a); and

"(D) on and after January 1, 1999, shall be the amount determined under subsection (a).

"(2) DESIGNATED ON-BALANCE SHEET ASSETS.—For purposes of this subsection, the designated on-balance sheet assets of the Corporation shall be—

"(A) the aggregate on-balance sheet assets of the Corporation acquired under section 8.6(e); and

"(B) the aggregate amount of qualified loans purchased and held by the Corporation under section 8.3(c)(13).".

SEC. 475. CRITICAL CAPITAL LEVEL.

Section 8.34 of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–3) is amended to read as follows:

"SEC. 8.34. CRITICAL CAPITAL LEVEL.

"For purposes of this subtitle, the critical capital level for the Corporation shall be an amount of core capital equal to 50 percent of the total minimum capital amount determined under section 8.33.".

SEC. 476. ENFORCEMENT LEVELS.

Section 8.35(e) of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–4(e)) is amended by striking "during the 30-month period beginning on the date of the enactment of this section," and inserting "during the period beginning on December 13, 1991, and ending on the effective date of the risk based capital regulation issued by the Director under section 8.32,".

SEC. 477. RECAPITALIZATION OF THE CORPORATION.

Title VIII of the Farm Credit Act of 1971 (12 U.S.C. 2279aa et seq.) is amended by adding at the end the following:

"SEC. 8.38. RECAPITALIZATION OF THE CORPORATION.

"(a) MANDATORY RECAPITALIZATION.—The Corporation shall increase the core capital of the Corporation to an amount equal to or greater than $25,000,000, not later than the earlier of—

"(1) the date that is 2 years after the date of enactment of this section; or

"(2) the date that is 180 days after the end of the first calendar quarter that the aggregate on-balance sheet assets of the Corporation, plus the outstanding principal of the off-balance sheet obligations of the Corporation, equal or exceed $2,000,000,000.

"(b) RAISING CORE CAPITAL.—In carrying out this section, the Corporation may issue stock under section 8.4 and otherwise employ any recognized and legitimate means of raising core capital in the power of the Corporation under section 8.3.

"(c) LIMITATION ON GROWTH OF TOTAL ASSETS.—During the 2-year period beginning on the date of enactment of this section, the aggregate on-balance sheet assets of the Corporation plus the outstanding principal of the off-balance sheet obligations of the Corporation may not exceed $3,000,000,000 if the core capital of the Corporation is less than $25,000,000.

"(d) ENFORCEMENT.—If the Corporation fails to carry out subsection (a) by the date required under paragraph (1) or (2) of subsection (a), the Corporation may not purchase a new qualified loan or issue or guarantee a new loan-backed security until the core capital of the Corporation is increased to an amount equal to or greater than $25,000,000.".

SEC. 478. LIQUIDATION OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

Title VIII of the Farm Credit Act of 1971 (12 U.S.C. 2279aa et seq.) (as amended by section 477) is amended by adding at the end the following:

"Subtitle C—Receivership, Conservatorship, and Liquidation of the Federal Agricultural Mortgage Corporation

"SEC. 8.41. CONSERVATORSHIP; LIQUIDATION; RECEIVERSHIP.

"(a) VOLUNTARY LIQUIDATION.—The Corporation may voluntarily liquidate only with the consent of, and in accordance with a plan of liquidation approved by, the Farm Credit Administration Board.

"(b) INVOLUNTARY LIQUIDATION.—

"(1) IN GENERAL.—The Farm Credit Administration Board may appoint a conservator or receiver for the Corporation under the circumstances specified in section 4.12(b).

"(2) APPLICATION.—In applying section 4.12(b) to the Corporation under paragraph (1)—

"(A) the Corporation shall also be considered insolvent if the Corporation is unable to pay its debts as they fall due in the ordinary course of business;

"(B) a conservator may also be appointed for the Corporation if the authority of the Corporation to purchase qualified loans or issue or guarantee loan-backed securities is suspended; and

"(C) a receiver may also be appointed for the Corporation if—

"(i)(I) the authority of the Corporation to purchase qualified loans or issue or guarantee loan-backed securities is suspended; or

"(II) the Corporation is classified under section 8.35 as within level III or IV and the alternative actions available under subtitle B are not satisfactory; and

"(ii) the Farm Credit Administration determines that the appointment of a conservator would not be appropriate.

"(3) NO EFFECT ON SUPERVISORY ACTIONS.—The grounds for appointment of a conservator for the Corporation under this subsection shall be in addition to those in section 8.37.

"(c) APPOINTMENT OF CONSERVATOR OR RECEIVER.—

"(1) QUALIFICATIONS.—Notwithstanding section 4.12(b), if a conservator or receiver is appointed for the Corporation, the conservator or receiver shall be—

"(A) the Farm Credit Administration or any other governmental entity or employee, including the Farm Credit System Insurance Corporation; or

"(B) any person that—

"(i) has no claim against, or financial interest in, the Corporation or other basis for a conflict of interest as the conservator or receiver; and

"(ii) has the financial and management expertise necessary to direct the operations and affairs of the Corporation and, if necessary, to liquidate the Corporation.

"(2) COMPENSATION.—

"(A) IN GENERAL.—A conservator or receiver for the Corporation and professional personnel (other than a Federal employee) employed to represent or assist the conservator or receiver may be compensated for activities conducted as, or for, a conservator or receiver.

"(B) LIMIT ON COMPENSATION.—Compensation may not be provided in amounts greater than the compensation paid to employees of

the Federal Government for similar services, except that the Farm Credit Administration may provide for compensation at higher rates that are not in excess of rates prevailing in the private sector if the Farm Credit Administration determines that compensation at higher rates is necessary in order to recruit and retain competent personnel.

"(C) CONTRACTUAL ARRANGEMENTS.—The conservator or receiver may contract with any governmental entity, including the Farm Credit System Insurance Corporation, to make personnel, services, and facilities of the entity available to the conservator or receiver on such terms and compensation arrangements as shall be mutually agreed, and each entity may provide the same to the conservator or receiver.

"(3) EXPENSES.—A valid claim for expenses of the conservatorship or receivership (including compensation under paragraph (2)) and a valid claim with respect to a loan made under subsection (f) shall—

"(A) be paid by the conservator or receiver from funds of the Corporation before any other valid claim against the Corporation; and

"(B) may be secured by a lien, on such property of the Corporation as the conservator or receiver may determine, that shall have priority over any other lien.

"(4) LIABILITY.—If the conservator or receiver for the Corporation is not a Federal entity, or an officer or employee of the Federal Government, the conservator or receiver shall not be personally liable for damages in tort or otherwise for an act or omission performed pursuant to and in the course of the conservatorship or receivership, unless the act or omission constitutes gross negligence or any form of intentional tortious conduct or criminal conduct.

"(5) INDEMNIFICATION.—The Farm Credit Administration may allow indemnification of the conservator or receiver from the assets of the conservatorship or receivership on such terms as the Farm Credit Administration considers appropriate.

"(d) JUDICIAL REVIEW OF APPOINTMENT.—

"(1) IN GENERAL.—Notwithstanding subsection (i)(1), not later than 30 days after a conservator or receiver is appointed under subsection (b), the Corporation may bring an action in the United States District Court for the District of Columbia for an order requiring the Farm Credit Administration Board to remove the conservator or receiver. The court shall, on the merits, dismiss the action or direct the Farm Credit Administration Board to remove the conservator or receiver.

"(2) STAY OF OTHER ACTIONS.—On the commencement of an action under paragraph (1), any court having jurisdiction of any other action or enforcement proceeding authorized under this Act to which the Corporation is a party shall stay the action or proceeding during the pendency of the action for removal of the conservator or receiver.

"(e) GENERAL POWERS OF CONSERVATOR OR RECEIVER.—The conservator or receiver for the Corporation shall have such powers to conduct the conservatorship or receivership as shall be provided pursuant to regulations adopted by the Farm Credit Administration Board. Such powers shall be comparable to the powers available to a conservator or receiver appointed pursuant to section 4.12(b).

"(f) BORROWINGS FOR WORKING CAPITAL.—

"(1) IN GENERAL.—If the conservator or receiver of the Corporation determines that it is likely that there will be insufficient funds to pay the ongoing administrative expenses of the conservatorship or receivership or that there will be insufficient liquidity to fund maturing obligations of the conservatorship or receivership, the conservator or receiver may borrow funds in such amounts, from such sources, and at such rates of interest as the conservator or receiver considers necessary or appropriate to meet the administrative expenses or liquidity needs of the conservatorship or receivership.

"(2) WORKING CAPITAL FROM FARM CREDIT BANKS.—A Farm Credit bank may loan funds to the conservator or receiver for a loan authorized under paragraph (1) or, in the event of receivership, a Farm Credit bank may purchase assets of the Corporation.

"(g) AGREEMENTS AGAINST INTERESTS OF CONSERVATOR OR RECEIVER.—No agreement that tends to diminish or defeat the right, title, or interest of the conservator or receiver for the Corporation in any asset acquired by the conservator or receiver as conservator or receiver for the Corporation shall be valid against the conservator or receiver unless the agreement—

"(1) is in writing;

"(2) is executed by the Corporation and any person claiming an adverse interest under the agreement, including the obligor, contemporaneously with the acquisition of the asset by the Corporation;

"(3) is approved by the Board or an appropriate committee of the Board, which approval shall be reflected in the minutes of the Board or committee; and

"(4) has been, continuously, from the time of the agreement's execution, an official record of the Corporation.

"(h) REPORT TO THE CONGRESS.—On a determination by the receiver for the Corporation that there are insufficient assets of the receivership to pay all valid claims against the receivership, the receiver shall submit to the Secretary of the Treasury, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the financial condition of the receivership.

"(i) TERMINATION OF AUTHORITIES.—

"(1) CORPORATION.—The charter of the Corporation shall be canceled, and the authority provided to the Corporation by this title shall terminate, on such date as the Farm Credit Administration Board determines is appropriate following the placement of the Corporation in receivership, but not later than the conclusion of the receivership and discharge of the receiver.

"(2) OVERSIGHT.—The Office of Secondary Market Oversight established under section 8.11 shall be abolished, and section 8.11(a) and subtitle B shall have no force or effect, on such date as the Farm Credit Administration Board determines is appropriate following the placement of the Corporation in receivership, but not later than the conclusion of the receivership and discharge of the receiver.".

CHAPTER 2—REGULATORY RELIEF

SEC. 481. COMPENSATION OF ASSOCIATION PERSONNEL.

Section 1.5(13) of the Farm Credit Act of 1971 (12 U.S.C. 2013(13)) is amended by striking ", and the appointment and compensation of the chief executive officer thereof,".

SEC. 482. USE OF PRIVATE MORTGAGE INSURANCE.

(a) IN GENERAL.—Section 1.10(a)(1) of the Farm Credit Act of 1971 (12 U.S.C. 2018(a)(1)) is amended by adding at the end the following:

"(D) PRIVATE MORTGAGE INSURANCE.—A loan on which private mortgage insurance is obtained may exceed 85 percent of the appraised value of the real estate security to the extent that the loan amount in excess of such 85 percent is covered by the insurance.".

(b) CONFORMING AMENDMENT.—Section 1.10(a)(1)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2018(a)(1)(A)) is amended by striking "paragraphs (2) and (3)" and inserting "subparagraphs (C) and (D)".

SEC. 483. REMOVAL OF CERTAIN BORROWER REPORTING REQUIREMENT.

Section 1.10(a) of the Farm Credit Act of 1971 (12 U.S.C. 2018(a)) is amended by striking paragraph (5).

SEC. 484. REFORM OF REGULATORY LIMITATIONS ON DIVIDEND, MEMBER BUSINESS, AND VOTING PRACTICES OF ELIGIBLE FARMER-OWNED COOPERATIVES.

(a) IN GENERAL.—Section 3.8(a) of the Farm Credit Act of 1971 (12 U.S.C. 2129(a)) is amended by adding at the end the following: "Any such association that has received a loan from a bank for cooperatives shall, without regard to the requirements of paragraphs (1) through (4), continue to be eligible for so long as more than 50 percent (or such higher percentage as is established by the bank board) of the voting control of the association is held by farmers, producers or harvesters of aquatic products, or eligible cooperative associations.".

(b) CONFORMING AMENDMENT.—Section 3.8(b)(1)(D) of the Farm Credit Act of 1971 (12 U.S.C. 2129(b)(1)(D)) is amended by striking "and (4) of subsection (a)" and inserting "and (4), or under the last sentence, of subsection (a)".

SEC. 485. REMOVAL OF FEDERAL GOVERNMENT CERTIFICATION REQUIREMENT FOR CERTAIN PRIVATE SECTOR FINANCINGS.

Section 3.8(b)(1)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2129(b)(1)(A)) is amended—

(1) by striking "have been certified by the Administrator of the Rural Electrification Administration to be eligible for such" and inserting "are eligible under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) for"; and

(2) by striking "loan guarantee, and" and inserting "loan guarantee from the Administration or the Bank (or a successor of the Administration or the Bank), and".

SEC. 486. BORROWER STOCK.

Section 4.3A of the Farm Credit Act of 1971 (12 U.S.C. 2154a) is amended—

(1) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively; and

(2) by inserting after subsection (e) the following:

"(f) LOANS DESIGNATED FOR SALE OR SOLD INTO THE SECONDARY MARKET.—

"(1) IN GENERAL.—Subject to paragraph (2) and notwithstanding any other provision of this section, the bylaws adopted by a bank or association under subsection (b) may provide—

"(A) in the case of a loan made on or after the date of enactment of this paragraph that is designated, at the time the loan is made, for sale into a secondary market, that no voting stock or participation certificate purchase requirement shall apply to the borrower for the loan; and

"(B) in the case of a loan made before the date of enactment of this paragraph that is sold into a secondary market, that all outstanding voting stock or participation certificates held by the borrower with respect to the loan shall, subject to subsection (d)(1), be retired.

"(2) APPLICABILITY.—Notwithstanding any other provision of this section, in the case of

a loan sold to a secondary market under title VIII, paragraph (1) shall apply regardless of whether the bank or association retains a subordinated participation interest in a loan or pool of loans or contributes to a cash reserve.

"(3) EXCEPTION.—

"(A) IN GENERAL.—Subject to subparagraph (B) and notwithstanding any other provision of this section, if a loan designated for sale under paragraph (1)(A) is not sold into a secondary market during the 180-day period that begins on the date of the designation, the voting stock or participation certificate purchase requirement that would otherwise apply to the loan in the absence of a bylaw provision described in paragraph (1)(A) shall be effective.

"(B) RETIREMENT.—The bylaws adopted by a bank or association under subsection (b) may provide that if a loan described in subparagraph (A) is sold into a secondary market after the end of the 180-day period described in the subparagraph, all outstanding voting stock or participation certificates held by the borrower with respect to the loan shall, subject to subsection (d)(1), be retired.".

SEC. 487. DISCLOSURE RELATING TO ADJUSTABLE RATE LOANS.

Section 4.13(a)(4) of the Farm Credit Act of 1971 (12 U.S.C. 2199(a)(4)) is amended by inserting before the semicolon at the end the following: ", and notice to the borrower of a change in the interest rate applicable to the loan of the borrower may be made within a reasonable time after the effective date of an increase or decrease in the interest rate".

SEC. 488. BORROWERS' RIGHTS.

(a) DEFINITION OF LOAN.—Section 4.14A(a)(5) of the Farm Credit Act of 1971 (12 U.S.C. 2202a(a)(5)) is amended—

(1) by striking "(5) LOAN.—The" and inserting the following:

"(5) LOAN.—

"(A) IN GENERAL.—Subject to subparagraph (B), the"; and

(2) by adding at the end the following:

"(B) EXCLUSION FOR LOANS DESIGNATED FOR SALE INTO SECONDARY MARKET.—

"(i) IN GENERAL.—Except as provided in clause (ii), the term 'loan' does not include a loan made on or after the date of enactment of this subparagraph that is designated, at the time the loan is made, for sale into a secondary market.

"(ii) UNSOLD LOANS.—

"(I) IN GENERAL.—Except as provided in subclause (II), if a loan designated for sale under clause (i) is not sold into a secondary market during the 180-day period that begins on the date of the designation, the provisions of this section and sections 4.14, 4.14B, 4.14C, 4.14D, and 4.36 that would otherwise apply to the loan in the absence of the exclusion described in clause (i) shall become effective with respect to the loan.

"(II) LATER SALE.—If a loan described in subclause (I) is sold into a secondary market after the end of the 180-day period described in subclause (I), subclause (I) shall not apply with respect to the loan beginning on the date of the sale.".

(b) BORROWERS' RIGHTS FOR POOLED LOANS.—The first sentence of section 8.9(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-9(b)) is amended by inserting "(as defined in section 4.14A(a)(5))" after "application for a loan".

SEC. 489. FORMATION OF ADMINISTRATIVE SERVICE ENTITIES.

Part E of title IV of the Farm Credit Act of 1971 is amended by inserting after section 4.28 (12 U.S.C. 2214) the following:

"SEC. 4.28A. DEFINITION OF BANK.

"In this part, the term 'bank' includes each association operating under title II.".

SEC. 490. JOINT MANAGEMENT AGREEMENTS.

The first sentence of section 5.17(a)(2)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2252(a)(2)(A)) is amended by striking "or management agreements".

SEC. 491. DISSEMINATION OF QUARTERLY REPORTS.

Section 5.17(a)(8) of the Farm Credit Act of 1971 (12 U.S.C. 2252(a)(8)) is amended by inserting after "except that" the following: "the requirements of the Farm Credit Administration governing the dissemination to stockholders of quarterly reports of System institutions may not be more burdensome or costly than the requirements applicable to national banks, and".

SEC. 492. REGULATORY REVIEW.

(a) FINDINGS.—Congress finds that—

(1) the Farm Credit Administration, in the role of the Administration as an arms-length safety and soundness regulator, has made considerable progress in reducing the regulatory burden on Farm Credit System institutions;

(2) the efforts of the Farm Credit Administration described in paragraph (1) have resulted in cost savings for Farm Credit System institutions; and

(3) the cost savings described in paragraph (2) ultimately benefit the farmers, ranchers, agricultural cooperatives, and rural residents of the United States.

(b) CONTINUATION OF REGULATORY REVIEW.—The Farm Credit Administration shall continue the comprehensive review of regulations governing the Farm Credit System to identify and eliminate, consistent with law, safety, and soundness, all regulations that are unnecessary, unduly burdensome or costly, or not based on law.

SEC. 493. EXAMINATION OF FARM CREDIT SYSTEM INSTITUTIONS.

The first sentence of section 5.19(a) of the Farm Credit Act of 1971 (12 U.S.C. 2254(a)) is amended by striking "each year" and inserting "during each 18-month period".

SEC. 494. CONSERVATORSHIPS AND RECEIVERSHIPS.

(a) DEFINITIONS.—Section 5.51 of the Farm Credit Act of 1971 (12 U.S.C. 2277a) is amended—

(1) by striking paragraph (5); and

(2) by redesignating paragraph (6) as paragraph (5).

(b) GENERAL CORPORATE POWERS.—Section 5.58 of the Farm Credit Act of 1971 (12 U.S.C. 2277a-7) is amended by striking paragraph (9) and inserting the following:

"(9) CONSERVATOR OR RECEIVER.—The Corporation may act as a conservator or receiver.".

SEC. 495. FARM CREDIT INSURANCE FUND OPERATIONS.

(a) ADJUSTMENT OF PREMIUMS.—

(1) IN GENERAL.—Section 5.55(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a-4(a)) is amended—

(A) in paragraph (1), by striking "Until the aggregate of amounts in the Farm Credit Insurance Fund exceeds the secure base amount, the annual premium due from any insured System bank for any calendar year" and inserting the following: "If at the end of any calendar year the aggregate of amounts in the Farm Credit Insurance Fund does not exceed the secure base amount, subject to paragraph (2), the annual premium due from any insured System bank for the calendar year";

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1) the following:

"(2) REDUCED PREMIUMS.—The Corporation, in the sole discretion of the Corporation, may reduce by a percentage uniformly applied to all insured System banks the annual premium due from each insured System bank during any calendar year, as determined under paragraph (1).".

(2) CONFORMING AMENDMENTS.—

(A) Section 5.55(b) of the Farm Credit Act of 1971 (12 U.S.C. 2277a-4(b)) is amended—

(i) by striking "Insurance Fund" each place it appears and inserting "Farm Credit Insurance Fund";

(ii) by striking "for the following calendar year"; and

(iii) by striking "subsection (a)" and inserting "subsection (a)(1)".

(B) Section 5.56(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a-5(a)) is amended by striking "section 5.55(a)(2)" each place it appears in paragraphs (2) and (3) and inserting "section 5.55(a)(3)".

(C) Section 1.12(b) (12 U.S.C. 2020(b)) is amended—

(i) in paragraph (1), by inserting "(as defined in section 5.55(a)(3))" after "government-guaranteed loans"; and

(ii) in paragraph (3), by inserting "(as so defined)" after "government-guaranteed loans" each place such term appears.

(b) ALLOCATION TO INSURED SYSTEM BANKS AND OTHER SYSTEM INSTITUTIONS OF EXCESS AMOUNTS IN THE FARM CREDIT INSURANCE FUND.—Section 5.55 of the Farm Credit Act of 1971 (12 U.S.C. 2277a-4) is amended by adding at the end the following:

"(e) ALLOCATION TO SYSTEM INSTITUTIONS OF EXCESS RESERVES.—

"(1) ESTABLISHMENT OF ALLOCATED INSURANCE RESERVES ACCOUNTS.—There is hereby established in the Farm Credit Insurance Fund an Allocated Insurance Reserves Account—

"(A) for each insured System bank; and

"(B) subject to paragraph (6)(C), for all holders, in the aggregate, of Financial Assistance Corporation stock.

"(2) TREATMENT.—Amounts in any Allocated Insurance Reserves Account shall be considered to be part of the Farm Credit Insurance Fund.

"(3) ANNUAL ALLOCATIONS.—If, at the end of any calendar year, the aggregate of the amounts in the Farm Credit Insurance Fund exceeds the average secure base amount for the calendar year (as calculated on an average daily balance basis), the Corporation shall allocate to the Allocated Insurance Reserves Accounts the excess amount less the amount that the Corporation, in its sole discretion, determines to be the sum of the estimated operating expenses and estimated insurance obligations of the Corporation for the immediately succeeding calendar year.

"(4) ALLOCATION FORMULA.—From the total amount required to be allocated at the end of a calendar year under paragraph (3)—

"(A) 10 percent of the total amount shall be credited to the Allocated Insurance Reserves Account established under paragraph (1)(B), subject to paragraph (6)(C); and

"(B) there shall be credited to the Allocated Insurance Reserves Account of each insured System bank an amount that bears the same ratio to the total amount (less any amount credited under subparagraph (A)) as the average principal outstanding for the 3-year period ending on the end of the calendar year on loans made by the bank that are in accrual status bears to the average principal outstanding for the 3-year period ending on the end of the calendar year on loans made

by all insured System banks that are in accrual status (excluding, in each case, the guaranteed portions of government-guaranteed loans described in subsection (a)(1)(C)).

"(5) USE OF FUNDS IN ALLOCATED INSURANCE RESERVES ACCOUNTS.—To the extent that the sum of the operating expenses of the Corporation and the insurance obligations of the Corporation for a calendar year exceeds the sum of operating expenses and insurance obligations determined under paragraph (3) for the calendar year, the Corporation shall cover the expenses and obligations by—

"(A) reducing each Allocated Insurance Reserves Account by the same proportion; and

"(B) expending the amounts obtained under subparagraph (A) before expending other amounts in the Fund.

"(6) OTHER DISPOSITION OF ACCOUNT FUNDS.—

"(A) IN GENERAL.—As soon as practicable during each calendar year beginning more than 8 years after the date on which the aggregate of the amounts in the Farm Credit Insurance Fund exceeds the secure base amount, but not earlier than January 1, 2005, the Corporation may—

"(i) subject to subparagraphs (D) and (F), pay to each insured System bank, in a manner determined by the Corporation, an amount equal to the lesser of—

"(I) 20 percent of the balance in the insured System bank's Allocated Insurance Reserves Account as of the preceding December 31; or

"(II) 20 percent of the balance in the bank's Allocated Insurance Reserves Account on the date of the payment; and

"(ii) subject to subparagraphs (C), (E), and (F), pay to each System bank and association holding Financial Assistance Corporation stock a proportionate share, determined by dividing the number of shares of Financial Assistance Corporation stock held by the institution by the total number of shares of Financial Assistance Corporation stock outstanding, of the lesser of—

"(I) 20 percent of the balance in the Allocated Insurance Reserves Account established under paragraph (1)(B) as of the preceding December 31; or

"(II) 20 percent of the balance in the Allocated Insurance Reserves Account established under paragraph (1)(B) on the date of the payment.

"(B) AUTHORITY TO ELIMINATE OR REDUCE PAYMENTS.—The Corporation may eliminate or reduce payments during a calendar year under subparagraph (A) if the Corporation determines, in its sole discretion, that the payments, or other circumstances that might require use of the Farm Credit Insurance Fund, could cause the amount in the Farm Credit Insurance Fund during the calendar year to be less than the secure base amount.

"(C) REIMBURSEMENT FOR FINANCIAL ASSISTANCE CORPORATION STOCK.—

"(i) SUFFICIENT FUNDING.—Notwithstanding paragraph (4)(A), on provision by the Corporation for the accumulation in the Account established under paragraph (1)(B) of funds in an amount equal to $56,000,000 (in addition to the amounts described in subparagraph (F)(ii)), the Corporation shall not allocate any further funds to the Account except to replenish the Account if funds are diminished below $56,000,000 by the Corporation under paragraph (5).

"(ii) WIND DOWN AND TERMINATION.—

"(I) FINAL DISBURSEMENTS.—On disbursement of $53,000,000 (in addition to the amounts described in subparagraph (F)(ii)) from the Allocated Insurance Reserves Account, the Corporation shall disburse the remaining amounts in the Account, as determined under subparagraph (A)(ii), without regard to the percentage limitations in subclauses (I) and (II) of subparagraph (A)(ii).

"(II) TERMINATION OF ACCOUNT.—On disbursement of $56,000,000 (in addition to the amounts described in subparagraph (F)(ii)) from the Allocated Insurance Reserves Account, the Corporation shall close the Account established under paragraph (1)(B) and transfer any remaining funds in the Account to the remaining Allocated Insurance Reserves Accounts in accordance with paragraph (4)(B) for the calendar year in which the transfer occurs.

"(D) DISTRIBUTION OF PAYMENTS RECEIVED.—Not later than 60 days after receipt of a payment made under subparagraph (A)(i), each insured System bank, in consultation with affiliated associations of the insured System bank, and taking into account the direct or indirect payment of insurance premiums by the associations, shall develop and implement an equitable plan to distribute payments received under subparagraph (A)(i) among the bank and associations of the bank.

"(E) EXCEPTION FOR PREVIOUSLY REIMBURSED ASSOCIATIONS.—For purposes of subparagraph (A)(ii), in any Farm Credit district in which the funding bank has reimbursed 1 or more affiliated associations of the bank for the previously unreimbursed portion of the Financial Assistance Corporation stock held by the associations, the funding bank shall be deemed to be the holder of the shares of Financial Assistance Corporation stock for which the funding bank has provided the reimbursement.

"(F) INITIAL PAYMENT.—Notwithstanding subparagraph (A), the initial payment made to each payee under subparagraph (A) shall be in such amount determined by the Corporation to be equal to the sum of—

"(i) the total of the amounts that would have been paid if payments under subparagraph (A) had been authorized to begin, under the same terms and conditions, in the first calendar year beginning more than 5 years after the date on which the aggregate of the amounts in the Farm Credit Insurance Fund exceeds the secure base amount, and to continue through the 2 immediately subsequent years;

"(ii) interest earned on any amounts that would have been paid as described in clause (i) from the date on which the payments would have been paid as described in clause (i); and

"(iii) the payment to be made in the initial year described in subparagraph (A), based on the amount in each Account after subtracting the amounts to be paid under clauses (i) and (ii)."

(c) TECHNICAL AMENDMENTS.—Section 5.55(d) of the Farm Credit Act of 1971 (12 U.S.C. 2277a-4(d)) is amended—

(1) in the matter preceding paragraph (1)—

(A) by striking "subsections (a) and (c)" and inserting "subsections (a), (c), and (e)"; and

(B) by striking "a Farm Credit Bank" and inserting "an insured System bank"; and

(2) in paragraphs (1), (2), and (3), by striking "Farm Credit Bank" each place it appears and inserting "insured System bank".

SEC. 496. EXAMINATIONS BY THE FARM CREDIT SYSTEM INSURANCE CORPORATION.

Section 5.59(b)(1)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2277a-8(b)(1)(A)) is amended by adding at the end the following: "Notwithstanding any other provision of this Act, on cancellation of the charter of a System institution, the Corporation shall have authority to examine the system institution in receivership. An examination shall be performed at such intervals as the Corporation shall determine.".

SEC. 497. POWERS WITH RESPECT TO TROUBLED INSURED SYSTEM BANKS.

(a) LEAST-COST RESOLUTION.—Section 5.61(a)(3) of the Farm Credit Act of 1971 (12 U.S.C. 2277a-10(a)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (F); and

(2) by striking subparagraph (A) and inserting the following:

"(A) LEAST-COST RESOLUTION.—Assistance may not be provided to an insured System bank under this subsection unless the means of providing the assistance is the least costly means of providing the assistance by the Farm Credit Insurance Fund of all possible alternatives available to the Corporation, including liquidation of the bank (including paying the insured obligations issued on behalf of the bank). Before making a least-cost determination under this subparagraph, the Corporation shall accord such other insured System banks as the Corporation determines to be appropriate the opportunity to submit information relating to the determination.

"(B) DETERMINING LEAST COSTLY APPROACH.—In determining the least costly alternative under subparagraph (A), the Corporation shall—

"(i) evaluate alternatives on a present-value basis, using a reasonable discount rate;

"(ii) document the evaluation and the assumptions on which the evaluation is based; and

"(iii) retain the documentation for not less than 5 years.

"(C) TIME OF DETERMINATION.—

"(i) GENERAL RULE.—For purposes of this subsection, the determination of the costs of providing any assistance under any provision of this section with respect to any insured System bank shall be made as of the date on which the Corporation makes the determination to provide the assistance to the institution under this section.

"(ii) RULE FOR LIQUIDATIONS.—For purposes of this subsection, the determination of the costs of liquidation of any insured System bank shall be made as of the earliest of—

"(I) the date on which a conservator is appointed for the insured System bank;

"(II) the date on which a receiver is appointed for the insured System bank; or

"(III) the date on which the Corporation makes any determination to provide any assistance under this section with respect to the insured System bank.

"(D) RULE FOR STAND-ALONE ASSISTANCE.—Before providing any assistance under paragraph (1), the Corporation shall evaluate the adequacy of managerial resources of the insured System bank. The continued service of any director or senior ranking officer who serves in a policymaking role for the assisted insured System bank, as determined by the Corporation, shall be subject to approval by the Corporation as a condition of assistance.

"(E) DISCRETIONARY DETERMINATIONS.—Any determination that the Corporation makes under this paragraph shall be in the sole discretion of the Corporation.".

(b) CONFORMING AMENDMENTS.—Section 5.61(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a-10(a)) is amended—

(1) in paragraph (1) by striking "IN GENERAL.—" and inserting "STAND-ALONE ASSISTANCE.—"; and

(2) in paragraph (2)—

(A) by striking "ENUMERATED POWERS.—" and inserting "FACILITATION OF MERGERS OR CONSOLIDATION.—"; and

(B) in subparagraph (A) by striking "FACILITATION OF MERGERS OR CONSOLIDATION.—" and inserting "IN GENERAL.—".

SEC. 498. OVERSIGHT AND REGULATORY ACTIONS BY THE FARM CREDIT SYSTEM INSURANCE CORPORATION.

The Farm Credit Act of 1971 is amended by inserting after section 5.61 (12 U.S.C. 2279a-10) the following:

"SEC. 5.61A. OVERSIGHT ACTIONS BY THE CORPORATION.

"(a) DEFINITIONS.—In this section, the term 'institution' means—

"(1) an insured System bank; and

"(2) a production credit association or other association making loans under section 7.6 with a direct loan payable to the funding bank of the association that comprises 20 percent or more of the funding bank's total loan volume net of nonaccrual loans.

"(b) CONSULTATION REGARDING PARTICIPATION OF UNDERCAPITALIZED BANKS IN ISSUANCE OF INSURED OBLIGATIONS.—The Farm Credit Administration shall consult with the Corporation prior to approving an insured obligation that is to be issued by or on behalf of, or participated in by, any insured System bank that fails to meet the minimum level for any capital requirement established by the Farm Credit Administration for the bank.

"(c) CONSULTATION REGARDING APPLICATIONS FOR MERGERS AND RESTRUCTURINGS.—

"(1) CORPORATION TO RECEIVE COPY OF TRANSACTION APPLICATIONS.—On receiving an application for a merger or restructuring of an institution, the Farm Credit Administration shall forward a copy of the application to the Corporation.

"(2) CONSULTATION REQUIRED.—If the proposed merger or restructuring involves an institution that fails to meet the minimum level for any capital requirement established by the Farm Credit Administration applicable to the institution, the Farm Credit Administration shall allow 30 days within which the Corporation may submit the views and recommendations of the Corporation, including any conditions for approval. In determining whether to approve or disapprove any proposed merger or restructuring, the Farm Credit Administration shall give due consideration to the views and recommendations of the Corporation.

"SEC. 5.61B. AUTHORITY TO REGULATE GOLDEN PARACHUTE AND INDEMNIFICATION PAYMENTS.

"(a) DEFINITIONS.—In this section:

"(1) GOLDEN PARACHUTE PAYMENT.—The term 'golden parachute payment'—

"(A) means a payment (or any agreement to make a payment) in the nature of compensation for the benefit of any institution-related party under an obligation of any Farm Credit System institution that—

"(i) is contingent on the termination of the party's relationship with the institution; and

"(ii) is received on or after the date on which—

"(I) the institution is insolvent;

"(II) a conservator or receiver is appointed for the institution;

"(III) the institution has been assigned by the Farm Credit Administration a composite CAMEL rating of 4 or 5 under the Farm Credit Administration Rating System, or an equivalent rating; or

"(IV) the Corporation otherwise determines that the institution is in a troubled condition (as defined in regulations issued by the Corporation); and

"(B) includes a payment that would be a golden parachute payment but for the fact that the payment was made before the date referred to in subparagraph (A)(ii) if the payment was made in contemplation of the occurrence of an event described in any subclause of subparagraph (A); but

"(C) does not include—

"(i) a payment made under a retirement plan that is qualified (or is intended to be qualified) under section 401 of the Internal Revenue Code of 1986 or other nondiscriminatory benefit plan;

"(ii) a payment made under a bona fide supplemental executive retirement plan, deferred compensation plan, or other arrangement that the Corporation determines, by regulation or order, to be permissible; or

"(iii) a payment made by reason of the death or disability of an institution-related party.

"(2) INDEMNIFICATION PAYMENT.—The term 'indemnification payment' means a payment (or any agreement to make a payment) by any Farm Credit System institution for the benefit of any person who is or was an institution-related party, to pay or reimburse the person for any liability or legal expense with regard to any administrative proceeding or civil action instituted by the Farm Credit Administration that results in a final order under which the person—

"(A) is assessed a civil money penalty; or

"(B) is removed or prohibited from participating in the conduct of the affairs of the institution.

"(3) INSTITUTION-RELATED PARTY.—The term 'institution-related party' means—

"(A) a director, officer, employee, or agent for a Farm Credit System institution or any conservator or receiver of such an institution;

"(B) a stockholder (other than another Farm Credit System institution), consultant, joint venture partner, or any other person determined by the Farm Credit Administration to be a participant in the conduct of the affairs of a Farm Credit System institution; and

"(C) an independent contractor (including any attorney, appraiser, or accountant) that knowingly or recklessly participates in any violation of any law or regulation, any breach of fiduciary duty, or any unsafe or unsound practice that caused or is likely to cause more than a minimal financial loss to, or a significant adverse effect on, the Farm Credit System institution.

"(4) LIABILITY OR LEGAL EXPENSE.—The term 'liability or legal expense' means—

"(A) a legal or other professional expense incurred in connection with any claim, proceeding, or action;

"(B) the amount of, and any cost incurred in connection with, any settlement of any claim, proceeding, or action; and

"(C) the amount of, and any cost incurred in connection with, any judgment or penalty imposed with respect to any claim, proceeding, or action.

"(5) PAYMENT.—The term 'payment' means—

"(A) a direct or indirect transfer of any funds or any asset; and

"(B) any segregation of any funds or assets for the purpose of making, or under an agreement to make, any payment after the date on which the funds or assets are segregated, without regard to whether the obligation to make the payment is contingent on—

"(i) the determination, after that date, of the liability for the payment of the amount; or

"(ii) the liquidation, after that date, of the amount of the payment.

"(b) PROHIBITION.—The Corporation may prohibit or limit, by regulation or order, any golden parachute payment or indemnification payment by a Farm Credit System institution (including any conservator or receiver of the Federal Agricultural Mortgage Corporation) in troubled condition (as defined in regulations issued by the Corporation).

"(c) FACTORS TO BE TAKEN INTO ACCOUNT.—The Corporation shall prescribe, by regulation, the factors to be considered by the Corporation in taking any action under subsection (b). The factors may include—

"(1) whether there is a reasonable basis to believe that an institution-related party has committed any fraudulent act or omission, breach of trust or fiduciary duty, or insider abuse with regard to the Farm Credit System institution involved that has had a material effect on the financial condition of the institution;

"(2) whether there is a reasonable basis to believe that the institution-related party is substantially responsible for the insolvency of the Farm Credit System institution, the appointment of a conservator or receiver for the institution, or the institution's troubled condition (as defined in regulations prescribed by the Corporation);

"(3) whether there is a reasonable basis to believe that the institution-related party has materially violated any applicable law or regulation that has had a material effect on the financial condition of the institution;

"(4) whether there is a reasonable basis to believe that the institution-related party has violated or conspired to violate—

"(A) section 215, 657, 1006, 1014, or 1344 of title 18, United States Code; or

"(B) section 1341 or 1343 of title 18, United States Code, affecting a Farm Credit System institution;

"(5) whether the institution-related party was in a position of managerial or fiduciary responsibility; and

"(6) the length of time that the party was related to the Farm Credit System institution and the degree to which—

"(A) the payment reasonably reflects compensation earned over the period of employment; and

"(B) the compensation represents a reasonable payment for services rendered.

"(d) CERTAIN PAYMENTS PROHIBITED.—No Farm Credit System institution may prepay the salary or any liability or legal expense of any institution-related party if the payment is made—

"(1) in contemplation of the insolvency of the institution or after the commission of an act of insolvency; and

"(2) with a view to, or with the result of—

"(A) preventing the proper application of the assets of the institution to creditors; or

"(B) preferring 1 creditor over another creditor.

"(e) RULE OF CONSTRUCTION.—Nothing in this section—

"(1) prohibits any Farm Credit System institution from purchasing any commercial insurance policy or fidelity bond, so long as the insurance policy or bond does not cover any legal or liability expense of an institution described in subsection (a)(2); or

"(2) limits the powers, functions, or responsibilities of the Farm Credit Administration.".

SEC. 499. FARM CREDIT SYSTEM INSURANCE CORPORATION BOARD OF DIRECTORS.

(a) IN GENERAL.—Section 5.53 of the Farm Credit Act of 1971 (12 U.S.C. 2277a-2) is amended to read as follows:

"SEC. 5.53. BOARD OF DIRECTORS.

"(a) ESTABLISHMENT.—The Corporation shall be managed by a Board of Directors

that shall consist of the members of the Farm Credit Administration Board.

"(b) CHAIRMAN.—The Board of Directors shall be chaired by any Board member other than the Chairman of the Farm Credit Administration Board.".

(b) CONFORMING AMENDMENTS.—

(1) Section 5314 of title 5, United States Code, is amended by striking "Chairperson, Board of Directors of the Farm Credit System Insurance Corporation.".

(2) Section 5315 of title 5, United States Code, is amended by striking "Members, Board of Directors of the Farm Credit System Insurance Corporation.".

SEC. 499A. LIABILITY FOR MAKING CRIMINAL REFERRALS.

(a) IN GENERAL.—Any institution of the Farm Credit System, or any director, officer, employee, or agent of a Farm Credit System institution, that discloses to a Government authority information proffered in good faith that may be relevant to a possible violation of any law or regulation shall not be liable to any person under any law of the United States or any State—

(1) for the disclosure; or

(2) for any failure to notify the person involved in the possible violation.

(b) NO PROHIBITION ON DISCLOSURE.—Any institution of the Farm Credit System, or any director, officer, employee, or agent of a Farm Credit System institution, may disclose information to a Government authority that may be relevant to a possible violation of any law or regulation.

TITLE V—RURAL DEVELOPMENT

Subtitle A—Amendments to the Food, Agriculture, Conservation, and Trade Act of 1990

CHAPTER 1—GENERAL PROVISIONS

SEC. 501. RURAL INVESTMENT PARTNERSHIPS.

(a) IN GENERAL.—Section 2310(c)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2007(c)(1)) is amended by striking "1996" and inserting "2002".

(b) AUTHORIZATION OF APPROPRIATIONS.—The first sentence of section 2313(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2007c) is amended by striking "$10,000,000" and all that follows through "1996" and inserting "$4,700,000 for each of fiscal years 1996 through 2002".

SEC. 502. WATER AND WASTE FACILITY FINANCING.

Section 2322 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1926–1) is repealed.

SEC. 503. RURAL WASTEWATER CIRCUIT RIDER PROGRAM.

Section 2324 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 1926 note) is repealed.

SEC. 504. TELEMEDICINE AND DISTANCE LEARNING SERVICES IN RURAL AREAS.

Chapter 1 of subtitle D of title XXIII of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa et seq.) is amended to read as follows:

"CHAPTER 1—TELEMEDICINE AND DISTANCE LEARNING SERVICES IN RURAL AREAS

"SEC. 2331. PURPOSE.

"The purpose of the financing programs established under this chapter is to encourage and improve telemedicine services and distance learning services in rural areas through the use of telecommunications, computer networks, and related advanced technologies by students, teachers, medical professionals, and rural residents.

"SEC. 2332. DEFINITIONS.

"In this chapter:

"(1) CONSTRUCT.—The term 'construct' means to construct, acquire, install, improve, or extend a facility or system.

"(2) COST OF MONEY LOAN.—The term 'cost of money loan' means a loan made under this chapter bearing interest at a rate equal to the then current cost to the Federal Government of loans of similar maturity.

"(3) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"SEC. 2333. TELEMEDICINE AND DISTANCE LEARNING SERVICES IN RURAL AREAS.

"(a) SERVICES TO RURAL AREAS.—The Secretary is authorized to provide financial assistance for the purpose of financing the construction of facilities and systems to provide telemedicine services and distance learning services to persons and entities in rural areas.

"(b) FINANCIAL ASSISTANCE.—

"(1) IN GENERAL.—Financial assistance shall consist of grants or cost of money loans, or both.

"(2) FORM.—The Secretary shall determine the portion of the financial assistance provided to a recipient that consists of grants and that consists of cost of money loans so as to result in the maximum feasible repayment to the Federal Government of the financial assistance, based on the ability to repay of the recipient and full utilization of funds made available to carry out this chapter.

"(c) RECIPIENTS.—

"(1) IN GENERAL.—The Secretary may provide financial assistance under this chapter to—

"(A) entities using telemedicine services or distance learning services, or both; and

"(B) entities providing or proposing to provide telemedicine service or distance learning service, or both, to other persons at rates reflecting the benefit of the financial assistance.

"(2) ELECTRIC OR TELECOMMUNICATIONS BORROWERS.—

"(A) LOANS TO BORROWERS.—Subject to subparagraph (B), the Secretary may provide a cost of money loan under this chapter to a borrower of an electric or telecommunications loan under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.). A borrower receiving a cost of money loan under this paragraph shall—

"(i) make the funds provided available to entities that qualify under paragraph (1) for projects satisfying the requirements of this chapter;

"(ii) use the funds provided to acquire, install, improve, or extend a system for the purposes of this chapter; or

"(iii) use the funds provided to install, improve, or extend a facility for the purposes of this chapter.

"(B) LIMITATIONS.—A borrower of an electric or telecommunications loan under the Rural Electrification Act of 1936 shall—

"(i) make a system or facility funded under subparagraph (A) available to entities that qualify under paragraph (1); and

"(ii) neither retain from the proceeds of a loan provided under subparagraph (A), nor assess a qualifying entity under paragraph (1), any amount except as may be required to pay the actual costs incurred in administering the loan funds or making the system or facility available.

"(3) ASSISTANCE TO PROVIDE OR IMPROVE SERVICES.—Financial assistance may be provided under this chapter for a facility regardless of the location of the facility if the Secretary determines that the assistance is necessary to provide or improve telemedicine services or distance learning services in a rural area.

"(d) PRIORITY.—The Secretary shall establish procedures to prioritize financial assistance provided under this chapter considering—

"(1) the need for the assistance in the affected rural area;

"(2) the financial need of the applicant;

"(3) the population sparsity of the affected rural area;

"(4) the local involvement in the project serving the affected rural area;

"(5) geographic diversity among the recipients of financial assistance;

"(6) the utilization of the telecommunications facilities of the existing telecommunications provider;

"(7) the portion of total project financing provided by the applicant from the funds of the applicant;

"(8) the portion of project financing provided by the applicant with funds obtained from non-Federal sources;

"(9) the joint utilization of facilities financed by other financial assistance;

"(10) the coordination of the proposed project with regional projects or networks;

"(11) service to the widest practical number of persons within the general geographic area covered by the financial assistance;

"(12) conformity with the State strategic plan as prepared under section 381D of the Consolidated Farm and Rural Development Act; and

"(13) other factors determined appropriate by the Secretary.

"(e) MAXIMUM AMOUNT OF ASSISTANCE TO INDIVIDUAL RECIPIENTS.—The Secretary may establish the maximum amount of financial assistance to be made available to an individual recipient for each fiscal year under this chapter by publishing notice in the Federal Register. The notice shall be published not more than 45 days after funds are made available to carry out this chapter during a fiscal year.

"(f) USE OF FUNDS.—Financial assistance provided under this chapter shall be used for—

"(1) the development and acquisition of instructional programming;

"(2) the development and acquisition, through lease or purchase, of computer hardware and software, audio and visual equipment, computer network components, telecommunications terminal equipment, telecommunications transmission facilities, data terminal equipment, or interactive video equipment, and other facilities that would further telemedicine services or distance learning services, or both;

"(3) providing technical assistance and instruction for the development or use of the programming, equipment, or facilities referred to in paragraphs (1) and (2); or

"(4) other uses that are consistent with this chapter, as determined by the Secretary.

"(g) SALARIES AND EXPENSES.—Notwithstanding subsection (f), financial assistance provided under this chapter shall not be used for paying salaries of employees or administrative expenses.

"(h) EXPEDITING COORDINATED TELEPHONE LOANS.—

"(1) IN GENERAL.—The Secretary may establish and carry out procedures to ensure that expedited consideration and determination is given to applications for loans and advances of funds submitted by local exchange carriers under this chapter and the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) to enable the exchange carriers to provide advanced telecommunications services

in rural areas in conjunction with any other projects carried out under this chapter.

"(2) DEADLINE IMPOSED ON SECRETARY.—Not later than 45 days after the receipt of a completed application for an expedited telephone loan under paragraph (1), the Secretary shall respond to the application. The Secretary shall notify the applicant in writing of the decision of the Secretary regarding each expedited loan application.

"(i) NOTIFICATION OF LOCAL EXCHANGE CARRIER.—

"(1) APPLICANTS.—Each applicant for a grant for a telemedicine or distance learning project established under this chapter shall notify the appropriate local telephone exchange carrier regarding the application filed with the Secretary for the grant.

"(2) SECRETARY.—The Secretary shall—

"(A) publish notice of applications received for grants under this chapter for telemedicine or distance learning projects; and

"(B) make the applications available for inspection.

"SEC. 2334. ADMINISTRATION.

"(a) NONDUPLICATION.—The Secretary shall ensure that facilities constructed using financial assistance provided under this chapter do not duplicate adequate established telemedicine services or distance learning services.

"(b) LOAN MATURITY.—The maturities of cost of money loans shall be determined by the Secretary, based on the useful life of the facility being financed, except that the loan shall not be for a period of more than 10 years.

"(c) LOAN SECURITY AND FEASIBILITY.—The Secretary shall make a cost of money loan only after determining that the security for the loan is reasonably adequate and that the loan will be repaid within the period of the loan.

"(d) ENCOURAGING CONSORTIA.—The Secretary shall encourage the development of consortia to provide telemedicine services or distance learning services, or both, through telecommunications in rural areas served by a telecommunications provider.

"(e) COOPERATION WITH OTHER AGENCIES.—The Secretary shall cooperate, to the extent practicable, with other Federal and State agencies with similar grant or loan programs to pool resources for funding meritorious proposals in rural areas.

"(f) INFORMATIONAL EFFORTS.—The Secretary shall establish and implement procedures to carry out informational efforts to advise potential end users located in rural areas of each State about the program authorized by this chapter.

"SEC. 2335. REGULATIONS.

"Not later than 180 days after the effective date of the Agricultural Reform and Improvement Act of 1996, the Secretary shall issue regulations to carry out this chapter.

"SEC. 2335A. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this chapter $100,000,000 for each of fiscal years 1996 through 2002.".

SEC. 505. LIMITATION ON AUTHORIZATION OF APPROPRIATIONS FOR RURAL TECHNOLOGY GRANTS.

Section 2347 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 104 Stat. 4034) is amended—

(1) by striking "(a) IN GENERAL.—"; and

(2) by striking subsection (b).

SEC. 506. MONITORING THE ECONOMIC PROGRESS OF RURAL AMERICA.

Section 2382 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 13 U.S.C. 141 note) is repealed.

SEC. 507. ANALYSIS BY OFFICE OF TECHNOLOGY ASSESSMENT.

Section 2385 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 950aaa–4 note) is repealed.

SEC. 508. RURAL HEALTH INFRASTRUCTURE IMPROVEMENT.

Section 2391 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 2662 note) is repealed.

SEC. 509. CENSUS OF AGRICULTURE.

Section 2392 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 104 Stat. 4057) is repealed.

CHAPTER 2—ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION

SEC. 521. DEFINITIONS.

Section 1657(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5901(c)) is amended—

(1) by striking paragraphs (3) and (4);

(2) by redesignating paragraph (5) as paragraph (3);

(3) by redesignating paragraphs (6) through (12) as paragraphs (7) through (13), respectively; and

(4) by inserting after paragraph (3) (as redesignated by paragraph (2)) the following:

"(4) CORPORATE BOARD.—The term 'Corporate Board' means the Board of Directors of the Corporation described in section 1659.

"(5) CORPORATION.—The term 'Corporation' means the Alternative Agricultural Research and Commercialization Corporation established under section 1658.

"(6) EXECUTIVE DIRECTOR.—The term 'Executive Director' means the Executive Director of the Corporation appointed under section 1659(d)(2).".

SEC. 522. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION CORPORATION.

(a) IN GENERAL.—Section 1658 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5902) is amended to read as follows:

"SEC. 1658. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION CORPORATION.

"(a) ESTABLISHMENT.—To carry out this subtitle, there is created a body corporate to be known as the Alternative Agricultural Research and Commercialization Corporation, which shall be an agency of the United States, within the Department of Agriculture, subject to the general supervision and direction of the Secretary, except as specifically provided for in this subtitle.

"(b) PURPOSE.—The purpose of the Corporation is to—

"(1) expedite the development and market penetration of industrial, nonfood, nonfeed products from agricultural and forestry materials; and

"(2) assist the private sector in bridging the gap between research results and the commercialization of the research.

"(c) PLACE OF INCORPORATION.—The Corporation shall be located in the District of Columbia.

"(d) CENTRAL OFFICE.—The Secretary shall provide facilities for the principal office of the Corporation within the Washington, D.C. metropolitan area.

"(e) WHOLLY-OWNED GOVERNMENT CORPORATION.—The Corporation shall be considered a wholly-owned government corporation for purposes of chapter 91 of title 31, United States Code.

"(f) GENERAL POWERS.—In addition to any other powers granted to the Corporation under this subtitle, the Corporation—

"(1) shall have succession in its corporate name;

"(2) may adopt, alter, and rescind any bylaw and adopt and alter a corporate seal, which shall be judicially noticed;

"(3) may enter into any agreement or contract with a person or private or governmental agency, except that the Corporation shall not provide any financial assistance unless specifically authorized under this subtitle;

"(4) may lease, purchase, accept a gift or donation of, or otherwise acquire, use, own, hold, improve, or otherwise deal in or with, and sell, convey, mortgage, pledge, lease, exchange, or otherwise dispose of, any property, real, personal, or mixed, or any interest in property, as the Corporation considers necessary in the transaction of the business of the Corporation, except that this paragraph shall not provide authority for carrying out a program of real estate investment;

"(5) may sue and be sued in the corporate name of the Corporation, except that—

"(A) no attachment, injunction, garnishment, or similar process shall be issued against the Corporation or property of the Corporation; and

"(B) exclusive original jurisdiction shall reside in the district courts of the United States, but the Corporation may intervene in any court in any suit, action, or proceeding in which the Corporation has an interest;

"(6) may independently retain legal representation;

"(7) may provide for and designate such committees, and the functions of the committees, as the Corporate Board considers necessary or desirable,

"(8) may indemnify the Executive Director and other officers of the Corporation, as the Corporate Board considers necessary and desirable, except that the Executive Director and officers shall not be indemnified for an act outside the scope of employment;

"(9) may, with the consent of any board, commission, independent establishment, or executive department of the Federal Government, including any field service, use information, services, facilities, officials, and employees in carrying out this subtitle, and pay for the use, which payments shall be credited to the applicable appropriation that incurred the expense;

"(10) may obtain the services and fix the compensation of any consultant and otherwise procure temporary and intermittent services under section 3109(b) of title 5, United States Code;

"(11) may use the United States mails on the same terms and conditions as the Executive agencies of the Federal Government;

"(12) shall have the rights, privileges, and immunities of the United States with respect to the right to priority of payment with respect to debts due from bankrupt, insolvent, or deceased creditors;

"(13) may collect or compromise any obligations assigned to or held by the Corporation, including any legal or equitable rights accruing to the Corporation;

"(14) shall determine the character of, and necessity for, obligations and expenditures of the Corporation and the manner in which the obligations and expenditures shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to Government corporations;

"(15) may make final and conclusive settlement and adjustment of any claim by or against the Corporation or a fiscal officer of the Corporation;

"(16) may sell assets, loans, and equity interests acquired in connection with the financing of projects funded by the Corporation; and

"(17) may exercise all other lawful powers necessarily or reasonably related to the establishment of the Corporation to carry out this subtitle and the powers, purposes, functions, duties, and authorized activities of the Corporation.

"(g) SPECIFIC POWERS.—To carry out this subtitle, the Corporation shall have the authority to—

"(1) make grants to, and enter into cooperative agreements and contracts with, eligible applicants for research, development, and demonstration projects in accordance with section 1660;

"(2) make loans and interest subsidy payments and invest venture capital in accordance with section 1661;

"(3) collect and disseminate information concerning State, regional, and local commercialization projects;

"(4) search for new nonfood, nonfeed products that may be produced from agricultural commodities and for processes to produce the products;

"(5) administer, maintain, and dispense funds from the Alternative Agricultural Research and Commercialization Revolving Fund to facilitate the conduct of activities under this subtitle; and

"(6) engage in other activities incident to carrying out the functions of the Corporation.".

(b) WHOLLY OWNED GOVERNMENT CORPORATION.—Section 9101(3) of title 31, United States Code, is amended—

(1) by redesignating subparagraph (N) (relating to the Uranium Enrichment Corporation) as subparagraph (O); and

(2) by adding at the end the following:

"(P) the Alternative Agricultural Research and Commercialization Corporation.".

(c) CONFORMING AMENDMENT.—Section 211(b)(5) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6911(b)(5)) is amended by striking "Alternative Agricultural Research and Commercialization Board" and inserting "Corporate Board of the Alternative Agricultural Research and Commercialization Corporation".

SEC. 523. BOARD OF DIRECTORS, EMPLOYEES, AND FACILITIES.

(a) IN GENERAL.—Section 1659 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5903) is amended to read as follows:

"SEC. 1659. BOARD OF DIRECTORS, EMPLOYEES, AND FACILITIES.

"(a) IN GENERAL.—The powers of the Corporation shall be vested in a Corporate Board.

"(b) MEMBERS OF THE CORPORATE BOARD.—The Corporate Board shall consist of 10 members as follows:

"(1) The Under Secretary of Agriculture for Rural Economic and Community Development.

"(2) The Under Secretary of Agriculture for Research, Education, and Economics.

"(3) 4 members appointed by the Secretary, of whom—

"(A) at least 1 member shall be a representative of the leading scientific disciplines relevant to the activities of the Corporation;

"(B) at least 1 member shall be a producer or processor of agricultural commodities; and

"(C) at least 1 member shall be a person who is privately engaged in the commercialization of new nonfood, nonfeed products from agricultural commodities.

"(4) 2 members appointed by the Secretary who—

"(A) have expertise in areas of applied research relating to the development or commercialization of new nonfood, nonfeed products; and

"(B) shall be appointed from a group of at least 4 individuals nominated by the Director of the National Science Foundation if the nominations are made within 60 days after the date a vacancy occurs.

"(5) 2 members appointed by the Secretary who—

"(A) have expertise in financial and managerial matters; and

"(B) shall be appointed from a group of at least 4 individuals nominated by the Secretary of Commerce if the nominations are made within 60 days after the date a vacancy occurs.

"(c) RESPONSIBILITIES OF THE CORPORATE BOARD.—

"(1) IN GENERAL.—The Corporate Board shall—

"(A) be responsible for the general supervision of the Corporation and Regional Centers established under section 1663;

"(B) determine (in consultation with Regional Centers) high priority commercialization areas to receive assistance under section 1663;

"(C) review any grant, contract, or cooperative agreement to be made or entered into by the Corporation under section 1660 and any financial assistance to be provided under section 1661;

"(D) make the final decision, by majority vote, on whether and how to provide assistance to an applicant; and

"(E) using the results of the hearings and other information and data collected under paragraph (2), develop and establish a budget plan and a long-term operating plan to carry out this subtitle.

"(2) AUTHORITY OF THE SECRETARY.—

"(A) IN GENERAL.—The Secretary shall vacate and remand to the Board for reconsideration any decision made pursuant to paragraph (1)(D) if the Secretary determines that there has been a violation of subsection (j), or any conflict of interest provisions of the bylaws of the Board, with respect to the decision.

"(B) REASONS.—In the case of any violation and referral of a funding decision to the Board, the Secretary shall inform the Board of the reasons for any remand pursuant to subparagraph (A).

"(d) CHAIRPERSON.—The members of the Corporate Board shall select a Chairperson from among the members of the Corporate Board. The term of office of the Chairperson shall be 2 years. The members referred to in paragraphs (1) and (2) of subsection (b) may not serve as Chairperson.

"(e) EXECUTIVE DIRECTOR.—

"(1) IN GENERAL.—The Executive Director of the Corporation shall be the chief executive officer of the Corporation, with such power and authority as may be conferred by the Corporate Board. The Executive Director shall be appointed by the Corporate Board. The appointment shall be subject to the approval of the Secretary.

"(2) COMPENSATION.—The Executive Director shall receive basic pay at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(f) OFFICERS.—The Corporate Board shall establish the offices and appoint the officers of the Corporation, including a Secretary, and define the duties of the officers in a manner consistent with this subtitle.

"(g) MEETINGS.—The Corporate Board shall meet at least 3 times each fiscal year at the call of the Chairperson or at the request of the Executive Director. The location of the meetings shall be subject to approval of the Executive Director. A quorum of the Corporate Board shall consist of a majority of the members. The decisions of the Corporate Board shall be made by majority vote.

"(h) TERM; VACANCIES.—

"(1) IN GENERAL.—The term of office of a member of the Corporate Board shall be 4 years, except that the members initially appointed shall be appointed to serve staggered terms. A member appointed to fill a vacancy for an unexpired term may be appointed only for the remainder of the term. A vacancy on the Corporate Board shall be filled in the same manner as the original appointment. The Secretary shall not remove a member of the Corporate Board except for cause.

"(2) TRANSITION MEASURE.—An individual who is serving on the Alternative Agricultural Research and Commercialization Board on the day before the effective date of the Agricultural Reform and Improvement Act of 1996 may be appointed to the Corporate Board by the Secretary for a term that does not exceed the term of the individual on the Alternative Agricultural Research and Commercialization Board if the Act had not been enacted.

"(i) COMPENSATION.—A member of the Corporate Board who is an officer or employee of the United States shall not receive any additional compensation by reason of service on the Corporate Board. Any other member shall receive, for each day (including travel time) the member is engaged in the performance of the functions of the Corporate Board, compensation at a rate not to exceed the daily equivalent of the annual rate in effect for Level IV of the Executive Schedule. A member of the Corporate Board shall be reimbursed for travel, subsistence, and other necessary expenses incurred by the member in the performance of the duties of the member.

"(j) CONFLICT OF INTEREST; FINANCIAL DISCLOSURE.—

"(1) CONFLICT OF INTEREST.—Except as provided in paragraph (3), no member of the Corporate Board shall vote on any matter respecting any application, contract, claim, or other particular matter pending before the Corporation, in which, to the knowledge of the member, the member, spouse, or child of the member, partner, or organization in which the member is serving as officer, director, trustee, partner, or employee, or any person or organization with whom the member is negotiating or has any arrangement concerning prospective employment, has a financial interest.

"(2) VIOLATIONS.—Action by a member of the Corporate Board that is contrary to the prohibition contained in paragraph (1) shall be cause for removal of the member, but shall not impair or otherwise affect the validity of any otherwise lawful action by the Corporation in which the member participated.

"(3) EXCEPTIONS.—The prohibitions contained in paragraph (1) shall not apply if a member of the Corporate Board advises the Corporate Board of the nature of the particular matter in which the member proposes to participate, and if the member makes a full disclosure of the financial interest, prior to any participation, and the Corporate Board determines, by majority vote, that the financial interest is too remote or too inconsequential to affect the integrity of the member's services to the Corporation in that matter. The member involved shall not vote on the determination.

"(4) FINANCIAL DISCLOSURE.—A Board member shall be subject to the financial disclosure requirements applicable to a special

Government employee (as defined in section 202(a) of title 18, United States Code).

"(k) DELEGATION OF AUTHORITY.—

"(1) IN GENERAL.—The Corporate Board may, by resolution, delegate to the Chairperson, the Executive Director, or any other officer or employee any function, power, or duty assigned to the Corporation under this subtitle, other than a function, power, or duty expressly vested in the Corporate Board by subsections (c) through (n).

"(2) PROHIBITION ON DELEGATION.—Notwithstanding any other law, the Secretary and any other officer or employee of the United States shall not make any delegation to the Corporate Board, the Chairperson, the Executive Director, or the Corporation of any power, function, or authority not expressly authorized by this subtitle, unless the delegation is made pursuant to an authority in law that expressly makes reference to this section.

"(3) REORGANIZATION ACT.—Notwithstanding any other law, the President (through authorities provided under chapter 9, title 5, United States Code) may not authorize the transfer to the Corporation of any power, function, or authority in addition to powers, functions, and authorities provided by law.

"(l) BYLAWS.—Notwithstanding section 1658(f)(2), the Corporate Board shall adopt, and may from time to time amend, any bylaw that is necessary for the proper management and functioning of the Corporation. The Corporate Board shall not adopt any bylaw that has not been reviewed and approved by the Secretary.

"(m) ORGANIZATION.—The Corporate Board shall provide a system of organization to fix responsibility and promote efficiency.

"(n) PERSONNEL AND FACILITIES OF CORPORATION.—

"(1) APPOINTMENT AND COMPENSATION OF PERSONNEL.—The Corporation may select and appoint officers, attorneys, employees, and agents, who shall be vested with such powers and duties as the Corporation may determine.

"(2) USE OF FACILITIES AND SERVICES OF THE DEPARTMENT OF AGRICULTURE.—Notwithstanding any other provision of law, to perform the responsibilities of the Corporation under this subtitle, the Corporation may partially or jointly utilize the facilities of and the services of employees of the Department of Agriculture, without cost to the Corporation.

"(3) GOVERNMENT EMPLOYMENT LAWS.—An officer or employee of the Corporation shall be subject to all laws of the United States relating to governmental employment.".

(b) CONFORMING AMENDMENT.—Section 5315 of title V, United States Code, is amended by adding at the end the following:

"Executive Director of the Alternative Agricultural Research and Commercialization Corporation.".

SEC. 524. RESEARCH AND DEVELOPMENT GRANTS, CONTRACTS, AND AGREEMENTS.

Section 1660 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5904) is amended—

(1) by striking "Center" each place it appears and inserting "Corporation";

(2) in subsection (c), by striking "Board" and inserting "Corporate Board"; and

(3) in subsection (f), by striking "non-Center" and inserting "non-Corporation".

SEC. 525. COMMERCIALIZATION ASSISTANCE.

Section 1661 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5905) is amended—

(1) by striking "Center" each place it appears and inserting "Corporation";

(2) by striking "Board" each place it appears and inserting "Corporate Board";

(3) by striking subsection (c);

(4) by redesignating subsections (d), (e), and (f) as subsections (c), (d), and (e), respectively; and

(5) in subsection (c) (as so redesignated)—

(A) in the subsection heading of paragraph (1), by striking "DIRECTOR" and inserting "EXECUTIVE DIRECTOR"; and

(B) by striking "Director" each place it appears and inserting "Executive Director".

SEC. 526. GENERAL RULES REGARDING THE PROVISION OF ASSISTANCE.

Section 1662 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5906) is amended—

(1) by striking "Center" each place it appears (except in subsection (b)) and inserting "Corporation";

(2) by striking "Board" each place it appears and inserting "Corporate Board"; and

(3) in subsection (b)—

(A) in the second sentence, by striking "Board, a Regional Center, or the Advisory Council" and inserting "Board or a Regional Center"; and

(B) by striking the third sentence.

SEC. 527. REGIONAL CENTERS.

Section 1663 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5907) is amended—

(1) by striking "Board" each place it appears and inserting "Corporate Board";

(2) in subsection (e)(8), by striking "Center" and inserting "Corporation"; and

(3) in subsection (f)—

(A) in paragraph (2), by striking "in consultation with the Advisory Council appointed under section 1661(c)"; and

(B) by striking paragraphs (3) and (4) and inserting the following:

"(3) RECOMMENDATION.—The Regional Director, based on the comments of the reviewers, shall make and submit a recommendation to the Board. A recommendation submitted by a Regional Director shall not be binding on the Board.".

SEC. 528. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION REVOLVING FUND.

Section 1664 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5908) is amended to read as follows:

"SEC. 1664. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION REVOLVING FUND.

"(a) ESTABLISHMENT.—There is established in the Treasury of the United States a revolving fund to be known as the Alternative Agricultural Research and Commercialization Revolving Fund. The Fund shall be available to the Corporation, without fiscal year limitation, to carry out the authorized programs and activities of the Corporation under this subtitle.

"(b) CONTENTS OF FUND.—There shall be deposited in the Fund—

"(1) such amounts as may be appropriated or transferred to support programs and activities of the Corporation;

"(2) payments received from any source for products, services, or property furnished in connection with the activities of the Corporation;

"(3) fees and royalties collected by the Corporation from licensing or other arrangements relating to commercialization of products developed through projects funded in whole or part by grants, contracts, or cooperative agreements executed by the Corporation;

"(4) proceeds from the sale of assets, loans, and equity interests made in furtherance of the purposes of the Corporation;

"(5) donations or contributions accepted by the Corporation to support authorized programs and activities; and

"(6) any other funds acquired by the Corporation.

"(c) FUNDING ALLOCATIONS.—Funding of projects and activities under this subtitle shall be subject to the following restrictions:

"(1) Of the total amount of funds made available for a fiscal year under this subtitle—

"(A) not more than the lesser of 15 percent or $3,000,000 may be set aside to be used for authorized administrative expenses of the Corporation in carrying out the functions of the Corporation;

"(B) not more than 1 percent may be set aside to be used for generic studies and specific reviews of individual proposals for financial assistance; and

"(C) except as provided in subsection (e), not less than 84 percent shall be set aside to be awarded to qualified applicants who file project applications with, or respond to requests for proposals from, the Corporation under sections 1660 and 1661.

"(2) Any funds remaining uncommitted at the end of a fiscal year shall be credited to the Fund and added to the total program funds available to the Corporation for the next fiscal year.

"(d) AUTHORIZED ADMINISTRATIVE EXPENSES.—For the purposes of this section, authorized administrative expenses shall include all ordinary and necessary expenses, including all compensation for personnel and consultants, expenses for computer usage, or space needs of the Corporation and similar expenses. Funds authorized for administrative expenses shall not be available for the acquisition of real property.

"(e) PROJECT MONITORING.—The Board may establish, in the bylaws of the Board, a percent of funds provided under subsection (c), not to exceed 1 percent per project award, for any commercialization project to be expended from project awards that shall be used to ensure that project funds are being utilized in accordance with the project agreement.

"(f) TERMINATION OF THE FUND.—On expiration of the authority provided by this subtitle, all assets (after payment of all outstanding obligations) of the Fund shall revert to the general fund of the Treasury.

"(g) AUTHORIZATION OF APPROPRIATIONS; CAPITALIZATION.—

"(1) AUTHORIZATION OF APPROPRIATION.—There are authorized to be appropriated to the Fund $75,000,000 for each of fiscal years 1996 through 2002.

"(2) CAPITALIZATION.—The Executive Director may pay as capital of the Corporation, from amounts made available through annual appropriations, $75,000,000 for each of fiscal years 1996 through 2002. On the payment of capital by the Executive Director, the Corporation shall issue an equivalent amount of capital stock to the Secretary of the Treasury.

"(3) TRANSFER.—All obligations, assets, and related rights and responsibilities of the Alternative Agricultural Research and Commercialization Center established under section 1658 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5902) (as in effect on the day before the effective date of the Agricultural Reform and Improvement Act of 1996) are transferred to the Corporation.".

SEC. 529. PROCUREMENT PREFERENCES FOR PRODUCTS RECEIVING CORPORATION ASSISTANCE.

Subtitle G of title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990

(7 U.S.C. 5901 et seq.) is amended by adding at the end the following:

"SEC. 1665. PROCUREMENT OF ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION PRODUCTS.

"(a) DEFINITION OF EXECUTIVE AGENCY.—In this section, the term 'executive agency' has the meaning provided the term in section 4(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(1)).

"(b) PROCUREMENT.—To further the achievement of the purposes specified in section 1657(b), an executive agency may, for any procurement involving the acquisition of property, establish set-asides and preferences for property that has been commercialized with assistance provided under this subtitle.

"(c) SET-ASIDES.—Procurements solely for property may be set-aside exclusively for products developed with commercialization assistance provided under section 1661.

"(d) PREFERENCES.—Preferences for property developed with assistance provided under this subtitle in procurements involving the acquisition of property may be—

"(1) a price preference, if the procurement is solely for property, of not greater than a percentage to be determined within the sole discretion of the head of the procuring agency; or

"(2) a technical evaluation preference included as an award factor or subfactor as determined within the sole discretion of the head of the procuring agency.

"(e) NOTICE.—Each competitive solicitation or invitation for bids selected by an executive agency for a set-aside or preference under this section shall contain a provision notifying offerors where a list of products eligible for the set aside or preference may be obtained.

"(f) ELIGIBILITY.—Offerors shall receive the set aside or preference required under this section if, in the case of products developed with financial assistance under—

"(1) section 1660, less than 10 years have elapsed since the expiration of the grant, cooperative agreement, or contract;

"(2) paragraph (1) or (2) of section 1661(a), less than 5 years have elapsed since the date the loan was made or insured;

"(3) section 1661(a)(3), less than 5 years have elapsed since the date of sale of any remaining government equity interest in the company; or

"(4) section 1661(a)(4), less than 5 years have elapsed since the date of the final payment on the repayable grant.".

SEC. 530. BUSINESS PLAN AND FEASIBILITY STUDY AND REPORT.

(a) BUSINESS PLAN.—Not later than 180 days after the date of enactment of this Act, the Alternative Agricultural Research and Commercialization Corporation established under section 1658 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5902) shall—

(1) develop a 5-year business plan pursuant to section 1659(c)(1)(E) of the Food, Agriculture, Conservation, and Trade Act of 1990 (as amended by section 523); and

(2) submit the plan to the Secretary of Agriculture, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(b) FEASIBILITY STUDY AND REPORT.—

(1) STUDY.—The Secretary of Agriculture shall conduct a study of and prepare a report on the continued feasibility of the Alternative Agricultural Research and Commercialization Corporation. In conducting the study, the Secretary shall examine options for privatizing the Corporation and converting the Corporation to a Government sponsored enterprise.

(2) REPORT.—Not later than December 31, 2001, the Secretary shall transmit the report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

Subtitle B—Amendments to the Consolidated Farm and Rural Development Act

CHAPTER 1—GENERAL PROVISIONS

SEC. 541. WATER AND WASTE FACILITY LOANS AND GRANTS.

(a) IN GENERAL.—Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended—

(1) in the first sentence of paragraph (2), by striking "$500,000,000" and inserting "$590,000,000";

(2) by striking paragraph (7) and inserting the following:

"(7) DEFINITION OF RURAL AND RURAL AREAS.—For the purpose of water and waste disposal grants and direct and guaranteed loans provided under paragraphs (1) and (2), the terms 'rural' and 'rural area' shall mean a city, town, or unincorporated area that has a population of no more than 10,000 inhabitants.";

(3) by striking paragraphs (9), (10), and (11) and inserting the following:

"(9) CONFORMITY WITH STATE DRINKING WATER STANDARDS.—No Federal funds shall be made available under this section unless the Secretary determines that the water system seeking funding will make significant progress toward meeting the standards established under title XIV of the Public Health Service Act (commonly known as the 'Safe Drinking Water Act') (42 U.S.C. 300f et seq.).

"(10) CONFORMITY WITH FEDERAL AND STATE WATER POLLUTION CONTROL STANDARDS.—In the case of a water treatment discharge or waste disposal system seeking funding, no Federal funds shall be made available under this section unless the Secretary determines that the effluent from the system conforms with applicable Federal and State water pollution control standards.

"(11) RURAL BUSINESS OPPORTUNITY GRANTS.—

"(A) IN GENERAL.—The Secretary may make grants, not to exceed $1,500,000 annually, to public bodies, private nonprofit community development corporations or entities, or such other agencies as the Secretary may select to enable the recipients—

"(i) to identify and analyze business opportunities, including opportunities in export markets, that will use local rural economic and human resources;

"(ii) to identify, train, and provide technical assistance to existing or prospective rural entrepreneurs and managers;

"(iii) to establish business support centers and otherwise assist in the creation of new rural businesses, the development of methods of financing local businesses, and the enhancement of the capacity of local individuals and entities to engage in sound economic activities;

"(iv) to conduct regional, community, and local economic development planning and coordination, and leadership development; and

"(v) to establish centers for training, technology, and trade that will provide training to rural businesses in the utilization of interactive communications technologies to develop international trade opportunities and markets.

"(B) CRITERIA.—In awarding the grants, the Secretary shall consider, among other criteria to be established by the Secretary—

"(i) the extent to which the applicant provides development services in the rural service area of the applicant; and

"(ii) the capability of the applicant to carry out the purposes of this section.

"(C) COORDINATION.—The Secretary shall ensure, to the maximum extent practicable, that assistance provided under this paragraph is coordinated with and delivered in cooperation with similar services or assistance provided to rural residents by the Cooperative State Research, Education, and Extension Service or other Federal agencies.

"(D) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this paragraph $7,500,000 for each of fiscal years 1996 through 2002.";

(4) by striking paragraphs (14) and (15); and

(5) in paragraph (16)—

(A) by striking "(16)(A) The" and inserting the following:

"(16) RURAL WATER AND WASTEWATER TECHNICAL ASSISTANCE AND TRAINING PROGRAMS.—

"(A) IN GENERAL.—The";

(B) in subparagraph (A)—

(i) by striking "(i) identify" and inserting the following:

"(i) identify";

(ii) by striking "(ii) prepare" and inserting the following:

"(ii) prepare"; and

(iii) by striking "(iii) improve" and inserting the following:

"(iii) improve";

(C) in subparagraph (B), by striking "(B) In" and inserting the following:

"(B) SELECTION PRIORITY.—In"; and

(D) in subparagraph (C)—

(i) by striking "(C) Not" and inserting the following:

"(C) FUNDING.—Not"; and

(ii) by striking "2 per centum of any funds provided in Appropriations Acts" and inserting "3 percent of any funds appropriated".

(b) CONFORMING AMENDMENTS.—

(1) Section 307(a)(6)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(6)(B)) (as amended by section 451(a)(2)) is further amended—

(A) by striking clause (ii); and

(B) by redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively.

(2) The second sentence of section 309A(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929a(a)) is amended by striking ", 306(a)(14),".

SEC. 542. EMERGENCY COMMUNITY WATER ASSISTANCE GRANT PROGRAM FOR SMALL COMMUNITIES.

Section 306A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a) is amended—

(1) in subsection (e)—

(A) by striking paragraph (1) and inserting the following:

"(1) MAXIMUM INCOME.—No grant provided under this section may be used to assist any rural area or community that has a median household income in excess of the State nonmetropolitan median household income according to the most recent decennial census of the United States."; and

(B) in paragraph (2), by striking "5,000" and inserting "3,000"; and

(2) by striking subsection (i) and inserting the following:

"(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $35,000,000 for each of fiscal years 1996 through 2002.".

SEC. 543. EMERGENCY COMMUNITY WATER ASSISTANCE GRANT PROGRAM FOR SMALLEST COMMUNITIES.

Section 306B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926b) is repealed.

SEC. 544. AGRICULTURAL CREDIT INSURANCE FUND.

Section 309(f) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(f)) is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (2) through (6) as paragraphs (1) through (5), respectively.

SEC. 545. RURAL DEVELOPMENT INSURANCE FUND.

Section 309A(g) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929a(g)) is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (2) through (8) as paragraphs (1) through (7), respectively.

SEC. 546. INSURED WATERSHED AND RESOURCE CONSERVATION AND DEVELOPMENT LOANS.

Section 310A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1931) is repealed.

SEC. 547. RURAL INDUSTRIALIZATION ASSISTANCE.

(a) IN GENERAL.—Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended—

(1) in subsection (b), by striking "(b)(1)" and all that follows through "(2) The" and inserting the following:

"(b) SOLID WASTE MANAGEMENT GRANTS.—The";

(2) in subsection (c)—

(A) by striking "(c)(1) The" and inserting the following:

"(c) RURAL BUSINESS ENTERPRISE GRANTS.—

"(1) IN GENERAL.—The";

(B) in paragraph (1), by inserting "(including nonprofit entities)" after "private business enterprises"; and

(C) in paragraph (2)—

(i) by striking "(2) The" and inserting the following:

"(2) PASSENGER TRANSPORTATION SERVICES OR FACILITIES.—The"; and

(ii) by striking "make grants" and inserting "award grants on a competitive basis"; and

(3) by striking subsections (e), (g), (h), and (i);

(4) by redesignating subsections (f) and (j) as subsections (e) and (f), respectively;

(5) by striking subsection (e) (as so redesignated) and inserting the following:

"(e) RURAL COOPERATIVE DEVELOPMENT GRANTS.—

"(1) DEFINITIONS.—In this subsection:

"(A) NONPROFIT INSTITUTION.—The term 'nonprofit institution' means any organization or institution, including an accredited institution of higher education, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

"(B) UNITED STATES.—The term 'United States' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the other territories and possessions of the United States.

"(2) GRANTS.—The Secretary shall make grants under this subsection to nonprofit institutions for the purpose of enabling the institutions to establish and operate centers for rural cooperative development.

"(3) GOALS.—The goals of a center funded under this subsection shall be to facilitate the creation of jobs in rural areas through the development of new rural cooperatives, value added processing, and rural businesses.

"(4) APPLICATION.—Any nonprofit institution seeking a grant under paragraph (2) shall submit to the Secretary an application containing a plan for the establishment and operation by the institution of a center or centers for cooperative development. The Secretary may approve the application if the plan contains the following:

"(A) A provision that substantiates that the center will effectively serve rural areas in the United States.

"(B) A provision that the primary objective of the center will be to improve the economic condition of rural areas through cooperative development.

"(C) A description of the activities that the center will carry out to accomplish the objective. The activities may include the following:

"(i) Programs for applied research and feasibility studies that may be useful to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

"(ii) Programs for the collection, interpretation, and dissemination of information that may be useful to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

"(iii) Programs providing training and instruction for individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

"(iv) Programs providing loans and grants to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

"(v) Programs providing technical assistance, research services, and advisory services to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

"(vi) Programs providing for the coordination of services and sharing of information among the center.

"(D) A description of the contributions that the activities are likely to make to the improvement of the economic conditions of the rural areas for which the center will provide services.

"(E) Provisions that the center, in carrying out the activities, will seek, where appropriate, the advice, participation, expertise, and assistance of representatives of business, industry, educational institutions, the Federal Government, and State and local governments.

"(F) Provisions that the center will take all practicable steps to develop continuing sources of financial support for the center, particularly from sources in the private sector.

"(G) Provisions for—

"(i) monitoring and evaluating the activities by the nonprofit institution operating the center; and

"(ii) accounting for money received by the institution under this section.

"(5) AWARDING GRANTS.—Grants made under paragraph (2) shall be made on a competitive basis. In making grants under paragraph (2), the Secretary shall give preference to grant applications providing for the establishment of centers for rural cooperative development that—

"(A) demonstrate a proven track record in administering a nationally coordinated, regionally or State-wide operated project;

"(B) demonstrate previous expertise in providing technical assistance in rural areas;

"(C) demonstrate the ability to assist in the retention of existing businesses, facilitate the establishment of new cooperatives and new cooperative approaches, and generate new employment opportunities that will improve the economic conditions of rural areas;

"(D) demonstrate the ability to create horizontal linkages among businesses within and among various sectors in rural America and vertical linkages to domestic and international markets;

"(E) commit to providing technical assistance and other services to underserved and economically distressed areas in rural America; and

"(F) commit to providing greater than a 25 percent matching contribution with private funds and in-kind contributions.

"(6) TWO-YEAR GRANTS.—The Secretary shall evaluate programs receiving assistance under this subsection and, if the Secretary determines it to be in the best interest of the Federal Government, the Secretary may approve grants under this subsection for up to 2 years.

"(7) TECHNICAL ASSISTANCE TO PREVENT EXCESSIVE UNEMPLOYMENT OR UNDEREMPLOYMENT.—In carrying out this subsection, the Secretary may provide technical assistance to alleviate or prevent conditions of excessive unemployment, underemployment, outmigration, or low employment growth in economically distressed rural areas that the Secretary determines have a substantial need for the assistance. The assistance may include planning and feasibility studies, management and operational assistance, and studies evaluating the need for development potential of projects that increase employment and improve economic growth in the areas.

"(8) GRANTS TO DEFRAY ADMINISTRATIVE COSTS.—The Secretary may make grants to defray not to exceed 75 percent of the costs incurred by organizations and public bodies to carry out projects for which grants or loans are made under this subsection. For purposes of determining the non-Federal share of the costs, the Secretary shall consider contributions in cash and in kind, fairly evaluated, including premises, equipment, and services.

"(9) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection $50,000,000 for each of fiscal years 1996 through 2002."; and

(6) by adding at the end the following:

"(g) LOAN GUARANTEES FOR THE PURCHASE OF COOPERATIVE STOCK.—

"(1) DEFINITION OF FARMER.—In this subsection, the term 'farmer' means any farmer that meets the family farmer definition, as determined by the Secretary.

"(2) LOAN GUARANTEES.—The Secretary may guarantee loans under this section to individual farmers for the purpose of purchasing capital stock of a farmer cooperative established for the purpose of processing an agricultural commodity.

"(3) ELIGIBILITY.—To be eligible for a loan guarantee under this subsection, a farmer must produce the agricultural commodity that will be processed by the cooperative.

"(4) COLLATERAL.—To be eligible for a loan guarantee under this subsection for the establishment of a cooperative, the borrower of the loan must pledge collateral to secure at least 25 percent of the amount of the loan.".

(b) CONFORMING AMENDMENTS.—

(1) Clause (iii) of section 307(a)(6)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(6)(B)) (as redesignated

by section 541(b)(1)(B)) is amended by striking "subsections (d) and (e) of section 310B" and inserting "section 310B(d)".

(2) Section 232(c)(2) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6942(c)(2)) is amended—

(A) by striking "310B(b)(2)" and inserting "310B(b)"; and

(B) by striking "1932(b)(2)" and inserting "1932(b)".

(3) Section 233(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6943(b)) is amended—

(A) by striking paragraph (2); and

(B) by redesignating paragraph (3) as paragraph (2).

SEC. 548. ADMINISTRATION.

Section 331(b)(4) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981(b)(4)) is amended—

(1) by inserting after "claims" the following: "(including debts and claims arising from loan guarantees)";

(2) by striking "Farmers Home Administration or" and inserting "Consolidated Farm Service Agency, Rural Utilities Service, Rural Housing and Community Development Service, Rural Business and Cooperative Development Service, or a successor agency, or"; and

(3) by inserting after "activities under the Housing Act of 1949." the following: "In the case of a security instrument entered into under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.), the Secretary shall notify the Attorney General of the intent of the Secretary to exercise the authority of the Secretary under this paragraph.".

SEC. 549. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 338 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1988) is amended—

(1) by striking subsections (b), (c), (d), and (e); and

(2) by redesignating subsection (f) as subsection (b).

(b) CONFORMING AMENDMENTS.—

(1) The first sentence of section 309(g)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(g)(1)) is amended by inserting after "section 338(c)" the following: "(before the amendment made by section 447(a)(1) of the Agricultural Reform and Improvement Act of 1996)".

(2) Section 343(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(b)) is amended by striking "338(f)," and inserting "338(b),".

SEC. 550. TESTIMONY BEFORE CONGRESSIONAL COMMITTEES.

Section 345 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1993) is repealed.

SEC. 551. PROHIBITION ON USE OF LOANS FOR CERTAIN PURPOSES.

Section 363 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006e) is amended by adding at the end the following: "This section shall not apply to a loan made or guaranteed under this title for a utility line.".

SEC. 552. RURAL DEVELOPMENT CERTIFIED LENDERS PROGRAM.

The Consolidated Farm and Rural Development Act is amended by inserting after section 363 (7 U.S.C. 2006e) the following:

"SEC. 364. RURAL DEVELOPMENT CERTIFIED LENDERS PROGRAM.

"(a) CERTIFIED LENDERS PROGRAM.—

"(1) IN GENERAL.—The Secretary may establish a program under which the Secretary may guarantee a loan for any rural development program that is made by a lender certified by the Secretary.

"(2) CERTIFICATION REQUIREMENTS.—The Secretary may certify a lender if the lender meets such criteria as the Secretary may prescribe in regulations, including the ability of the lender to properly make, service, and liquidate the guaranteed loans of the lender.

"(3) CONDITION OF CERTIFICATION.—As a condition of certification, the Secretary may require the lender to undertake to service the guaranteed loan using standards that are not less stringent than generally accepted banking standards concerning loan servicing that are used by prudent commercial or cooperative lenders.

"(4) GUARANTEE.—Notwithstanding any other provision of law, the Secretary may guarantee not more than 80 percent of a loan made by a certified lender described in paragraph (1), if the borrower of the loan meets the eligibility requirements and such other criteria for the loan guarantee that are established by the Secretary.

"(5) CERTIFICATIONS.—With respect to loans to be guaranteed, the Secretary may permit a certified lender to make appropriate certifications (as provided in regulations issued by the Secretary) —

"(A) relating to issues such as creditworthiness, repayment ability, adequacy of collateral, and feasibility of the operation; and

"(B) that the borrower is in compliance with all requirements of law, including regulations issued by the Secretary.

"(6) RELATIONSHIP TO OTHER REQUIREMENTS.—This subsection shall not affect the responsibility of the Secretary to determine eligibility, review financial information, and otherwise assess an application.

"(b) PREFERRED CERTIFIED LENDERS PROGRAM.—

"(1) IN GENERAL.—The Secretary may establish a preferred certified lenders program for lenders who establish their—

"(A) knowledge of, and experience under, the program established under subsection (a);

"(B) knowledge of the regulations concerning the particular guaranteed loan program; and

"(C) proficiency related to the certified lender program requirements.

"(2) ADDITIONAL LENDING INSTITUTIONS.—The Secretary may certify any lending institution as a preferred certified lender if the institution meets such additional criteria as the Secretary may prescribe by regulation.

"(3) REVOCATION OF DESIGNATION.—The designation of a lender as a preferred certified lender shall be revoked if the Secretary determines that the lender is not adhering to the rules and regulations applicable to the program or if the loss experiences of a preferred certified lender are greater than other preferred certified lenders, except that the suspension or revocation shall not affect any outstanding guarantee.

"(4) CONDITION OF CERTIFICATION.—As a condition of the preferred certification, the Secretary shall require the lender to undertake to service the loan guaranteed by the Secretary under this subsection using generally accepted banking standards concerning loan servicing employed by prudent commercial or cooperative lenders. The Secretary shall, at least annually, monitor the performance of each preferred certified lender to ensure that the conditions of the certification are being met.

"(5) EFFECT OF PREFERRED LENDER CERTIFICATION.—Notwithstanding any other provision of law, the Secretary may—

"(A) guarantee not more than 80 percent of any approved loan made by a preferred certified lender as described in this subsection, if the borrower meets the eligibility requirements and such other criteria as may be applicable to loans guaranteed by the Secretary; and

"(B) permit preferred certified lenders to make all decisions, with respect to loans to be guaranteed by the Secretary under this subsection relating to creditworthiness, the closing, monitoring, collection, and liquidation of loans, and to accept appropriate certifications, as provided in regulations issued by the Secretary, that the borrower is in compliance with all requirements of law and regulations issued by the Secretary.".

SEC. 553. SYSTEM FOR DELIVERY OF CERTAIN RURAL DEVELOPMENT PROGRAMS.

(a) IN GENERAL.—Section 365 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 2310 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2007) is amended—

(A) in subsection (a), by striking "or the program established in sections 365 and 366 of the Consolidated Farm and Rural Development Act (as added by chapter 3 of this subtitle)";

(B) in subsection (b)—

(i) by striking "STATES.—" and all that follows through "PARTNERSHIPS.—The" in paragraph (1) and inserting "STATES.—The"; and

(ii) by striking paragraph (2);

(C) in subsection (c)—

(i) by striking "PROJECTS.—" and all that follows through "PARTNERSHIPS.—Chapter" in paragraph (1) and inserting "PROJECTS.—Chapter";

(ii) by striking "subsection (b)(1)" and inserting "subsection (b)"; and

(iii) by striking paragraph (2); and

(D) in subsection (d), by striking "and sections 365, 366, 367, and 368(b) of the Consolidated Farm and Rural Development Act (as added by chapter 3 of this subtitle)".

(2) Section 2375 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6613) is amended—

(A) in subsection (e), by striking ", as defined in section 365(b)(2) of the Consolidated Farm and Rural Development Act,"; and

(B) by adding at the end the following:

"(g) DEFINITION OF DESIGNATED RURAL DEVELOPMENT PROGRAM.—In this section, the term 'designated rural development program' means a program carried out under section 304(b), 306(a), or 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1924(b), 1926(a), and 1932(e)), or under section 1323 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1932 note), for which funds are available at any time during the fiscal year under the section.".

(3) Paragraph (2) of section 233(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6943(b)) (as redesignated by section 547(b)(3)(B)) is amended by striking "sections 365 through 369 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008-2008d)" and inserting "section 369 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008d)".

SEC. 554. STATE RURAL ECONOMIC DEVELOPMENT REVIEW PANEL.

Section 366 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008a) is repealed.

SEC. 555. LIMITED TRANSFER AUTHORITY OF LOAN AMOUNTS.

Section 367 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008b) is repealed.

SEC. 556. ALLOCATION AND TRANSFER OF LOAN GUARANTEE AUTHORITY.

Section 368 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008c) is repealed.

SEC. 557. NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER.

The Consolidated Farm and Rural Development Act (as amended by section 441) is amended by adding at the end the following:

"SEC. 375. NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER.

"(a) DEFINITIONS.—In this section:

"(1) BOARD.—The term 'Board' means the Board of Directors established under subsection (f).

"(2) CENTER.—The term 'Center' means the National Sheep Industry Improvement Center established under subsection (b).

"(3) ELIGIBLE ENTITY.—The term 'eligible entity' means an entity that promotes the betterment of the United States lamb or wool industry and that is—

"(A) a public, private, or cooperative organization;

"(B) an association, including a corporation not operated for profit;

"(C) a federally recognized Indian Tribe; or

"(D) a public or quasi-public agency.

"(4) FUND.—The term 'Fund' means the Natural Sheep Improvement Center Revolving Fund established under subsection (e).

"(b) ESTABLISHMENT OF CENTER.—The Secretary shall establish a National Sheep Industry Improvement Center.

"(c) PURPOSES.—The purposes of the Center shall be to—

"(1) promote strategic development activities and collaborative efforts by private and State entities to maximize the impact of Federal assistance to strengthen and enhance the production and marketing of lamb and wool in the United States;

"(2) optimize the use of available human capital and resources within the sheep industry;

"(3) provide assistance to meet the needs of the sheep industry for infrastructure development, business development, production, resource development, and market and environmental research;

"(4) advance activities that empower and build the capacity of the United States sheep industry to design unique responses to the special needs of the lamb and wool industries on both a regional and national basis; and

"(5) adopt flexible and innovative approaches to solving the long-term needs of the United States sheep industry.

"(d) STRATEGIC PLAN.—

"(1) IN GENERAL.—The Center shall submit to the Secretary an annual strategic plan for the delivery of financial assistance provided by the Center.

"(2) REQUIREMENTS.—A strategic plan shall identify—

"(A) goals, methods, and a benchmark for measuring the success of carrying out the plan and how the plan relates to the national and regional goals of the Center;

"(B) the amount and sources of Federal and non-Federal funds that are available for carrying out the plan;

"(C) funding priorities;

"(D) selection criteria for funding; and

"(E) a method of distributing funding.

"(e) REVOLVING FUND.—

"(1) ESTABLISHMENT.—There is established in the Treasury the Natural Sheep Improvement Center Revolving Fund. The Fund shall be available to the Center, without fiscal year limitation, to carry out the authorized programs and activities of the Center under this section.

"(2) CONTENTS OF FUND.—There shall be deposited in the Fund—

"(A) such amounts as may be appropriated, transferred, or otherwise made available to support programs and activities of the Center;

"(B) payments received from any source for products, services, or property furnished in connection with the activities of the Center;

"(C) fees and royalties collected by the Center from licensing or other arrangements relating to commercialization of products developed through projects funded, in whole or part, by grants, contracts, or cooperative agreements executed by the Center;

"(D) proceeds from the sale of assets, loans, and equity interests made in furtherance of the purposes of the Center;;

"(E) donations or contributions accepted by the Center to support authorized programs and activities; and

"(F) any other funds acquired by the Center.

"(3) USE OF FUND.—

"(A) IN GENERAL.—The Center may use amounts in the Fund to make grants and loans to eligible entities in accordance with a strategic plan submitted under subsection (d).

"(B) CONTINUED EXISTENCE.—The Center shall manage the Fund in a manner that ensures that sufficient amounts are available in the Fund to carry out subsection (c).

"(C) DIVERSE AREA.—The Center shall, to the maximum extent practicable, use the Fund to serve broad geographic areas and regions of diverse production.

"(D) VARIETY OF LOANS AND GRANTS.—The Center shall, to the maximum extent practicable, use the Fund to provide a variety of intermediate- and long-term grants and loans.

"(E) ADMINISTRATION.—The Center may not use more than 3 percent of the amounts in the Fund for a fiscal year for the administration of the Center.

"(F) INFLUENCING LEGISLATION.—None of the amounts in the Fund may be used to influence legislation.

"(G) ACCOUNTING.—To be eligible to receive amounts from the Fund, an entity must agree to account for the amounts using generally accepted accounting principles.

"(H) USES OF FUND.—The Center may use amounts in the Fund to—

"(i) participate with Federal and State agencies in financing activities that are in accordance with a strategic plan submitted under subsection (d), including participation with several States in a regional effort;

"(ii) participate with other public and private funding sources in financing activities that are in accordance with the strategic plan, including participation in a regional effort;

"(iii) provide security for, or make principle or interest payments on, revenue or general obligation bonds issued by a State, if the proceeds from the sale of the bonds are deposited in the Fund;

"(iv) accrue interest;

"(v) guarantee or purchase insurance for local obligations to improve credit market access or reduce interest rates for a project that is in accordance with the strategic plan; or

"(vi) sell assets, loans, and equity interests acquired in connection with the financing of projects funded by the Center.

"(4) LOANS.—

"(A) RATE.—A loan from the Fund may be made at an interest rate that is below the market rate or may be interest free.

"(B) TERM.—The term of a loan may not exceed the shorter of—

"(i) the useful life of the activity financed; or

"(ii) 40 years.

"(C) SOURCE OF REPAYMENT.—The Center may not make a loan from the Fund unless the recipient establishes an assured source of repayment.

"(D) PROCEEDS.—All payments of principal and interest on a loan made from the Fund shall be deposited into the Fund.

"(5) MAINTENANCE OF EFFORT.—The Center shall use the Fund only to supplement and not to supplant Federal, State, and private funds expended for rural development.

"(6) FUNDING.—

"(A) DEPOSIT OF FUNDS.—All Federal and non-Federal amounts received by the Center to carry out this section shall be deposited in the Fund.

"(B) MANDATORY FUNDS.—Out of any moneys in the Treasury not otherwise appropriated, the Secretary of the Treasury shall provide to the Center not to exceed $20,000,000 to carry out this section.

"(C) ADDITIONAL FUNDS.—In addition to any funds provided under subparagraph (B), there is authorized to be appropriated to carry out this section $30,000,000 to carry out this section.

"(D) PRIVATIZATION.—Federal funds shall not be used to carry out this section beginning on the earlier of—

"(i) the date that is 10 years after the effective date of this section; or

"(ii) the day after a total of $50,000,000 is made available under subparagraphs (B) and (C) to carry out this section.

"(f) BOARD OF DIRECTORS.—

"(1) IN GENERAL.—The management of the Center shall be vested in a Board of Directors.

"(2) POWERS.—The Board shall—

"(A) be responsible for the general supervision of the Center;

"(B) review any grant, loan, contract, or cooperative agreement to be made or entered into by the Center and any financial assistance provided to the Center;

"(C) make the final decision, by majority vote, on whether and how to provide assistance to an applicant; and

"(D) develop and establish a budget plan and a long-term operating plan to carry out the goals of the Center.

"(3) COMPOSITION.—The Board shall be composed of—

"(A) 7 voting members, of whom—

"(i) 4 members shall be active producers of sheep in the United States;

"(ii) 2 members shall have expertise in finance and management; and

"(iii) 1 member shall have expertise in lamb and wool marketing; and

"(B) 2 nonvoting members, of whom—

"(i) 1 member shall be the Under Secretary of Agriculture for Rural Economic and Community Development; and

"(ii) 1 member shall be the Under Secretary of Agriculture for Research, Education, and Economics.

"(4) ELECTION.—A voting member of the Board shall be chosen in an election of the members of a national organization selected by the Secretary that—

"(A) consists only of sheep producers in the United States; and

"(B) has as the primary interest of the organization the production of lamb and wool in the United States.

"(5) TERM OF OFFICE.—

"(A) IN GENERAL.—Subject to subparagraph (B), the term of office of a voting member of the Board shall be 3 years.

"(B) STAGGERED INITIAL TERMS.—The initial voting members of the Board (other than the chairperson of the initially established Board) shall serve for staggered terms of 1, 2, and 3 years, as determined by the Secretary.

"(C) REELECTION.—A voting member may be reelected for not more than 1 additional term.

"(6) VACANCY.—

"(A) IN GENERAL.—A vacancy on the Board shall be filled in the same manner as the original Board.

"(B) REELECTION.—A member elected to fill a vacancy for an unexpired term may be reelected for 1 full term.

"(7) CHAIRPERSON.—

"(A) IN GENERAL.—The Board shall select a chairperson from among the voting members of the Board.

"(B) TERM.—The term of office of the chairperson shall be 2 years.

"(8) ANNUAL MEETING.—

"(A) IN GENERAL.—The Board shall meet not less than once each fiscal year at the call of the chairperson or at the request of the executive director appointed under subsection (g)(1).

"(B) LOCATION.—The location of a meeting of the Board shall be established by the Board.

"(9) VOTING.—

"(A) QUORUM.—A quorum of the Board shall consist of a majority of the voting members.

"(B) MAJORITY VOTE.—A decision of the Board shall be made by a majority of the voting members of the Board.

"(10) CONFLICTS OF INTEREST.—

"(A) IN GENERAL.—A member of the Board shall not vote on any matter respecting any application, contract, claim, or other particular matter pending before the Board in which, to the knowledge of the member, an interest is held by—

"(i) the member;

"(ii) any spouse of the member;

"(iii) any child of the member;

"(iv) any partner of the member;

"(v) any organization in which the member is serving as an officer, director, trustee, partner, or employee; or

"(vi) any person with whom the member is negotiating or has any arrangement concerning prospective employment or with whom the member has a financial interest.

"(B) REMOVAL.—Any action by a member of the Board that violates subparagraph (A) shall be cause for removal from the Board.

"(C) VALIDITY OF ACTION.—An action by a member of the Board that violates subparagraph (A) shall not impair or otherwise affect the validity of any otherwise lawful action by the Board.

"(D) DISCLOSURE.—

"(i) IN GENERAL.—If a member of the Board makes a full disclosure of an interest and, prior to any participation by the member, the Board determines, by majority vote, that the interest is too remote or too inconsequential to affect the integrity of any participation by the member, the member may participate in the matter relating to the interest.

"(ii) VOTE.—A member that discloses an interest under clause (i) shall not vote on a determination of whether the member may participate in the matter relating to the interest.

"(E) REMANDS.—

"(i) IN GENERAL.—The Secretary may vacate and remand to the Board for reconsideration any decision made pursuant to subsection (e)(3)(H) if the Secretary determines that there has been a violation of this paragraph or any conflict of interest provision of the bylaws of the Board with respect to the decision.

"(ii) REASONS.—In the case of any violation and remand of a funding decision to the Board under clause (i), the Secretary shall inform the Board of the reasons for the remand.

"(11) COMPENSATION.—

"(A) IN GENERAL.—A member of the Board shall not receive any compensation by reason of service on the Board.

"(B) EXPENSES.—A member of the Board shall be reimbursed for travel, subsistence, and other necessary expenses incurred by the member in the performance of a duty of the member.

"(12) BYLAWS.—The Board shall adopt, and may from time to time amend, any bylaw that is necessary for the proper management and functioning of the Center.

"(13) PUBLIC HEARINGS.—Not later than 1 year after the effective date of this section, the Board shall hold public hearings on policy objectives of the program established under this section.

"(14) ORGANIZATIONAL SYSTEM.—The Board shall provide a system of organization to fix responsibility and promote efficiency in carrying out the functions of the Board.

"(15) USE OF DEPARTMENT OF AGRICULTURE.—The Board may, with the consent of the Secretary, utilize the facilities of and the services of employees of the Department of Agriculture, without cost to the Center.

"(g) OFFICERS AND EMPLOYEES.—

"(1) EXECUTIVE DIRECTOR.—

"(A) IN GENERAL.—The Board shall appoint an executive director to be the chief executive officer of the Center.

"(B) TENURE.—The executive director shall serve at the pleasure of the Board.

"(C) COMPENSATION.—Compensation for the executive director shall be established by the Board.

"(2) OTHER OFFICERS AND EMPLOYEES.—The Board may select and appoint officers, attorneys, employees, and agents who shall be vested with such powers and duties as the Board may determine.

"(3) DELEGATION.—The Board may, by resolution, delegate to the chairperson, the executive director, or any other officer or employee any function, power, or duty of the Board other than voting on a grant, loan, contract, agreement, budget, or annual strategic plan.

"(h) CONSULTATION.—To carry out this section, the Board may consult with—

"(1) State departments of agriculture;

"(2) Federal departments and agencies;

"(3) nonprofit development corporations;

"(4) colleges and universities;

"(5) banking and other credit-related agencies;

"(6) agriculture and agribusiness organizations; and

"(7) regional planning and development organizations.

"(i) OVERSIGHT.—

"(1) IN GENERAL.—The Secretary shall review and monitor compliance by the Board and the Center with this section.

"(2) SANCTIONS.—If, following notice and opportunity for a hearing, the Secretary finds that the Board or the Center is not in compliance with this section, the Secretary may—

"(A) cease making deposits to the Fund;

"(B) suspend the authority of the Center to withdraw funds from the Fund; or

"(C) impose other appropriate sanctions, including recoupment of money improperly expended for purposes prohibited or not authorized by this Act and disqualification from receipt of financial assistance under this section.

"(3) REMOVING SANCTIONS.—The Secretary shall remove sanctions imposed under paragraph (2) on a finding that there is no longer any failure by the Board or the Center to comply with this section or that the noncompliance shall be promptly corrected.".

CHAPTER 2—RURAL COMMUNITY ADVANCEMENT PROGRAM

SEC. 561. RURAL COMMUNITY ADVANCEMENT PROGRAM.

The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding at the end the following:

"Subtitle E—Rural Community Advancement Program

"SEC. 381A. DEFINITIONS.

"In this subtitle:

"(1) RURAL AND RURAL AREA.—The terms 'rural' and 'rural area' mean, subject to section 306(a)(7), a city, town, or unincorporated area that has a population of 50,000 inhabitants or less, other than an urbanized area immediately adjacent to a city, town, or unincorporated area that has a population in excess of 50,000 inhabitants.

"(2) STATE.—The term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the Federated States of Micronesia.

"SEC. 381B. ESTABLISHMENT.

"The Secretary shall establish a rural community advancement program to provide grants, loans, loan guarantees, and other assistance to meet the rural development needs of local communities in States and federally recognized Indian tribes.

"SEC. 381C. NATIONAL OBJECTIVES.

"The national objectives of the program established under this subtitle shall be to—

"(1) promote strategic development activities and collaborative efforts by State and local communities, and federally recognized Indian tribes, to maximize the impact of Federal assistance;

"(2) optimize the use of resources;

"(3) provide assistance in a manner that reflects the complexity of rural needs, including the needs for business development, health care, education, infrastructure, cultural resources, the environment, and housing;

"(4) advance activities that empower, and build the capacity of, State and local communities to design unique responses to the special needs of the State and local communities, and federally recognized Indian tribes, for rural development assistance; and

"(5) adopt flexible and innovative approaches to solving rural development problems.

"SEC. 381D. STRATEGIC PLANS.

"(a) IN GENERAL.—The Secretary shall direct each of the Directors of Rural Economic and Community Development State Offices to prepare a strategic plan for each State for the delivery of assistance under this subtitle within the State.

"(b) ASSISTANCE.—

"(1) IN GENERAL.—Financial assistance for rural development allocated for a State under this subtitle shall be used only for orderly community development that is consistent with the strategic plan of the State.

"(2) RURAL AREA.—Assistance under this subtitle may only be provided in a rural area.

"(3) SMALL COMMUNITIES.—In carrying out this subtitle within a State, the Secretary shall give priority to communities with the smallest populations and lowest per capita income.

"(c) REVIEW.—The Secretary shall review the strategic plan of a State at least once every 5 years.

"(d) CONTENTS.—A strategic plan of a State under this section shall be a plan that—

"(1) coordinates economic, human, and community development plans and related activities proposed for an affected area;

"(2) provides that the State and an affected community (including local institutions and organizations that have contributed to the planning process) shall act as full partners in the process of developing and implementing the plan;

"(3) identifies goals, methods, and benchmarks for measuring the success of carrying out the plan and how the plan relates to local or regional ecosystems;

"(4) provides for the involvement, in the preparation of the plan, of State, local, private, and public persons, State rural development councils, federally-recognized Indian tribes, and community-based organizations;

"(5) identifies the amount and source of Federal and non-Federal resources that are available for carrying out the plan; and

"(6) includes such other information as may be required by the Secretary.

"SEC. 381E. ACCOUNTS.

"(a) IN GENERAL.—Notwithstanding any other provision of law, for each fiscal year, the Secretary shall consolidate into 3 accounts, corresponding to the 3 function categories established under subsection (c), the amounts made available for programs included in each function category.

"(b) ALLOCATION WITHIN ACCOUNT.—The Secretary shall allocate the amounts in each account for such program purposes authorized for the corresponding function category among the States, as the Secretary may determine in accordance with this subtitle.

"(c) FUNCTION CATEGORIES.—For purposes of subsection (a):

"(1) RURAL HOUSING AND COMMUNITY DEVELOPMENT.—The rural housing and community development category shall include funds made available for—

"(A) community facility direct and guaranteed loans provided under section 306(a)(1);

"(B) community facility grants provided under section 306(a)(21); and

"(C) rental housing loans for new housing provided under section 515 of the Housing Act of 1949 (42 U.S.C. 1485).

"(2) RURAL UTILITIES.—The rural utilities category shall include funds made available for—

"(A) water and waste disposal grants and direct and guaranteed loans provided under paragraphs (1) and (2) of section 306(a);

"(B) rural water and wastewater technical assistance and training grants provided under section 306(a)(16);

"(C) emergency community water assistance grants provided under section 306A; and

"(D) solid waste management grants provided under section 310B(b).

"(3) RURAL BUSINESS AND COOPERATIVE DEVELOPMENT.—The rural business and cooperative development category shall include funds made available for—

"(A) rural business opportunity grants provided under section 306(a)(11)(A);

"(B) business and industry guaranteed loans provided under section 310B(a)(1);

"(C) rural business enterprise grants and rural educational network grants provided under section 310B(c); and

"(D) grants to broadcasting systems provided under section 310B(f).

"(d) OTHER PROGRAMS.—Subject to subsection (e), in addition to any other appropriated amounts, the Secretary may transfer amounts allocated for a State for any of the 3 function categories for a fiscal year under subsection (c) to—

"(1) mutual and self-help housing grants provided under section 523 of the Housing Act of 1949 (42 U.S.C. 1490c);

"(2) rural rental housing loans for existing housing provided under section 515 of the Housing Act of 1949 (42 U.S.C. 1485); and

"(3) rural cooperative development grants provided under section 310B(e).

"(e) TRANSFER.—

"(1) IN GENERAL.—Subject to paragraph (2), the Secretary may transfer within each State up to 25 percent of the total amount allocated for a State under each function category referred to in subsection (c) for each fiscal year under this section to any other function category, or to a program referred to in subsection (d), but excluding State grants under section 381G.

"(2) LIMITATION.—Not more than 10 percent of the total amount (excluding grants to States under section 381G) made available for any fiscal year for the programs covered by each of the 3 function categories referred to in subsection (c), and the programs referred to in subsection (d), shall be available for the transfer.

"(f) AVAILABILITY OF FUNDS.—The Secretary may make available funds appropriated for the programs referred to in subsection (c) to defray the cost of any subsidy associated with a guarantee provided under section 381H, except that not more than 5 percent of the funds provided under subsection (c) may be made available within a State.

"SEC. 381F. ALLOCATION.

"(a) NATIONAL RESERVE.—The Secretary may use not more than 10 percent of the total amount of funds made available for a fiscal year under section 381E to establish a national reserve for rural development that may be used by the Secretary in rural areas during the fiscal year to—

"(1) meet situations of exceptional need;

"(2) provide incentives to promote or reward superior performance; or

"(3) carry out performance-oriented demonstration projects.

"(b) INDIAN TRIBES.—

"(1) RESERVATION.—The Secretary shall reserve not less than 3 percent of the total amounts made available for a fiscal year under section 381E to carry out rural development programs specified in subsections (c) and (d) of section 381D for federally recognized Indian tribes.

"(2) ALLOCATION.—The Secretary shall establish a formula for allocating the reserve and shall administer the reserve through the appropriate Director of the Rural Economic and Cooperative Development State office.

"(c) STATE ALLOCATION.—

"(1) IN GENERAL.—The Secretary shall allocate among all the States the amounts made available under section 381E in a fair, reasonable, and appropriate manner that takes into consideration rural population, levels of income, unemployment, and other relevant factors, as determined by the Secretary.

"(2) MINIMUM ALLOCATION.—In making the allocations for each of fiscal years 1996 through 2002, the Secretary shall ensure that the percentage allocation for each State is equal to the percentage of the average of the total funds made available to carry out the programs referred to in section 381E(c) that were obligated in the State for each of fiscal years 1993 and 1994.

"SEC. 381G. GRANTS TO STATES.

"(a) IN GENERAL.—Subject to subsection (c), the Secretary shall grant to any eligible State from which a request is received for a fiscal year 5 percent of the amount allocated for the State for the fiscal year under section 381F(c).

"(b) ELIGIBILITY.—To be eligible to receive a grant under this section, the Secretary shall require that the State maintain the grant funds received and any non-Federal matching funds to carry out this subtitle in a separate account, to remain available until expended.

"(c) MATCHING FUNDS.—For any fiscal year, if non-Federal matching funds are provided for a State in an amount that is equal to 200 percent or more of an amount equal to 5 percent of the amount allocated for the State for the fiscal year under section 381F(c), the Secretary shall pay to the State the grant provided under this subsection in an amount equal to 5 percent of the amount allocated for the State for the fiscal year under section 381F(c).

"(d) USE OF FUNDS.—The Secretary shall require that funds provided to a State under this section be used in rural areas to achieve the purposes of the programs referred to in section 381E(c) in accordance with the strategic plan referred to in section 381D.

"(e) MAINTENANCE OF EFFORT.—The State shall provide assurances that funds received under this section will be used only to supplement, not to supplant, the amount of Federal, State, and local funds otherwise expended for rural development assistance in the State.

"(f) APPEALS.—The Secretary shall provide to a State an opportunity for an appeal of any action taken under this section.

"(g) ADMINISTRATIVE COSTS.—Federal funds shall not be used for any administrative costs incurred by a State in carrying out this subtitle.

"(h) SPENDING OF FUNDS BY STATE.—

"(1) IN GENERAL.—Payments to a State from a grant under this section for a fiscal year shall be obligated by the State in the fiscal year or in the succeeding fiscal year. A State shall obligate funds under this section to provide assistance to rural areas pursuant, to the maximum extent practicable, to applications received from the rural areas.

"(2) FAILURE TO OBLIGATE.—If a State fails to obligate payments in accordance with paragraph (1), the Secretary shall make a corresponding reduction in the amount of payments provided to the State under this section for the subsequent fiscal year.

"(3) NONCOMPLIANCE.—

"(A) REVIEW.—The Secretary shall review and monitor State compliance with this section.

"(B) PENALTY.—If the Secretary finds that there has been misuse of grant funds provided under this section, or noncompliance with any of the terms and conditions of a grant, after reasonable notice and opportunity for a hearing—

"(i) the Secretary shall notify the State of the finding; and

"(ii) no further payments to the State shall be made with respect to the programs funded under this section until the Secretary is satisfied that there is no longer any failure to comply or that the noncompliance will be promptly corrected.

"(C) OTHER SANCTIONS.—In the case of a finding of noncompliance made pursuant to subparagraph (B), the Secretary may, in addition to, or in lieu of, imposing the sanctions described in subparagraph (B), impose

other appropriate sanctions, including recoupment of money improperly expended for purposes prohibited or not authorized by this section and disqualification from the receipt of financial assistance under this section.

"(i) NO ENTITLEMENT TO CONTRACT, GRANT, OR ASSISTANCE.—Nothing in this subtitle—

"(1) entitles any person to assistance or a contract or grant; or

"(2) limits the right of a State to impose additional limitations or conditions on assistance or a contract or grant under this section.

"SEC. 381H. GUARANTEE AND COMMITMENT TO GUARANTEE LOANS.

"(a) DEFINITION OF ELIGIBLE PUBLIC ENTITY.—In this section, the term 'eligible public entity' means any unit of general local government.

"(b) GUARANTEE AND COMMITMENT.—The Secretary is authorized, on such terms and conditions as the Secretary may prescribe, to guarantee and make commitments to guarantee the notes or other obligations issued by eligible public entities, or by public agencies designated by the eligible public entities, for the purposes of financing rural development assistance activities authorized and funded under section 381G.

"(c) PREREQUISITES.—No guarantee or commitment to guarantee shall be made with respect to any note or other obligation if the issuer's total outstanding notes or obligations guaranteed under this section (excluding any amount repaid under the contract entered into under subsection (e)(1)(A)) would exceed an amount equal to 5 times the amount of the grant approval for the issuer pursuant to section 381G.

"(d) PAYMENT OF PRINCIPAL, INTEREST, AND COSTS.—Notwithstanding any other provision of this subtitle, grants allocated to an issuer pursuant to this subtitle (including program income derived from the grants) shall be authorized for use in the payment of principal and interest due (including such servicing, underwriting, or other costs as may be specified in regulations of the Secretary) on the notes or other obligations guaranteed pursuant to this section.

"(e) REPAYMENT CONTRACT; SECURITY.—

"(1) IN GENERAL.—To ensure the repayment of notes or other obligations and charges incurred under this section and as a condition for receiving the guarantees, the Secretary shall require the issuer to—

"(A) enter into a contract, in a form acceptable to the Secretary, for repayment of notes or other obligations guaranteed under this section;

"(B) pledge any grant for which the issuer may become eligible under this subtitle; and

"(C) furnish, at the discretion of the Secretary, such other security as may be considered appropriate by the Secretary in making the guarantees.

"(2) SECURITY.—To assist in ensuring the repayment of notes or other obligations and charges incurred under this section, a State shall pledge any grant for which the State may become eligible under this subtitle as security for notes or other obligations and charges issued under this section by any unit of general local government in the State.

"(f) PLEDGED GRANTS FOR REPAYMENTS.—Notwithstanding any other provision of this subtitle, the Secretary is authorized to apply grants pledged pursuant to paragraphs (1)(B) and (2) of subsection (e) to any repayments due the United States as a result of the guarantees.

"(g) OUTSTANDING OBLIGATIONS.—The total amount of outstanding obligations guaranteed on a cumulative basis by the Secretary pursuant to subsection (b) shall not at any time exceed such amount as may be authorized to be appropriated for any fiscal year.

"(h) PURCHASE OF GUARANTEED OBLIGATIONS BY FEDERAL FINANCING BANK.—Notes or other obligations guaranteed under this section may not be purchased by the Federal Financing Bank.

"(i) FULL FAITH AND CREDIT.—The full faith and credit of the United States is pledged to the payment of all guarantees made under this section. Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the obligations for the guarantee with respect to principal and interest. The validity of the guarantee shall be incontestable in the hands of a holder of the guaranteed obligations.

"SEC. 381I. LOCAL INVOLVEMENT.

"The Secretary shall require that an applicant for assistance under this subtitle demonstrate evidence of significant community support.

"SEC. 381J. STATE-TO-STATE COLLABORATION.

"The Secretary shall permit the establishment of voluntary pooling arrangements among States, and regional fund-sharing agreements, to carry out this subtitle.

"SEC. 381K. RURAL VENTURE CAPITAL DEMONSTRATION PROGRAM.

"(a) IN GENERAL.—The Secretary shall designate up to 10 community development venture capital organizations to demonstrate the utility of guarantees to attract increased private investment in rural private business enterprises.

"(b) RURAL BUSINESS INVESTMENT POOL.—

"(1) ESTABLISHMENT.—To be eligible to participate in the demonstration program, an organization referred to in subsection (a) shall establish a rural business private investment pool (referred to in this subsection as a 'pool') for the purpose of making equity investments in rural private business enterprises.

"(2) GUARANTEE.—From funds allocated for the national reserve under section 381F(a), the Secretary shall guarantee the funds in a pool against loss, except that the guarantee shall not exceed an amount equal to 30 percent of the total funds in the pool.

"(3) AMOUNT.—The Secretary shall issue guarantees covering not more than $15,000,000 of obligations for each of fiscal years 1996 through 2002.

"(4) TERM.—The term of a guarantee provided under this subsection shall not exceed 10 years.

"(5) SUBMISSION OF PLAN.—To be eligible to participate in the demonstration program, an organization referred to in subsection (a) shall submit a plan that describes—

"(A) potential sources and uses of the pool to be established by the organization;

"(B) the utility of the guarantee authority in attracting capital for the pool; and

"(C) on selection, mechanisms for notifying State, local, and private nonprofit business development organizations and businesses of the existence of the pool.

"(6) COMPETITION.—

"(A) IN GENERAL.—The Secretary shall conduct a competition for the designation and establishment of pools.

"(B) PRIORITY.—In conducting the competition, the Secretary shall give priority to organizations that—

"(i) have a demonstrated record of performance or have a board and executive director with experience in venture capital, small business equity investments, or community development finance;

"(ii) propose to serve low-income communities;

"(iii) propose to maintain an average investment of not more than $500,000 from the pool of the organization;

"(iv) invest funds statewide or in a multicounty region; and

"(v) propose to target job opportunities resulting from the investments primarily to economically disadvantaged individuals.

"(C) GEOGRAPHIC DIVERSITY.—To the extent practicable, the Secretary shall select organizations in diverse geographic areas.

"SEC. 381L. ANNUAL REPORT.

"(a) IN GENERAL.—The Secretary, in collaboration with public, State, local, and private entities, State rural development councils, and community-based organizations, shall prepare an annual report that contains evaluations, assessments, and performance outcomes concerning the rural community advancement programs carried out under this subtitle.

"(b) SUBMISSION.—Not later than March 1 of each year, the Secretary shall—

"(1) submit the report required under subsection (a) to Congress and the chief executives of States participating in the program established under this subtitle; and

"(2) make the report available to State and local participants.

"SEC. 381M. RURAL DEVELOPMENT INTERAGENCY WORKING GROUP.

"(a) IN GENERAL.—The Secretary shall provide leadership within the Executive branch for, and assume responsibility for, establishing an interagency working group chaired by the Secretary.

"(b) DUTIES.—The working group shall establish policy, provide coordination, make recommendations, and evaluate the performance of or for all Federal rural development efforts.

"SEC. 381N. DUTIES OF RURAL ECONOMIC AND COMMUNITY DEVELOPMENT STATE OFFICES.

"In carrying out this subtitle, the Director of a Rural Economic and Community Development State Office shall—

"(1) to the maximum extent practicable, ensure that the State strategic plan is implemented;

"(2) coordinate community development objectives within the State;

"(3) establish links between local, State, and field office program administrators of the Department of Agriculture;

"(4) ensure that recipient communities comply with applicable Federal and State laws and requirements; and

"(5) integrate State development programs with assistance under this subtitle.

"SEC. 381O. ELECTRONIC TRANSFER.

"The Secretary shall transfer funds in accordance with this subtitle through electronic transfer as soon as practicable after the effective date of this subtitle.".

SEC. 562. COMMUNITY FACILITIES GRANT PROGRAM.

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by adding at the end the following:

"(21) COMMUNITY FACILITIES GRANT PROGRAM.—

"(A) IN GENERAL.—The Secretary may make grants, in a total amount not to exceed $10,000,000 for any fiscal year, to associations, units of general local government, nonprofit corporations, and federally recognized Indian tribes to provide the Federal share of the cost of developing specific essential community facilities in rural areas.

"(B) FEDERAL SHARE.—

"(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), the Secretary shall, by

regulation, establish the amount of the Federal share of the cost of the facility under this paragraph.

"(ii) MAXIMUM AMOUNT.—The amount of a grant provided under this paragraph shall not exceed 75 percent of the cost of developing a facility.

"(iii) GRADUATED SCALE.—The Secretary shall provide for a graduated scale for the amount of the Federal share provided under this paragraph, with higher Federal shares for facilities in communities that have lower community population and income levels, as determined by the Secretary.".

Subtitle C—Amendments to the Rural Electrification Act of 1936

SEC. 571. PURPOSES; INVESTIGATIONS AND REPORTS.

Section 2 of the Rural Electrification Act of 1936 (7 U.S.C. 902) is amended—

(1) by striking "SEC. 2. (a) The Secretary of Agriculture is" and inserting the following:

"SEC. 2. GENERAL AUTHORITY OF THE SECRETARY OF AGRICULTURE.

"(a) LOANS.—The Secretary of Agriculture (referred to in this Act as the 'Secretary') is";

(2) in subsection (a)—

(A) by striking "and the furnishing" the first place it appears and all that follows through "central station service"; and

(B) by striking "systems; to make" and all that follows through the period at the end of the subsection and inserting "systems"; and

(3) by striking subsection (b) and inserting the following:

"(b) INVESTIGATIONS AND REPORTS.—The Secretary may make, or cause to be made, studies, investigations, and reports regarding matters, including financial, technological, and regulatory matters, affecting the condition and progress of electric, telecommunications, and economic development in rural areas and publish and disseminate information with respect to the matters.".

SEC. 572. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 3 of the Rural Electrification Act of 1936 (7 U.S.C. 903) is amended to read as follows:

"SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated such sums as are necessary to carry out this Act.".

(b) CONFORMING AMENDMENTS.—

(1) Section 301(a) of the Rural Electrification Act of 1936 (7 U.S.C. 931(a)) is amended—

(A) by striking "(a)"; and

(B) in paragraph (3), by striking "notwithstanding section 3(a) of title I,".

(2) Section 302(b)(2) of the Rural Electrification Act of 1936 (7 U.S.C. 932(b)(2)) is amended by striking "pursuant to section 3(a) of this Act".

(3) The last sentence of section 406(a) of the Rural Electrification Act of 1936 (7 U.S.C. 946(a)) is amended by striking "pursuant to section 3(a) of this Act".

SEC. 573. LOANS FOR ELECTRICAL PLANTS AND TRANSMISSION LINES.

Section 4 of the Rural Electrification Act of 1936 (7 U.S.C. 904) is amended—

(1) in the first sentence—

(A) by striking "for the furnishing of" and all that follows through "central station service and"; and

(B) by striking "the provisions of sections 3(d) and 3(e) but without regard to the 25 per centum limitation therein contained," and inserting "section 3,";

(2) in the second sentence, by striking ": *Provided further*, That all" and all that follows through "loan: *And provided further*, That" and inserting ", except that"; and

(3) in the third sentence, by striking "and section 5".

SEC. 574. LOANS FOR ELECTRICAL AND PLUMBING EQUIPMENT.

(a) IN GENERAL.—Section 5 of the Rural Electrification Act of 1936 (7 U.S.C. 905) is repealed.

(b) CONFORMING AMENDMENTS.—Section 12(a) of the Rural Electrification Act of 1936 (7 U.S.C. 912(a)) is amended—

(1) by striking ": *Provided, however*, That" and inserting ", except that,"; and

(2) by striking ", and with respect to any loan made under section 5," and all that follows through "section 3".

SEC. 575. TESTIMONY ON BUDGET REQUESTS.

Section 6 of the Rural Electrification Act of 1936 (7 U.S.C. 906) is amended by striking the second sentence.

SEC. 576. TRANSFER OF FUNCTIONS OF ADMINISTRATION CREATED BY EXECUTIVE ORDER.

Section 8 of the Rural Electrification Act of 1936 (7 U.S.C. 908) is repealed.

SEC. 577. ANNUAL REPORT.

Section 10 of the Rural Electrification Act of 1936 (7 U.S.C. 910) is repealed.

SEC. 578. PROHIBITION ON RESTRICTING WATER AND WASTE FACILITY SERVICES TO ELECTRIC CUSTOMERS.

The Rural Electrification Act of 1936 is amended by inserting after section 16 (7 U.S.C. 916) the following:

"SEC. 17. PROHIBITION ON RESTRICTING WATER AND WASTE FACILITY SERVICES TO ELECTRIC CUSTOMERS.

"The Secretary shall establish rules and procedures that prohibit borrowers under title III or under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) from conditioning or limiting access to, or the use of, water and waste facility services financed under the Consolidated Farm and Rural Development Act if the conditioning or limiting is based on whether individuals or entities in the area served or proposed to be served by the facility receive, or will accept, electric service from the borrower.".

SEC. 579. TELEPHONE LOAN TERMS AND CONDITIONS.

Section 309 of the Rural Electrification Act of 1936 (7 U.S.C. 939) is amended—

(1) in subsection (a), by striking "(a) IN GENERAL.—"; and

(2) by striking subsection (b).

SEC. 580. PRIVATIZATION PROGRAM.

Section 311 of the Rural Electrification Act of 1936 (7 U.S.C. 940a) is repealed.

SEC. 581. RURAL BUSINESS INCUBATOR FUND.

(a) IN GENERAL.—Section 502 of the Rural Electrification Act of 1936 (7 U.S.C. 950aa-1) is repealed.

(b) CONFORMING AMENDMENTS.—Section 501 of the Rural Electrification Act of 1936 (7 U.S.C. 950aa) is amended—

(1) in paragraph (5), by inserting "and" at the end;

(2) in paragraph (6), by striking "; and" at the end and inserting a period; and

(3) by striking paragraph (7).

Subtitle D—Miscellaneous Rural Development Provisions

SEC. 591. INTEREST RATE FORMULA.

(a) BANKHEAD-JONES FARM TENANT ACT.—Section 32(e) of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1011) is amended by striking the fifth sentence and inserting the following: "A loan under this subsection shall be made under a contract that provides, under such terms and conditions as the Secretary considers appropriate, for the repayment of the loan in not more than 30 years, with interest at a rate not to exceed the current market yield for outstanding municipal obligations with remaining periods to maturity comparable to the average maturity for the loan, adjusted to the nearest ⅛ of 1 percent.".

(b) WATERSHED PROTECTION AND FLOOD PREVENTION ACT.—Section 8 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1006a) is amended by striking the second sentence and inserting the following: "A loan or advance under this section shall be made under a contract or agreement that provides, under such terms and conditions as the Secretary considers appropriate, for the repayment of the loan or advance in not more than 50 years from the date when the principal benefits of the works of improvement first become available, with interest at a rate not to exceed the current market yield for outstanding municipal obligations with remaining periods to maturity comparable to the average maturity for the loan, adjusted to the nearest ⅛ of 1 percent.".

SEC. 592. GRANTS FOR FINANCIALLY STRESSED FARMERS, DISLOCATED FARMERS, AND RURAL FAMILIES.

(a) IN GENERAL.—Section 502 of the Rural Development Act of 1972 (7 U.S.C. 2662) is amended by striking subsection (f).

(b) CONFORMING AMENDMENTS.—

(1) Section 2389 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 7 U.S.C. 2662 note) is amended by striking subsection (d).

(2) Section 503(c) of the Rural Development Act of 1972 (7 U.S.C. 2663(c)) is amended—

(A) in paragraph (1)—

(i) by striking "(1)";

(ii) by striking "section 502(e)" and all that follows through "shall be distributed" and inserting "subsections (e), (h), and (i) of section 502 shall be distributed"; and

(iii) by striking "objectives of" and all that follows through "title" and inserting "objectives of subsections (e), (h), and (i) of section 502"; and

(B) by striking paragraph (2).

SEC. 593. COOPERATIVE AGREEMENTS.

Section 607(b) of the Rural Development Act of 1972 (7 U.S.C. 2204b(b)) is amended by striking paragraph (4) and inserting the following:

"(4) COOPERATIVE AGREEMENTS.—

"(A) IN GENERAL.—Notwithstanding chapter 63 of title 31, United States Code, the Secretary may enter into cooperative agreements with other Federal agencies, State and local governments, and any other organization or individual to improve the coordination and effectiveness of Federal programs, services, and actions affecting rural areas, including the establishment and financing of interagency groups, if the Secretary determines that the objectives of the agreement will serve the mutual interest of the parties in rural development activities.

"(B) COOPERATORS.—Each cooperator, including each Federal agency, to the extent that funds are otherwise available, may participate in any cooperative agreement or working group established pursuant to this paragraph by contributing funds or other resources to the Secretary to carry out the agreement or functions of the group.".

TITLE VI—RESEARCH EXTENSION AND EDUCATION

Subtitle A—Amendments to National Agricultural Research, Extension, and Teaching Policy Act of 1977 and Related Statutes

SEC. 601. PURPOSES OF AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION.

Section 1402 of the National Agricultural Research, Extension, and Teaching Policy

Act of 1977 (7 U.S.C. 3101) is amended to read as follows:

"SEC. 1402. PURPOSES OF AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION.

"The purposes of federally supported agricultural research, extension, and education are to—

"(1) enhance the competitiveness of the United States agriculture and food industry in an increasingly competitive world environment;

"(2) increase the long-term productivity of the United States agriculture and food industry while protecting the natural resource base on which rural America and the United States agricultural economy depend;

"(3) develop new uses and new products for agricultural commodities, such as alternative fuels, and develop new crops;

"(4) support agricultural research and extension to promote economic opportunity in rural communities and to meet the increasing demand for information and technology transfer throughout the United States agriculture industry;

"(5) improve risk management in the United States agriculture industry;

"(6) improve the safe production and processing of, and adding of value to, United States food and fiber resources using methods that are environmentally sound;

"(7) support higher education in agriculture to give the next generation of Americans the knowledge, technology, and applications necessary to enhance the competitiveness of United States agriculture; and

"(8) maintain an adequate, nutritious, and safe supply of food to meet human nutritional needs and requirements.".

SEC. 602. SUBCOMMITTEE ON FOOD, AGRICULTURAL, AND FORESTRY RESEARCH.

Section 401(h) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6651(h)) is amended by striking the second through fifth sentences.

SEC. 603. JOINT COUNCIL ON FOOD AND AGRICULTURAL SCIENCES.

(a) IN GENERAL.—Section 1407 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) is amended—

(A) by striking paragraph (9); and

(B) by redesignating paragraphs (10) through (18) as paragraphs (9) through (17), respectively.

(2) Section 1405 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3121) is amended—

(A) in paragraph (5), by striking "Joint Council, Advisory Board," and inserting "Advisory Board"; and

(B) in paragraph (11), by striking "the Joint Council,".

(3) Section 1410(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125(2)) is amended by striking "the recommendations of the Joint Council developed under section 1407(f),".

(4) Section 1412 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3127) is amended—

(A) in the section heading, by striking "joint council, advisory board," and inserting "advisory board";

(B) in subsection (a)—

(i) by striking "Joint Council, the Advisory Board," and inserting "Advisory Board";

(ii) by striking "the cochairpersons of the Joint Council and" each place it appears; and

(iii) in paragraph (2), by striking "one shall serve as the executive secretary to the Joint Council, one shall serve as the executive secretary to the Advisory Board," and inserting "1 shall serve as the executive secretary to the Advisory Board"; and

(C) in subsections (b) and (c), by striking "Joint Council, Advisory Board," each place it appears and inserting "Advisory Board".

(5) Section 1413 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3128) is amended—

(A) in subsection (a), by striking "Joint Council, the Advisory Board," and inserting "Advisory Board";

(B) in subsection (b), by striking "Joint Council, Advisory Board," and inserting "Advisory Board"; and

(C) by striking subsection (d).

(6) Section 1434(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196(c)) is amended—

(A) in the second sentence, by striking "Joint Council, the Advisory Board," and inserting "Advisory Board"; and

(B) in the fourth sentence, by striking "the Joint Council,".

SEC. 604. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.

(a) IN GENERAL.—Section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123) is amended to read as follows:

"SEC. 1408. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.

"(a) ESTABLISHMENT.—The Secretary shall establish within the Department of Agriculture a board to be known as the 'National Agricultural Research, Extension, Education, and Economics Advisory Board'.

"(b) MEMBERSHIP.—

"(1) IN GENERAL.—The Advisory Board shall consist of 25 members, appointed by the Secretary.

"(2) SELECTION OF MEMBERS.—The Secretary shall appoint members to the Advisory Board from individuals who are selected from national farm, commodity, agribusiness, environmental, consumer, and other organizations directly concerned with agricultural research, education, and extension programs.

"(3) REPRESENTATION.—A member of the Advisory Board may represent 1 or more of the organizations referred to in paragraph (2), except that 1 member shall be a representative of the scientific community that is not closely associated with agriculture. The Secretary shall ensure that the membership of the Advisory Board includes full-time farmers and ranchers and represents the interests of the full variety of stakeholders in the agricultural sector.

"(c) DUTIES.—The Advisory Board shall—

"(1) review and provide consultation to the Secretary and land-grant colleges and universities on long-term and short-term national policies and priorities, as set forth in section 1402, relating to agricultural research, extension, education, and economics;

"(2) evaluate the results and effectiveness of agricultural research, extension, education, and economics with respect to the policies and priorities;

"(3) review and make recommendations to the Under Secretary of Agriculture for Research, Education, and Economics on the research, extension, education, and economics portion of the draft strategic plan required under section 306 of title 5, United States Code; and

"(4) review the mechanisms of the Department of Agriculture for technology assessment (which should be conducted by qualified professionals) for the purposes of—

"(A) performance measurement and evaluation of the implementation by the Secretary of the strategic plan required under section 306 of title 5, United States Code;

"(B) implementation of the national research policies and priorities set forth in section 1402; and

"(C) the development of mechanisms for the assessment of emerging public and private agricultural research and technology transfer initiatives.

"(d) CONSULTATION.—In carrying out this section, the Advisory Board shall solicit opinions and recommendations from persons who will benefit from and use federally funded agricultural research, extension, education, and economics.

"(e) APPOINTMENT.—A member of the Advisory Board shall be appointed by the Secretary for a term of up to 3 years. The members of the Advisory Board shall be appointed to serve staggered terms.

"(f) FEDERAL ADVISORY COMMITTEE ACT.—The Advisory Board shall be deemed to have filed a charter for the purpose of section 9(c) of the Federal Advisory Committee Act (5 U.S.C. App.).

"(g) TERMINATION.—The Advisory Board shall remain in existence until September 30, 2002.".

(b) CONFORMING AMENDMENTS.—

(1) Section 1404(1) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(1)) is amended by striking "National Agricultural Research and Extension Users Advisory Board" and inserting "National Agricultural Research, Extension, Education, and Economics Advisory Board".

(2) Section 1410(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125(2)) is amended by striking "the recommendations of the Advisory Board developed under section 1408(g)," and inserting "any recommendations of the Advisory Board".

(3) The last sentence of section 4(a) of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1673(a)) is amended by striking "National Agricultural Research and Extension Users Advisory Board" and inserting "National Agricultural Research, Extension, Education, and Economics Advisory Board".

SEC. 605. AGRICULTURAL SCIENCE AND TECHNOLOGY REVIEW BOARD.

(a) IN GENERAL.—Section 1408A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123a) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) (as amended by section 603(b)(1)(B)) is further amended—

(A) in paragraph (15), by adding "and" at the end;

(B) in paragraph (16), by striking "; and" and inserting a period; and

(C) by striking paragraph (17).

(2) Section 1405(12) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3121(12)) is amended by striking ", after coordination with the Technology Board,".

(3) Section 1410(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125(2)) (as amended by section 604(b)(2)) is further amended by striking "and the recommendations of the Technology Board developed under section 1408A(d)".

(4) Section 1412 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3127) (as amended by section 603(b)(4)) is further amended—

(A) in the section heading, by striking "and technology board";

(B) in subsection (a)—

(i) by striking "and the Technology Board" each place it appears; and

(ii) in paragraph (2), by striking "and one shall serve as the executive secretary to the Technology Board"; and

(C) in subsections (b) and (c), by striking "and Technology Board" each place it appears.

(5) Section 1413 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3128) (as amended by section 603(b)(5)) is further amended—

(A) in subsection (a), by striking "or the Technology Board"; and

(B) in subsection (b), by striking "and the Technology Board".

SEC. 606. FEDERAL ADVISORY COMMITTEE ACT EXEMPTION FOR FEDERAL-STATE COOPERATIVE PROGRAMS.

Section 1409A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3124a) is amended by adding at the end the following:

"(e) APPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.—

"(1) PUBLIC MEETINGS.—All meetings of any entity described in paragraph (2) shall be publicly announced in advance and shall be open to the public. Detailed minutes of meetings and other appropriate records of the activities of such an entity shall be kept and made available to the public on request.

"(2) EXEMPTION.—The Federal Advisory Committee Act (5 U.S.C. App.) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to any committee, board, commission, panel, or task force, or similar entity that—

"(A) is created for the purpose of cooperative efforts in agricultural research, extension, or teaching; and

"(B) consists entirely of full-time Federal employees and individuals who are employed by, or who are officials of, a State cooperative institution or a State cooperative agent.".

SEC. 607. COORDINATION AND PLANNING OF AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION.

Subtitle B of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3121 et seq.) is amended by adding at the end the following:

"SEC. 1413A. ACCOUNTABILITY.

"(a) IN GENERAL.—The Secretary shall develop and carry out a system to monitor and evaluate agricultural research and extension activities conducted or supported by the Federal Government that will enable the Secretary to measure the impact of research, extension, and education programs according to priorities, goals, and mandates established by law.

"(b) CONSISTENCY WITH OTHER REQUIREMENTS.—The system shall be developed and carried out in a manner that is consistent with the Government Performance and Results Act of 1993 (Public Law 103-62; 107 Stat. 285) and amendments made by the Act.

"SEC. 1413B. IMMINENT OR EMERGING THREATS TO FOOD SAFETY AND ANIMAL AND PLANT HEALTH.

"In the case of any activities of an agency of the Department of Agriculture that relate to food safety, animal or plant health, research, education, or technology transfer, the Secretary may transfer up to 5 percent of any amounts made available to the agency for a fiscal year to an agency of the Department of Agriculture reporting to the Under Secretary of Agriculture for Research, Education, and Economics for the purpose of addressing imminent or emerging threats to food safety and animal and plant health.

"SEC. 1413C. FEDERAL ADVISORY COMMITTEE ACT EXEMPTION FOR COMPETITIVE RESEARCH, EXTENSION, AND EDUCATION PROGRAMS.

"The Federal Advisory Committee Act (5 U.S.C. App.) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to any committee, board, commission, panel, or task force, or similar entity, created solely for the purpose of reviewing applications or proposals requesting funding under any competitive research, extension, or education program carried out by the Secretary.".

SEC. 608. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION.

(a) IN GENERAL.—Section 1417 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152) is amended—

(1) in subsection (b)—

(A) by inserting before "for a period" the following: "or to research foundations maintained by the colleges and universities,"; and

(B) by striking paragraph (4) and inserting the following:

"(4) to design and implement food and agricultural programs to build teaching and research capacity at primarily minority institutions;";

(2) by redesignating subsections (h) and (i) as subsections (i) and (j), respectively;

(3) by inserting after subsection (g) the following:

"(h) SECONDARY EDUCATION AND 2-YEAR POSTSECONDARY EDUCATION TEACHING PROGRAMS.—

"(1) AGRISCIENCE AND AGRIBUSINESS EDUCATION.—The Secretary shall—

"(A) promote and strengthen secondary education and 2-year postsecondary education in agriscience and agribusiness in order to help ensure the existence in the United States of a qualified workforce to serve the food and agricultural sciences system; and

"(B) promote complementary and synergistic linkages among secondary, 2-year postsecondary, and higher education programs in the food and agricultural sciences in order to promote excellence in education and encourage more young Americans to pursue and complete a baccalaureate or higher degree in the food and agricultural sciences.

"(2) GRANTS.—The Secretary may make competitive or noncompetitive grants, for grant periods not to exceed 5 years, to public secondary education institutions, 2-year community colleges, and junior colleges that have made a commitment to teaching agriscience and agribusiness—

"(A) to enhance curricula in agricultural education;

"(B) to increase faculty teaching competencies;

"(C) to interest young people in pursuing a higher education in order to prepare for scientific and professional careers in the food and agricultural sciences;

"(D) to promote the incorporation of agriscience and agribusiness subject matter into other instructional programs, particularly classes in science, business, and consumer education;

"(E) to facilitate joint initiatives among other secondary or 2-year postsecondary institutions and with 4-year colleges and universities to maximize the development and use of resources such as faculty, facilities, and equipment to improve agriscience and agribusiness education; and

"(F) to support other initiatives designed to meet local, State, regional, or national needs related to promoting excellence in agriscience and agribusiness education."; and

(4) in subsection (j) (as so redesignated), by striking "1995" and inserting "2002".

(b) TRANSFER OF FUNCTIONS AND DUTIES PERTAINING TO THE FUTURE FARMERS OF AMERICA.—

(1) IN GENERAL.—There are transferred to the Secretary of Agriculture all the functions and duties of the Secretary of Education under the Act entitled "An Act to incorporate the Future Farmers of America, and for other purposes", approved August 30, 1950 (36 U.S.C. 271 et seq.).

(2) PERSONNEL AND UNEXPENDED BALANCES.—There are transferred to the Department of Agriculture all personnel and balances of unexpended appropriations available for carrying out the duties and functions transferred under paragraph (1).

(3) AMENDMENTS.—The Act entitled "An Act to incorporate the Future Farmers of America, and for other purposes", approved August 30, 1950, is amended—

(A) in section 7(c) (36 U.S.C. 277(c)) by striking "Secretary of Education, the executive secretary shall be a member of the Department of Education" and inserting "Secretary of Agriculture, the executive secretary shall be an officer or employee of the Department of Agriculture";

(B) in section 8(a) (36 U.S.C. 278(a))—

(i) by striking "Secretary of Education" and inserting "Secretary of Agriculture"; and

(ii) by striking "Department of Education" and inserting "Department of Agriculture"; and

(C) in section 18 (36 U.S.C. 288)—

(i) by striking "Secretary of Education" each place it appears and inserting "Secretary of Agriculture"; and

(ii) by striking "Department of Education" each place it appears and inserting "Department of Agriculture".

SEC. 609. GRANTS FOR RESEARCH ON THE PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.

(a) IN GENERAL.—Section 1419 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 1463(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311(a)) is amended by striking "1419,".

(2) Section 257(a) of the Biomass Energy and Alcohol Fuels Act of 1980 (42 U.S.C. 8852(a)) is amended by striking "section 1419 and".

SEC. 610. POLICY RESEARCH CENTERS.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (as amended by section 609) is further amended by inserting after section 1418 (7 U.S.C. 3153) the following:

"SEC. 1419. POLICY RESEARCH CENTERS.

"(a) IN GENERAL.—Consistent with this section, the Secretary may make grants, competitive grants, and special research grants to, and enter into cooperative agreements and other contracting instruments with, policy research centers to conduct research and education programs that are objective, operationally independent, and external to the Federal Government and that concern the effect of public policies on—

"(1) the farm and agricultural sectors;

"(2) the environment;

"(3) rural families, households and economies; and

"(4) consumers, food, and nutrition.

"(b) ELIGIBLE RECIPIENTS.—Except to the extent otherwise prohibited by law, State agricultural experiment stations, colleges and universities, other research institutions and organizations, private organizations, corporations, and individuals shall be eligible to apply for and receive funding under subsection (a).

"(c) ACTIVITIES.—Under this section, funding may be provided for disciplinary and interdisciplinary research and education concerning activities consistent with this section, including activities that—

"(1) quantify the implications of public policies and regulations;

"(2) develop theoretical and research methods;

"(3) collect and analyze data for policymakers, analysts, and individuals; and

"(4) develop programs to train analysts.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for fiscal years 1996 through 2002.".

SEC. 611. HUMAN NUTRITION INTERVENTION AND HEALTH PROMOTION RESEARCH PROGRAM.

Section 1424 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174) is amended to read as follows:

"SEC. 1424. HUMAN NUTRITION INTERVENTION AND HEALTH PROMOTION RESEARCH PROGRAM.

"(a) AUTHORITY OF SECRETARY.—

"(1) IN GENERAL.—The Secretary may establish, and award grants for projects for, a multi-year research initiative on human nutrition intervention and health promotion.

"(2) EMPHASIS OF INITIATIVE.—In administering human nutrition research projects under this section, the Secretary shall give specific emphasis to—

"(A) coordinated longitudinal research assessments of nutritional status; and

"(B) the implementation of unified, innovative intervention strategies;

to identify and solve problems of nutritional inadequacy and contribute to the maintenance of health, well-being, performance, and productivity of individuals, thereby reducing the need of the individuals to use the health care system and social programs of the United States.

"(b) ADMINISTRATION OF FUNDS.—The Administrator of the Agricultural Research Service shall administer funds made available to carry out this section to ensure a coordinated approach to health and nutrition research efforts.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for fiscal years 1996 through 2002.".

SEC. 612. FOOD AND 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 "fiscal year 1995" and inserting "each of fiscal years 1996 through 2002".

SEC. 613. PURPOSES AND FINDINGS RELATING TO ANIMAL HEALTH AND DISEASE RESEARCH.

Section 1429 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3191) is amended to read as follows:

"SEC. 1429. PURPOSES AND FINDINGS RELATING TO ANIMAL HEALTH AND DISEASE RESEARCH.

"(a) PURPOSES.—The purposes of this subtitle are to—

"(1) promote the general welfare through the improved health and productivity of domestic livestock, poultry, aquatic animals, and other income-producing animals that are essential to the food supply of the United States and the welfare of producers and consumers of animal products;

"(2) improve the health of horses;

"(3) facilitate the effective treatment of, and, to the extent possible, prevent animal and poultry diseases in both domesticated and wild animals that, if not controlled, would be disastrous to the United States livestock and poultry industries and endanger the food supply of the United States;

"(4) improve methods for the control of organisms and residues in food products of animal origin that could endanger the human food supply;

"(5) improve the housing and management of animals to improve the well-being of livestock production species;

"(6) minimize livestock and poultry losses due to transportation and handling;

"(7) protect human health through control of animal diseases transmissible to humans;

"(8) improve methods of controlling the births of predators and other animals; and

"(9) otherwise promote the general welfare through expanded programs of research and extension to improve animal health.

"(b) FINDINGS.—Congress finds that—

"(1) the total animal health and disease research and extension efforts of State colleges and universities and of the Federal Government would be more effective if there were close coordination between the efforts; and

"(2) colleges and universities having accredited schools or colleges of veterinary medicine and State agricultural experiment stations that conduct animal health and disease research are especially vital in training research workers in animal health and related disciplines.".

SEC. 614. ANIMAL HEALTH SCIENCE RESEARCH ADVISORY BOARD.

Section 1432 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3194) is repealed.

SEC. 615. ANIMAL HEALTH AND DISEASE CONTINUING RESEARCH.

Section 1433 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195) is amended—

(1) in the first sentence of subsection (a), by striking "1995" and inserting "2002";

(2) in subsection (b)(2)—

(A) by striking "domestic livestock and poultry" each place it appears and inserting "domestic livestock, poultry, and commercial aquaculture species"; and

(B) in the second sentence, by striking "horses, and poultry" and inserting "horses, poultry, and commercial aquaculture species";

(3) in subsection (d), by striking "domestic livestock and poultry" and inserting "domestic livestock, poultry, and commercial aquaculture species"; and

(4) in subsection (f), by striking "domestic livestock and poultry" and inserting "domestic livestock, poultry, and commercial aquaculture species".

SEC. 616. ANIMAL HEALTH AND DISEASE NATIONAL OR REGIONAL RESEARCH.

Section 1434 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196) is amended—

(1) in subsection (a)—

(A) by inserting "or national or regional problems relating to pre-harvest, on-farm food safety, or animal well-being," after "problems,"; and

(B) by striking "1995" and inserting "2002";

(2) in subsection (b), by striking "eligible institutions" and inserting "State agricultural experiment stations, colleges and universities, other research institutions and organizations, Federal agencies, private organizations or corporations, and individuals";

(3) in subsection (c)—

(A) in the first sentence, by inserting ", food safety, and animal well-being" after "animal health and disease"; and

(B) in the fourth sentence—

(i) by redesignating paragraphs (2) and (3) as paragraphs (4) and (5), respectively; and

(ii) by inserting after paragraph (1) the following:

"(2) any food safety problem that has a significant pre-harvest (on-farm) component and is recognized as posing a significant health hazard to the consuming public;

"(3) issues of animal well-being related to production methods that will improve the housing and management of animals to improve the well-being of livestock production species;";

(4) in the first sentence of subsection (d), by striking "to eligible institutions"; and

(5) by adding at the end the following:

"(f) APPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to a panel or board created solely for the purpose of reviewing applications or proposals submitted under this subtitle.".

SEC. 617. RESIDENT INSTRUCTION PROGRAM AT 1890 LAND-GRANT COLLEGES.

Section 1446 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222a) is repealed.

SEC. 618. GRANT PROGRAM TO UPGRADE AGRICULTURAL AND FOOD SCIENCES FACILITIES AT 1890 LAND-GRANT COLLEGES.

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 "$8,000,000 for each of the fiscal years 1991 through 1995" and inserting "$15,000,000 for each of fiscal years 1996 through 2002".

SEC. 619. NATIONAL RESEARCH AND TRAINING CENTENNIAL CENTERS AUTHORIZATION.

Section 1448 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222c) is amended—

(1) in subsection (a)(1), by inserting ", or fiscal years 1996 through 2002," after "1995"; and

(2) in subsection (f), by striking "1995" and inserting "2002".

SEC. 620. GRANTS TO STATES FOR INTERNATIONAL TRADE DEVELOPMENT CENTERS.

Section 1458A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292) is repealed.

SEC. 621. AGRICULTURAL RESEARCH PROGRAMS.

Section 1463 of the National Agricultural Research, Extension, and Teaching Policy

Act of 1977 (7 U.S.C. 3311) is amended by striking "1995" each place it appears and inserting "2002".

SEC. 622. EXTENSION EDUCATION.

Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended by striking "fiscal year 1995" and inserting "each of fiscal years 1995 through 2002".

SEC. 623. SUPPLEMENTAL AND ALTERNATIVE CROPS RESEARCH.

Section 1473D of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d) is amended—

(1) in subsection (a)—

(A) by striking "1995" and inserting "2002"; and

(B) by striking "and pilot";

(2) in subsection (c)—

(A) in paragraph (2)—

(i) in subparagraph (B), by striking "at pilot sites" through "the area"; and

(ii) in subparagraph (D)—

(I) by striking "near such pilot sites"; and

(II) by striking "successful pilot program" and inserting "successful program";

(B) in paragraph (3)—

(i) by striking "pilot";

(ii) in subparagraph (C), by striking "and" at the end;

(iii) in subparagraph (D), by striking the period at the end and inserting a semicolon; and

(iv) by adding at the end the following:

"(E) to conduct fundamental and applied research related to the development of new commercial products derived from natural plant material for industrial, medical, and agricultural applications; and

"(F) to participate with colleges and universities, other Federal agencies, and private sector entities in conducting research described in subparagraph (E)."

SEC. 624. AQUACULTURE ASSISTANCE PROGRAMS.

(a) REPORTS.—Section 1475 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3322) is amended—

(1) by striking subsection (e); and

(2) by redesignating subsections (f) and (g) as subsections (e) and (f), respectively.

(b) AQUACULTURE RESEARCH FACILITIES.—Section 1476(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3323(b)) is amended by striking "1995" and inserting "2002".

(c) RESEARCH AND EXTENSION.—Section 1477 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3324) is amended by striking "1995" and inserting "2002".

SEC. 625. RANGELAND RESEARCH.

(a) REPORTS.—Section 1481 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3334) is repealed.

(b) ADVISORY BOARD.—Section 1482 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3335) is repealed.

(c) AUTHORIZATION OF APPROPRIATIONS.—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 "1995" and inserting "2002".

SEC. 626. TECHNICAL AMENDMENTS.

The table of contents of the Food and Agriculture Act of 1977 (Public Law 95–113; 91 Stat. 913) is amended—

(1) by striking the item relating to section 1402 and inserting the following:

"Sec. 1402. Purposes of agricultural research, extension, and education.";

(2) by striking the items relating to sections 1406, 1407, 1408A, 1432, 1446, 1458A, 1481, and 1482;

(3) by striking the item relating to section 1408 and inserting the following:

"Sec. 1408. National Agricultural Research, Extension, Education, and Economics Advisory Board.";

(4) by striking the item relating to section 1412 and inserting the following:

"Sec. 1412. Support for the Advisory Board.";

(5) by adding at the end of the items relating to subtitle B of title XIV the following:

"Sec. 1413A. Accountability.

"Sec. 1413B. Imminent or emerging threats to food safety and animal and plant health.

"Sec. 1413C. Federal Advisory Committee Act exemption for competitive research, extension, and education programs.";

(6) by striking the item relating to section 1419 and inserting the following:

"Sec. 1419. Policy research centers.";

(7) by striking the item relating to section 1424 and inserting the following:

"Sec. 1424. Human nutrition intervention and health promotion research program.";

and

(8) by striking the item relating to section 1429 and inserting the following:

"Sec. 1429. Purposes and findings relating to animal health and disease research.".

Subtitle B—Amendments to Food, Agriculture, Conservation, and Trade Act of 1990

SEC. 631. WATER QUALITY RESEARCH, EDUCATION, AND COORDINATION.

(a) IN GENERAL.—Subtitle G of title XIV of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5501 et seq.) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 1627(a)(3) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5821(a)(3)) is amended by striking ", subtitle G of title XIV,".

(2) Section 1628 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5831) is amended by striking ", subtitle G of title XIV," each place it appears in subsections (a) and (d).

(3) Section 1629 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5832) is amended by striking ", subtitle G of title XIV," each place it appears in subsections (f) and (g)(11).

SEC. 632. EDUCATION PROGRAM REGARDING HANDLING OF AGRICULTURAL CHEMICALS AND AGRICULTURAL CHEMICAL CONTAINERS.

(a) IN GENERAL.—Section 1499A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125c) is repealed.

(b) CONFORMING AMENDMENT.—Section 1499(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5506(b)) is amended by striking "and section 1499A".

SEC. 633. PROGRAM ADMINISTRATION.

(a) IN GENERAL.—Section 1622 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5812) is amended—

(1) by striking subsections (b), (c), and (d); and

(2) by redesignating subsection (e) as subsection (b).

(b) CONFORMING AMENDMENTS.—

(1) Section 1619(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5801(b)) is amended—

(A) by striking paragraph (7); and

(B) by redesignating paragraphs (8), (9), and (10) as paragraphs (7), (8), and (9), respectively.

(2) Section 1621(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5811(c)) is amended—

(A) in paragraph (1)—

(i) by striking subparagraph (A); and

(ii) by redesignating subparagraphs (B) through (E) as subparagraphs (A) through (D), respectively; and

(B) in paragraph (2)—

(i) by striking subparagraph (A); and

(ii) by redesignating subparagraphs (B) through (F) as subparagraphs (A) through (E), respectively.

(3) Section 1622 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5812) (as amended by subsection (a)) is further amended—

(A) in subsection (a)—

(i) by striking paragraph (2);

(ii) in paragraph (3), by striking "subsection (e)" and inserting "subsection (b)"; and

(iii) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively; and

(B) in subsection (b)(2)—

(i) by striking subparagraph (A); and

(ii) by redesignating subparagraphs (B) through (F) as subparagraphs (A) through (E), respectively.

(4) Section 1628(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5831(b)) is amended by striking "Advisory Council, the Soil Conservation Service," and inserting "Natural Resources Conservation Service".

SEC. 634. NATIONAL GENETICS RESOURCES PROGRAM.

(a) FUNCTIONS.—Section 1632(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5841(d)) is amended by striking paragraph (4) and inserting the following:

"(4) unless otherwise prohibited by law, have the right to make available on request, without charge and without regard to the country from which the request originates, the genetic material that the program assembles;".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 1635(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amended by striking "1995" and inserting "2002".

SEC. 635. NATIONAL AGRICULTURAL WEATHER INFORMATION SYSTEM.

Section 1641(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5855(c)) is amended by striking "1995" and inserting "2002".

SEC. 636. RESEARCH REGARDING PRODUCTION, PREPARATION, PROCESSING, HANDLING, AND STORAGE OF AGRICULTURAL PRODUCTS.

Subtitle E of title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5871 et seq.) is repealed.

SEC. 637. PLANT AND ANIMAL PEST AND DISEASE CONTROL PROGRAM.

(a) IN GENERAL.—Subtitle F of title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5881) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 28(b)(2)(A) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136w–3(b)(2)(A)) is amended by striking "and the information required by section 1651 of the Food, Agriculture, Conservation, and Trade Act of 1990".

(2) Section 1627(a)(3) of the Food, Agriculture, Conservation, and Trade Act of 1990

(7 U.S.C. 5821(a)(3)) is amended by striking "and section 1650".

(3) Section 1628 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5831) is amended by striking "section 1650," each place it appears in subsections (a) and (d).

(4) Section 1629 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5832) is amended by striking "section 1650," each place it appears in subsections (f) and (g)(11).

SEC. 638. LIVESTOCK PRODUCT SAFETY AND INSPECTION PROGRAM.

Section 1670(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5923(e)) is amended by striking "1995" and inserting "2002".

SEC. 639. PLANT GENOME MAPPING PROGRAM.

Section 1671 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5924) is repealed.

SEC. 640. SPECIALIZED RESEARCH PROGRAMS.

Section 1672 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925) is repealed.

SEC. 641. 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 "1995" and inserting "2002".

SEC. 642. NATIONAL CENTERS FOR AGRICULTURAL PRODUCT QUALITY RESEARCH.

Section 1675(g)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5928(g)(1)) is amended by striking "1995" and inserting "2002".

SEC. 643. TURKEY RESEARCH CENTER AUTHORIZATION.

Section 1676 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5929) is repealed.

SEC. 644. SPECIAL GRANT TO STUDY CONSTRAINTS ON AGRICULTURAL TRADE.

Section 1678 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5931) is repealed.

SEC. 645. PILOT PROJECT TO COORDINATE FOOD AND NUTRITION EDUCATION PROGRAMS.

Section 1679 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5932) is repealed.

SEC. 646. ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS WITH DISABILITIES.

Section 1680 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933) is amended—

(1) in subsection (a)(6)(B), by striking "1996" and inserting "2002"; and

(2) in subsection (b)(2), by striking "1996" and inserting "2002".

SEC. 647. DEMONSTRATION PROJECTS.

Section 2348 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2662a) is repealed.

SEC. 648. 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 "1995" and inserting "2002".

SEC. 649. GLOBAL CLIMATE CHANGE.

(a) TECHNICAL ADVISORY COMMITTEE.—Section 2404 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6703) is repealed.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 2412 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6710) is amended by striking "1996" and inserting "2002".

SEC. 650. TECHNICAL AMENDMENTS.

The table of contents of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 104 Stat. 3359) is amended by striking the items relating to subtitle G of title XIV, section 1499A, subtitles E and F of title XVI, and sections 1671, 1672, 1676, 1678, 1679, 2348, and 2404.

Subtitle C—Miscellaneous Research Provisions

SEC. 661. CRITICAL AGRICULTURAL MATERIALS RESEARCH.

(a) IN GENERAL.—Section 4 of the Critical Agricultural Materials Act (7 U.S.C. 178b) is amended—

(1) by striking subsection (g); and

(2) by redesignating subsection (h) as subsection (g).

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 16(a) of the Critical Agricultural Materials Act (7 U.S.C. 178n(a)) is amended by striking "1995" and inserting "2002".

SEC. 662. 1994 INSTITUTIONS.

(a) LAND-GRANT STATUS.—The first sentence of section 533(b) of the Equity in Educational Land-Grant Status Act of 1994 (Public Law 103-382; 7 U.S.C. 301 note) is amended by striking "2000" and inserting "2002".

(b) INSTITUTIONAL CAPACITY BUILDING GRANTS.—Section 535 of the Equity in Educational Land-Grant Status Act of 1994 (Public Law 103-382; 7 U.S.C. 301 note) is amended by striking "2000" each place it appears in subsections (b)(1) and (c) and inserting "2002".

SEC. 663. SMITH-LEVER ACT FUNDING FOR 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY AND THE DISTRICT OF COLUMBIA.

(a) ELIGIBILITY FOR FUNDS.—Section 3(d) of the Act of May 8, 1914 (commonly known as the "Smith-Lever Act") (38 Stat. 373, chapter 79; 7 U.S.C. 343(d)), is amended by adding at the end the following: "A college or university eligible to receive funds under the Act of August 30, 1890 (26 Stat. 417, chapter 841; 7 U.S.C. 321 et seq.), including Tuskegee University, or section 208 of the District of Columbia Public Postsecondary Education Reorganization Act (Public Law 93-471; 88 Stat. 1428) may apply for and receive directly from the Secretary of Agriculture—

"(1) amounts made available under this subsection after September 30, 1995, to carry out programs or initiatives for which no funds were made available under this subsection for fiscal year 1995, or any previous fiscal year, as determined by the Secretary; and

"(2) amounts made available after September 30, 1995, to carry out programs or initiatives funded under this subsection prior to that date that are in excess of the highest amount made available for the programs or initiatives under this subsection for fiscal year 1995, or any previous fiscal year, as determined by the Secretary.".

(b) CONFORMING AMENDMENTS.—

(1) The third sentence of section 1444(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221(a)) is amended by inserting before the period at the end the following: ", except that for the purpose of this calculation, the total appropriations shall not include amounts made available after September 30, 1995, under section 3(d) of the Act of May 8, 1914 (commonly known as the 'Smith-Lever Act') (38 Stat. 373, chapter 79; 7 U.S.C. 343(d)), to carry out programs or initiatives for which no funds were made available under section 3(d) of the Act for fiscal year 1995, or any previous fiscal year, as determined by the Secretary, and shall not include amounts made available after September 30, 1995, to carry out programs or initiatives funded under section 3(d) of the Act prior to that date that are in excess of the highest amount made available for the programs or initiatives for fiscal year 1995, or any previous fiscal year, as determined by the Secretary.".

(2) Section 208(c) of the District of Columbia Public Postsecondary Education Reorganization Act (Public Law 93-471; 88 Stat. 1428) is amended by adding at the end the following: "Funds appropriated under this subsection shall be in addition to any amounts provided to the District of Columbia from—

"(1) amounts made available after September 30, 1995, under section 3(d) of the Act to carry out programs or initiatives for which no funds were made available under section 3(d) of the Act for fiscal year 1995, or any previous fiscal year, as determined by the Secretary of Agriculture; and

"(2) amounts made available after September 30, 1995, to carry out programs or initiatives funded under section 3(d) of the Act prior to the date that are in excess of the highest amount made available for the programs or initiatives for fiscal year 1995, or any previous fiscal year, as determined by the Secretary of Agriculture.".

SEC. 664. COMMITTEE OF NINE.

Section 3(c)(3) of the Act of March 2, 1887 (Chapter 314; 7 U.S.C. 361c(c)(3)) is amended by striking from ", and shall be used" through the end of the paragraph and inserting a period.

SEC. 665. AGRICULTURAL RESEARCH FACILITIES.

(a) IN GENERAL.—

(1) RESEARCH FACILITIES.—The Research Facilities Act (7 U.S.C. 390 et seq.) is amended to read as follows:

"SECTION 1. SHORT TITLE.

"This Act may be cited as the 'Research Facilities Act'.

"SEC. 2. DEFINITIONS.

"In this Act:

"(1) AGRICULTURAL RESEARCH FACILITY.—The term 'agricultural research facility' means a proposed facility for research in food and agricultural sciences for which Federal funds are requested by a college, university, or nonprofit institution to assist in the construction, alteration, acquisition, modernization, renovation, or remodeling of the facility.

"(2) FOOD AND AGRICULTURAL SCIENCES.—The term 'food and agricultural sciences' means—

"(A) agriculture, including soil and water conservation and use, the use of organic materials to improve soil tilth and fertility, plant and animal production and protection, and plant and animal health;

"(B) the processing, distributing, marketing, and utilization of food and agricultural products;

"(C) forestry, including range management, production of forest and range products, multiple use of forest and rangelands, and urban forestry;

"(D) aquaculture (as defined in section 1404(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(3));

"(E) human nutrition;

"(F) production inputs, such as energy, to improve productivity; and

"(G) germ plasm collection and preservation.

"(3) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"SEC. 3. REVIEW PROCESS.

"(a) SUBMISSION TO SECRETARY.—Each proposal for an agricultural research facility shall be submitted to the Secretary for review. The Secretary shall review the proposals in the order in which the proposals are received.

"(b) APPLICATION PROCESS.—In consultation with the Committee on Appropriations of the Senate and Committee on Appropriations of the House of Representatives, the Secretary shall establish an application process for the submission of proposals for agricultural research facilities.

"(c) CRITERIA FOR APPROVAL.—

"(1) DETERMINATION BY SECRETARY.—With respect to each proposal for an agricultural research facility submitted under subsection (a), the Secretary shall determine whether the proposal meets the criteria set forth in paragraph (2).

"(2) CRITERIA.—A proposal for an agricultural research facility shall meet the following criteria:

"(A) NON-FEDERAL SHARE.—The proposal shall certify the availability of at least a 50 percent non-Federal share of the cost of the facility. The non-Federal share shall be paid in cash and may include funding from private sources or from units of State or local government.

"(B) NONDUPLICATION OF FACILITIES.—The proposal shall demonstrate how the agricultural research facility would be complementary to, and not duplicative of, facilities of colleges, universities, and nonprofit institutions, and facilities of the Agricultural Research Service, within the State and region.

"(C) NATIONAL RESEARCH PRIORITIES.—The proposal shall demonstrate how the agricultural research facility would serve—

"(i) 1 or more of the national research policies and priorities set forth in section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101); and

"(ii) regional needs.

"(D) LONG-TERM SUPPORT.—The proposal shall demonstrate that the recipient college, university, or nonprofit institution has the ability and commitment to support the long-term, ongoing operating costs of—

"(i) the agricultural research facility after the facility is completed; and

"(ii) each program to be based at the facility.

"(E) STRATEGIC PLAN.—After the development of the strategic plan required by section 4, the proposal shall demonstrate how the agricultural research facility reflects the strategic plan for Federal research facilities.

"(d) EVALUATION OF PROPOSALS.—Not later than 90 days after receiving a proposal under subsection (a), the Secretary shall—

"(1) evaluate and assess the merits of the proposal, including the extent to which the proposal meets the criteria set forth in subsection (c); and

"(2) report to the Committee on Appropriations of the Senate and Committee on Appropriations of the House of Representatives on the results of the evaluation and assessment.

"SEC. 4. STRATEGIC PLAN FOR FEDERAL RESEARCH FACILITIES.

"(a) IN GENERAL.—Not later than September 30, 1997, the Secretary shall develop a comprehensive plan for the development, construction, modernization, consolidation, and closure of federally supported agricultural research facilities.

"(b) FACTORS.—In developing the plan, the Secretary shall consider—

"(1) the need to increase agricultural productivity and to enhance the competitiveness of the United States agriculture and food industry as set forth in section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101); and

"(2) the findings of the National Academy of Sciences with respect to programmatic and scientific priorities relating to agriculture.

"(c) IMPLEMENTATION.—The plan shall be developed for implementation over the 10-fiscal year period beginning with fiscal year 1998.

"SEC. 5. APPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.

"The Federal Advisory Committee Act (5 U.S.C. App) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et. seq) shall not apply to a panel or board created solely for the purpose of reviewing applications or proposals submitted under this Act.

"SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—Subject to subsection (b), there are authorized to be appropriated such sums as are necessary for fiscal years 1996 through 2002 for the study, plan, design, structure, and related costs of agricultural research facilities under this Act.

"(b) ALLOWABLE ADMINISTRATIVE COSTS.—Not more than 3 percent of the funds made available for any project for an agricultural research facility shall be available for administration of the project.".

(2) APPLICATION.—

(A) CURRENT PROJECTS.—The amendment made by paragraph (1), other than section 4 of the Research Facilities Act (as amended by paragraph (1)), shall not apply to any project for an agricultural research facility for which funds have been made available for a feasibility study or for any phase of the project prior to October 1, 1995.

(B) STRATEGIC PLAN.—The strategic plan required by section 4 of the Act shall apply to all federally supported agricultural research facilities, including projects funded prior to the effective date of this title.

(b) AUTHORIZATION OF APPROPRIATIONS FOR FEDERAL FACILITIES.—Section 1431 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99-198; 99 Stat. 1556) is amended—

(1) in subsection (a)—

(A) by striking "(a)"; and

(B) by striking "1995" and inserting "2002"; and

(2) by striking subsection (b).

(c) CONFORMING AMENDMENT.—Section 1463(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311(a)) is amended by striking "1416,".

SEC. 666. NATIONAL COMPETITIVE RESEARCH INITIATIVE.

Subsection (b)(10) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(10)) is amended—

(1) by striking "OF APPROPRIATIONS.—There" and inserting the following: "AND AVAILABILITY OF APPROPRIATIONS.—

"(A) IN GENERAL.—There";

(2) by striking "fiscal year 1995" and inserting "each of fiscal years 1995 through 2002";

(3) by striking "(A) not" and inserting the following:

"(i) not";

(4) by striking "(B) not" and inserting the following:

"(ii) not";

(5) in clause (ii) (as so designated), by striking "20 percent" and inserting "40 percent";

(6) by striking "(C) not" and inserting the following:

"(iii) not";

(7) by striking "(D) not" and inserting the following:

"(iv) not";

(8) by striking "(E) not" and inserting the following:

"(v) not"; and

(9) by adding at the end the following:

"(B) AVAILABILITY.—Funds made available under subparagraph (A) shall be available for obligation for a period of 2 years from the beginning of the fiscal year for which the funds are made available.".

SEC. 667. COTTON CROP REPORTS.

The Act of May 3, 1924 (43 Stat. 115, chapter 149; 7 U.S.C. 475), is repealed.

SEC. 668. RURAL DEVELOPMENT RESEARCH AND EDUCATION.

Section 502 of the Rural Development Act of 1972 (7 U.S.C. 2662) is amended—

(1) in subsection (a), by inserting after the first sentence the following: "The rural development extension programs shall also promote coordinated and integrated rural community initiatives that advance and empower capacity building through leadership development, entrepreneurship, business development and management training and strategic planning to increase jobs, income, and quality of life in rural communities.";

(2) by striking subsections (g) and (j); and

(3) by redesignating subsections (h) and (i) as subsections (g) and (h) respectively.

SEC. 669. HUMAN NUTRITION RESEARCH.

Section 1452 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99-198; 7 U.S.C. 3173 note) is repealed.

SEC. 670. DAIRY GOAT RESEARCH PROGRAM.

Section 1432 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1981 (Public Law 97-98; 7 U.S.C. 3222 note) is amended—

(1) in subsection (a), by striking "(a)"; and

(2) by striking subsection (b).

SEC. 671. GRANTS TO UPGRADE 1890 LAND-GRANT COLLEGE EXTENSION FACILITIES.

(a) IN GENERAL.—Section 1416 of the Food Security Act of 1985 (7 U.S.C. 3224) is repealed.

(b) TECHNICAL AMENDMENT.—The table of contents of the Food Security Act of 1985 (Public Law 99-198; 99 Stat. 1354) is amended by striking the item relating to section 1416.

SEC. 672. STUTTGART NATIONAL AQUACULTURE RESEARCH CENTER.

(a) TRANSFER OF FUNCTIONS TO THE SECRETARY OF AGRICULTURE.—

(1) TITLE OF PUBLIC LAW 85-342.—The title of Public Law 85-342 (16 U.S.C. 778 et seq.) is amended by striking "Secretary of the Interior" and inserting "Secretary of Agriculture".

(2) AUTHORIZATION.—The first section of Public Law 85-342 (16 U.S.C. 778) is amended—

(A) by striking "Secretary of the Interior" and all that follows through "directed to" and inserting "Secretary of Agriculture shall";

(B) by striking "station and stations" and inserting "1 or more centers"; and

(C) in paragraph (5), by striking "Department of Agriculture" and inserting "Secretary of the Interior".

(3) AUTHORITY.—Section 2 of Public Law 85-342 (16 U.S.C. 778a) is amended by striking ", the Secretary" and all that follows through "authorized" and inserting ", the Secretary of Agriculture is authorized".

(4) ASSISTANCE.—Section 3 of Public Law 85-342 (16 U.S.C. 778b) is amended—

(A) by striking "Secretary of the Interior" and inserting "Secretary of Agriculture"; and

(B) by striking "Department of Agriculture" and inserting "Secretary of the Interior".

(b) TRANSFER OF FISH FARMING EXPERIMENTAL LABORATORY TO DEPARTMENT OF AGRICULTURE.—

(1) DESIGNATION OF STUTTGART NATIONAL AQUACULTURE RESEARCH CENTER.—

(A) IN GENERAL.—The Fish Farming Experimental Laboratory in Stuttgart, Arkansas (including the facilities in Kelso, Arkansas), shall be known and designated as the "Stuttgart National Aquaculture Research Center".

(B) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the laboratory referred to in subparagraph (A) shall be deemed to be a reference to the "Stuttgart National Aquaculture Research Center".

(2) TRANSFER OF LABORATORY TO THE DEPARTMENT OF AGRICULTURE.—Subject to section 1531 of title 31, United States Code, not later than 90 days after the effective date of this title, there are transferred to the Department of Agriculture—

(A) the personnel employed in connection with the laboratory referred to in paragraph (1);

(B) the assets, liabilities, contracts, and real and personal property of the laboratory;

(C) the records of the laboratory; and

(D) the unexpended balance of appropriations, authorizations, allocations and other funds employed, held, arising from, available to, or to be made available in connection with the laboratory.

(3) NONDUPLICATION.—The research center referred to in paragraph (1)(A) shall be complementary to, and not duplicative of, facilities of colleges, universities, and nonprofit institutions, and facilities of the Agricultural Research Service, within the State and region, as determined by the Administrator of the Service.

SEC. 673. NATIONAL AQUACULTURE POLICY, PLANNING, AND DEVELOPMENT.

(a) DEFINITIONS.—Section 3 of the National Aquaculture Act of 1980 (16 U.S.C. 2802) is amended—

(1) in paragraph (1), by striking "the propagation" and all that follows through the period at the end and inserting the following: "the commercially controlled cultivation of aquatic plants, animals, and microorganisms, but does not include private for-profit ocean ranching of Pacific salmon in a State in which the ranching is prohibited by law.";

(2) in paragraph (3), by striking "or aquatic plant" and inserting "aquatic plant, or microorganism";

(3) by redesignating paragraphs (7) through (9) as paragraphs (8) through (10), respectively; and

(4) by inserting after paragraph (6) the following:

"(7) The term 'private aquaculture' means the commercially controlled cultivation of aquatic plants, animals, and microorganisms other than cultivation carried out by the Federal Government, any State or local government, or an Indian tribe recognized by the Bureau of Indian Affairs.".

(b) NATIONAL AQUACULTURE DEVELOPMENT PLAN.—Section 4 of the National Aquaculture Act of 1980 (16 U.S.C. 2803) is amended—

(1) in subsection (c)—

(A) in subparagraph (A), by adding "and" at the end;

(B) in subparagraph (B), by striking "; and" and inserting a period; and

(C) by striking subparagraph (C);

(2) in the second sentence of subsection (d), by striking "Secretaries determine that" and inserting "Secretary, in consultation with the Secretary of Commerce, the Secretary of the Interior, and the heads of such other agencies as the Secretary determines are appropriate, determines that"; and

(3) in subsection (e), by striking "Secretaries" and inserting "Secretary, in consultation with the Secretary of Commerce, the Secretary of the Interior, and the heads of such other agencies as the Secretary determines are appropriate,".

(c) FUNCTIONS AND POWERS OF SECRETARIES.—Section 5(b)(3) of the National Aquaculture Act of 1980 (16 U.S.C. 2804(b)(3)) is amended by striking "Secretaries deem" and inserting "Secretary, in consultation with the Secretary of Commerce, the Secretary of the Interior, and the heads of such other agencies as the Secretary determines are appropriate, consider".

(d) COORDINATION OF NATIONAL ACTIVITIES REGARDING AQUACULTURE.—The first sentence of section 6(a) of the National Aquaculture Act of 1980 (16 U.S.C. 2805(a)) is amended by striking "(f)" and inserting "(e)".

(e) NATIONAL POLICY FOR PRIVATE AQUACULTURE.—The National Aquaculture Act of 1980 (16 U.S.C. 2801 et seq.) is amended—

(1) by redesignating sections 7, 8, 9, 10, and 11 as sections 8, 9, 10, 11, and 12, respectively; and

(2) by inserting after section 6 (16 U.S.C. 2805) the following:

"SEC. 7. NATIONAL POLICY FOR PRIVATE AQUACULTURE.

"(a) IN GENERAL.—In consultation with the Secretary of Commerce and the Secretary of the Interior, the Secretary shall coordinate and implement a national policy for private aquaculture in accordance with this section. In developing the policy, the Secretary may consult with other agencies and organizations.

"(b) DEPARTMENT OF AGRICULTURE AQUACULTURE PLAN.—

"(1) IN GENERAL.—The Secretary shall develop and implement a Department of Agriculture Aquaculture Plan (referred to in this section as the 'Department plan') for a unified aquaculture program of the Department of Agriculture (referred to in this section as the 'Department') to support the development of private aquaculture.

"(2) ELEMENTS OF DEPARTMENT PLAN.—The Department plan shall address—

"(A) programs of individual agencies of the Department related to aquaculture that are consistent with Department programs related to other areas of agriculture, including livestock, crops, products, and commodities under the jurisdiction of agencies of the Department;

"(B) the treatment of cultivated aquatic animals as livestock and cultivated aquatic plants as agricultural crops; and

"(C) means for effective coordination and implementation of aquaculture activities and programs within the Department, including individual agency commitments of personnel and resources.

"(c) NATIONAL AQUACULTURE INFORMATION CENTER.—In carrying out section 5, the Secretary may maintain and support a National Aquaculture Information Center at the National Agricultural Library as a repository for information on national and international aquaculture.

"(d) TREATMENT OF AQUACULTURE.—The Secretary shall treat—

"(1) private aquaculture as agriculture; and

"(2) commercially cultivated aquatic animals, plants, and microorganisms, and products of the animals, plants, and microorganisms, produced by private persons and transported or moved in standard commodity channels as agricultural livestock, crops, and commodities.

"(e) PRIVATE AQUACULTURE POLICY COORDINATION, DEVELOPMENT, AND IMPLEMENTATION.—

"(1) RESPONSIBILITY.—The Secretary shall have responsibility for coordinating, developing, and carrying out policies and programs for private aquaculture.

"(2) DUTIES.—The Secretary shall—

"(A) coordinate all intradepartmental functions and activities relating to private aquaculture; and

"(B) establish procedures for the coordination of functions, and consultation with, the coordinating group.

"(f) LIAISON WITH DEPARTMENTS OF COMMERCE AND THE INTERIOR.—The Secretary of Commerce and the Secretary of the Interior shall each designate an officer or employee of the Department of the Secretary to be the liaison of the Department to the Secretary of Agriculture.".

(f) AUTHORIZATION OF APPROPRIATIONS.—Section 11 of the National Aquaculture Act of 1980 (as redesignated by subsection (e)(1)) is amended by striking "the fiscal years 1991, 1992, and 1993" each place it appears and inserting "fiscal years 1991 through 2002".

SEC. 674. EXPANSION OF AUTHORITIES RELATED TO THE NATIONAL ARBORETUM.

(a) SOLICITATION OF GIFTS, BENEFITS, AND DEVISES.—The first sentence of section 5 of the Act of March 4, 1927 (89 Stat. 683; 20 U.S.C. 195), is amended by inserting "solicit," after "authorized to".

(b) CONCESSIONS, FEES, AND VOLUNTARY SERVICES.—The Act of March 4, 1927 (44 Stat. 1422, chapter 505; 20 U.S.C. 191 et seq.), is amended by adding at the end the following:

"SEC. 6. CONCESSIONS, FEES, AND VOLUNTARY SERVICES.

"(a) IN GENERAL.—Notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) and section 321 of the Act of June 30, 1932 (47 Stat. 412, chapter 314; 40 U.S.C. 303b), the Secretary of Agriculture, in furtherance of the mission of the National Arboretum, may—

"(1) negotiate agreements granting concessions at the National Arboretum to nonprofit scientific or educational organizations the interests of which are complementary to the mission of the National Arboretum, except that the net proceeds of the organizations from the concessions shall be used exclusively for research and educational work for the benefit of the National Arboretum;

"(2) provide by concession, on such terms as the Secretary of Agriculture considers appropriate and necessary, for commercial services for food, drink, and nursery sales, if an agreement for a permanent concession under this paragraph is negotiated with a qualified person submitting a proposal after due consideration of all proposals received after the Secretary of Agriculture provides reasonable public notice of the intent of the Secretary to enter into such an agreement;

"(3) dispose of excess property, including excess plants and fish, in a manner designed to maximize revenue from any sale of the property, including by way of public auction, except that this paragraph shall not apply to the free dissemination of new varieties of seeds and germ plasm in accordance with section 520 of the Revised Statutes (commonly known as the 'Department of Agriculture Organic Act of 1862') (7 U.S.C. 2201);

"(4) charge such fees as the Secretary of Agriculture considers reasonable for temporary use by individuals or groups of National Arboretum facilities and grounds for any purpose consistent with the mission of the National Arboretum;

"(5) charge such fees as the Secretary of Agriculture considers reasonable for the use of the National Arboretum for commercial photography or cinematography;

"(6) publish, in print and electronically and without regard to laws relating to printing by the Federal Government, informational brochures, books, and other publications concerning the National Arboretum or the collections of the Arboretum; and

"(7) license use of the National Arboretum name and logo for public service or commercial uses.

"(b) USE OF FUNDS.—Any funds received or collected by the Secretary of Agriculture as a result of activities described in subsection (a) shall be retained in a special fund in the Treasury for the use and benefit of the National Arboretum as the Secretary of Agriculture considers appropriate.

"(c) ACCEPTANCE OF VOLUNTARY SERVICES.—The Secretary of Agriculture may accept the voluntary services of organizations described in subsection (a)(1), and the voluntary services of individuals (including employees of the National Arboretum), for the benefit of the National Arboretum.".

SEC. 675. STUDY OF AGRICULTURAL RESEARCH SERVICE.

(a) STUDY.—The Secretary of Agriculture shall request the National Academy of Sciences to conduct a study of the role and mission of the Agricultural Research Service. The study shall—

(1) evaluate the strength of science of the Service and the relevance of the science to national priorities;

(2) examine how the work of the Service relates to the capacity of the United States agricultural research, education, and extension system overall; and

(3) include recommendations, as appropriate.

(b) REPORT.—Not later than 18 months after the effective date of this title, the Secretary shall prepare a report that describes the results of the study conducted under subsection (a) and submit the report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(c) FUNDING.—The Secretary shall use to carry out this section not more than $500,000 of funds made available to the Agricultural Research Service for research.

TITLE VII—AGRICULTURAL PROMOTION

Subtitle A—Popcorn

SEC. 701. SHORT TITLE.

This subtitle may be cited as the "Popcorn Promotion, Research, and Consumer Information Act".

SEC. 702. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—Congress finds that—

(1) popcorn is an important food that is a valuable part of the human diet;

(2) the production and processing of popcorn plays a significant role in the economy of the United States in that popcorn is processed by several popcorn processors, distributed through wholesale and retail outlets, and consumed by millions of people throughout the United States and foreign countries;

(3) popcorn must be of high quality, readily available, handled properly, and marketed efficiently to ensure that the benefits of popcorn are available to the people of the United States;

(4) the maintenance and expansion of existing markets and uses and the development of new markets and uses for popcorn are vital to the welfare of processors and persons concerned with marketing, using, and producing popcorn for the market, as well as to the agricultural economy of the United States;

(5) the cooperative development, financing, and implementation of a coordinated program of popcorn promotion, research, consumer information, and industry information is necessary to maintain and expand markets for popcorn; and

(6) popcorn moves in interstate and foreign commerce, and popcorn that does not move in those channels of commerce directly burdens or affects interstate commerce in popcorn.

(b) POLICY.—It is the policy of Congress that it is in the public interest to authorize the establishment, through the exercise of the powers provided in this subtitle, of an orderly procedure for developing, financing (through adequate assessments on unpopped popcorn processed domestically), and carrying out an effective, continuous, and coordinated program of promotion, research, consumer information, and industry information designed to—

(1) strengthen the position of the popcorn industry in the marketplace; and

(2) maintain and expand domestic and foreign markets and uses for popcorn.

(c) PURPOSES.—The purposes of this subtitle are to—

(1) maintain and expand the markets for all popcorn products in a manner that—

(A) is not designed to maintain or expand any individual share of a producer or processor of the market;

(B) does not compete with or replace individual advertising or promotion efforts designed to promote individual brand name or trade name popcorn products; and

(C) authorizes and funds programs that result in government speech promoting government objectives; and

(2) establish a nationally coordinated program for popcorn promotion, research, consumer information, and industry information.

(d) STATUTORY CONSTRUCTION.—This subtitle treats processors equitably. Nothing in this subtitle—

(1) provides for the imposition of a trade barrier to the entry into the United States of imported popcorn for the domestic market; or

(2) provides for the control of production or otherwise limits the right of any individual processor to produce popcorn.

SEC. 703. DEFINITIONS.

In this subtitle (except as otherwise specifically provided):

(1) BOARD.—The term "Board" means the Popcorn Board established under section 705(b).

(2) COMMERCE.—The term "commerce" means interstate, foreign, or intrastate commerce.

(3) CONSUMER INFORMATION.—The term "consumer information" means information and programs that will assist consumers and other persons in making evaluations and decisions regarding the purchase, preparation, and use of popcorn.

(4) DEPARTMENT.—The term "Department" means the Department of Agriculture.

(5) INDUSTRY INFORMATION.—The term "industry information" means information and programs that will lead to the development of—

(A) new markets, new marketing strategies, or increased efficiency for the popcorn industry; or

(B) activities to enhance the image of the popcorn industry.

(6) MARKETING.—The term "marketing" means the sale or other disposition of unpopped popcorn for human consumption in a channel of commerce, but does not include a sale or disposition to or between processors.

(7) ORDER.—The term "order" means an order issued under section 704.

(8) PERSON.—The term "person" means an individual, group of individuals, partnership, corporation, association, or cooperative, or any other legal entity.

(9) POPCORN.—The term "popcorn" means unpopped popcorn (Zea Mays L) that is—

(A) commercially grown;

(B) processed in the United States by shelling, cleaning, or drying; and

(C) introduced into a channel of commerce.

(10) PROCESS.—The term "process" means to shell, clean, dry, and prepare popcorn for the market, but does not include packaging popcorn for the market without also engaging in another activity described in this paragraph.

(11) PROCESSOR.—The term "processor" means a person engaged in the preparation of unpopped popcorn for the market who owns or shares the ownership and risk of loss of the popcorn and who processes and distributes over 4,000,000 pounds of popcorn in the market per year.

(12) PROMOTION.—The term "promotion" means an action, including paid advertising, to enhance the image or desirability of popcorn.

(13) RESEARCH.—The term "research" means any type of study to advance the image, desirability, marketability, production, product development, quality, or nutritional value of popcorn.

(14) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(15) STATE.—The term "State" means each of the 50 States and the District of Columbia.

(16) UNITED STATES.—The term "United States" means all of the States.

SEC. 704. ISSUANCE OF ORDERS.

(a) IN GENERAL.—To effectuate the policy described in section 702(b), the Secretary, subject to subsection (b), shall issue 1 or more orders applicable to processors. An order shall be applicable to all popcorn production and marketing areas in the United States. Not more than 1 order shall be in effect under this subtitle at any 1 time.

(b) PROCEDURE.—

(1) PROPOSAL OR REQUEST FOR ISSUANCE.—The Secretary may propose the issuance of an order, or an association of processors or any other person that would be affected by an order may request the issuance of, and submit a proposal for, an order.

(2) NOTICE AND COMMENT CONCERNING PROPOSED ORDER.—Not later than 60 days after the receipt of a request and proposal for an order under paragraph (1), or at such time as the Secretary determines to propose an order, the Secretary shall publish a proposed order and give due notice and opportunity for public comment on the proposed order.

(3) ISSUANCE OF ORDER.—After notice and opportunity for public comment under paragraph (2), the Secretary shall issue an order, taking into consideration the comments received and including in the order such provisions as are necessary to ensure that the order conforms to this subtitle. The order shall be issued and become effective not later than 150 days after the date of publication of the proposed order.

(c) AMENDMENTS.—The Secretary, as appropriate, may amend an order. The provisions of this subtitle applicable to an order shall be applicable to any amendment to an order, except that an amendment to an order may not require a referendum to become effective.

SEC. 705. REQUIRED TERMS IN ORDERS.

(a) IN GENERAL.—An order shall contain the terms and conditions specified in this section.

(b) ESTABLISHMENT AND MEMBERSHIP OF POPCORN BOARD.—

(1) IN GENERAL.—The order shall provide for the establishment of, and appointment of members to, a Popcorn Board that shall consist of not fewer than 4 members and not more than 9 members.

(2) NOMINATIONS.—The members of the Board shall be processors appointed by the Secretary from nominations submitted by processors in a manner authorized by the Secretary, subject to paragraph (3). Not more than 1 member may be appointed to the Board from nominations submitted by any 1 processor.

(3) GEOGRAPHICAL DIVERSITY.—In making appointments, the Secretary shall take into account, to the extent practicable, the geographical distribution of popcorn production throughout the United States.

(4) TERMS.—The term of appointment of each member of the Board shall be 3 years, except that the members appointed to the initial Board shall serve, proportionately, for terms of 2, 3, and 4 years, as determined by the Secretary.

(5) COMPENSATION AND EXPENSES.—A member of the Board shall serve without compensation, but shall be reimbursed for the expenses of the member incurred in the performance of duties for the Board.

(c) POWERS AND DUTIES OF BOARD.—The order shall define the powers and duties of the Board, which shall include the power and duty—

(1) to administer the order in accordance with the terms and provisions of the order;

(2) to make regulations to effectuate the terms and provisions of the order;

(3) to appoint members of the Board to serve on an executive committee;

(4) to propose, receive, evaluate, and approve budgets, plans, and projects of promotion, research, consumer information, and industry information, and to contract with appropriate persons to implement the plans or projects;

(5) to accept and receive voluntary contributions, gifts, and market promotion or similar funds;

(6) to invest, pending disbursement under a plan or project, funds collected through assessments authorized under subsection (f), only in—

(A) obligations of the United States or an agency of the United States;

(B) general obligations of a State or a political subdivision of a State;

(C) an interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System; or

(D) obligations fully guaranteed as to principal and interest by the United States;

(7) to receive, investigate, and report to the Secretary complaints of violations of the order; and

(8) to recommend to the Secretary amendments to the order.

(d) PLANS AND BUDGETS.—

(1) IN GENERAL.—The order shall provide that the Board shall submit to the Secretary for approval any plan or project of promotion, research, consumer information, or industry information.

(2) BUDGETS.—The order shall require the Board to submit to the Secretary for approval budgets on a fiscal year basis of the anticipated expenses and disbursements of the Board in the implementation of the order, including projected costs of plans and projects of promotion, research, consumer information, and industry information.

(e) CONTRACTS AND AGREEMENTS.—

(1) IN GENERAL.—The order shall provide that the Board may enter into contracts or agreements for the implementation and carrying out of plans or projects of promotion, research, consumer information, or industry information, including contracts with a processor organization, and for the payment of the cost of the plans or projects with funds collected by the Board under the order.

(2) REQUIREMENTS.—A contract or agreement under paragraph (1) shall provide that—

(A) the contracting party shall develop and submit to the Board a plan or project, together with a budget that shows the estimated costs to be incurred for the plan or project;

(B) the plan or project shall become effective on the approval of the Secretary; and

(C) the contracting party shall keep accurate records of each transaction of the party, account for funds received and expended, make periodic reports to the Board of activities conducted, and make such other reports as the Board or the Secretary may require.

(3) PROCESSOR ORGANIZATIONS.—The order shall provide that the Board may contract with processor organizations for any other services. The contract shall include provisions comparable to the provisions required by paragraph (2).

(f) ASSESSMENTS.—

(1) PROCESSORS.—The order shall provide that each processor marketing popcorn in the United States or for export shall, in the manner prescribed in the order, pay assessments and remit the assessments to the Board.

(2) DIRECT MARKETERS.—A processor that markets popcorn produced by the processor directly to consumers shall pay and remit the assessments on the popcorn directly to the Board in the manner prescribed in the order.

(3) RATE.—

(A) IN GENERAL.—The rate of assessment prescribed in the order shall be a rate established by the Board but not more than $.08 per hundredweight of popcorn.

(B) ADJUSTMENT OF RATE.—The order shall provide that the Board, with the approval of the Secretary, may raise or lower the rate of assessment annually up to a maximum of $.08 per hundredweight of popcorn.

(4) USE OF ASSESSMENTS.—

(A) IN GENERAL.—Subject to subparagraphs (B) and (C) and subsection (c)(5), the order shall provide that the assessments collected shall be used by the Board—

(i) to pay expenses incurred in implementing and administering the order, with provision for a reasonable reserve; and

(ii) to cover such administrative costs as are incurred by the Secretary, except that the administrative costs incurred by the Secretary (other than any legal expenses incurred to defend and enforce the order) that may be reimbursed by the Board may not exceed 15 percent of the projected annual revenues of the Board.

(B) EXPENDITURES BASED ON SOURCE OF ASSESSMENTS.—In implementing plans and projects of promotion, research, consumer information, and industry information, the Board shall expend funds on—

(i) plans and projects for popcorn marketed in the United States or Canada in proportion to the amount of assessments collected on domestically marketed popcorn; and

(ii) plans and projects for exported popcorn in proportion to the amount of assessments collected on exported popcorn.

(C) NOTIFICATION.—If the administrative costs incurred by the Secretary that are reimbursed by the Board exceed 10 percent of the projected annual revenues of the Board, the Secretary shall notify as soon as practicable the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(g) PROHIBITION ON USE OF FUNDS.—The order shall prohibit any funds collected by the Board under the order from being used to influence government action or policy, other than the use of funds by the Board for the development and recommendation to the Secretary of amendments to the order.

(h) BOOKS AND RECORDS OF THE BOARD.—The order shall require the Board to—

(1) maintain such books and records (which shall be available to the Secretary for inspection and audit) as the Secretary may prescribe;

(2) prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe; and

(3) account for the receipt and disbursement of all funds entrusted to the Board.

(i) BOOKS AND RECORDS OF PROCESSORS.—

(1) MAINTENANCE AND REPORTING OF INFORMATION.—The order shall require that each processor of popcorn for the market shall—

(A) maintain, and make available for inspection, such books and records as are required by the order; and

(B) file reports at such time, in such manner, and having such content as is prescribed in the order.

(2) USE OF INFORMATION.—The Secretary shall authorize the use of information regarding processors that may be accumulated under a law or regulation other than this subtitle or a regulation issued under this subtitle. The information shall be made available to the Secretary as appropriate for the administration or enforcement of this subtitle, the order, or any regulation issued under this subtitle.

(3) CONFIDENTIALITY.—

(A) IN GENERAL.—Subject to subparagraphs (B), (C), and (D), all information obtained by the Secretary under paragraphs (1) and (2) shall be kept confidential by all officers, employees, and agents of the Board and the Department.

(B) DISCLOSURE BY SECRETARY.—Information referred to in subparagraph (A) may be disclosed if—

(i) the Secretary considers the information relevant;

(ii) the information is revealed in a suit or administrative hearing brought at the request of the Secretary, or to which the Secretary or any officer of the United States is a party; and

(iii) the information relates to the order.

(C) DISCLOSURE TO OTHER AGENCY OF FEDERAL GOVERNMENT.—

(i) IN GENERAL.—No information obtained under the authority of this subtitle may be made available to another agency or officer of the Federal Government for any purpose other than the implementation of this subtitle and any investigatory or enforcement activity necessary for the implementation of this subtitle.

(ii) PENALTY.—A person who knowingly violates this subparagraph shall, on conviction, be subject to a fine of not more than

$1,000 or to imprisonment for not more than 1 year, or both, and if an officer, employee, or agent of the Board or the Department, shall be removed from office or terminated from employment, as applicable.

(D) GENERAL STATEMENTS.—Nothing in this paragraph prohibits—

(i) the issuance of general statements, based on the reports, of the number of persons subject to the order or statistical data collected from the reports, if the statements do not identify the information provided by any person; or

(ii) the publication, by direction of the Secretary, of the name of a person violating the order, together with a statement of the particular provisions of the order violated by the person.

(j) OTHER TERMS AND CONDITIONS.—The order shall contain such terms and conditions, consistent with this subtitle, as are necessary to effectuate this subtitle, including regulations relating to the assessment of late payment charges.

SEC. 706. REFERENDA.

(a) INITIAL REFERENDUM.—

(1) IN GENERAL.—Within the 60-day period immediately preceding the effective date of an order, as provided in section 704(b)(3), the Secretary shall conduct a referendum among processors who, during a representative period as determined by the Secretary, have been engaged in processing, for the purpose of ascertaining whether the order shall go into effect.

(2) APPROVAL OF ORDER.—The order shall become effective, as provided in section 704(b), only if the Secretary determines that the order has been approved by not less than a majority of the processors voting in the referendum and if the majority processed more than 50 percent of the popcorn certified as having been processed, during the representative period, by the processors voting.

(b) ADDITIONAL REFERENDA.—

(1) IN GENERAL.—Not earlier than 3 years after the effective date of an order approved under subsection (a), on the request of the Board or a representative group of processors, as described in paragraph (2), the Secretary may conduct additional referenda to determine whether processors favor the termination or suspension of the order.

(2) REPRESENTATIVE GROUP OF PROCESSORS.—An additional referendum on an order shall be conducted if the referendum is requested by 30 percent or more of the number of processors who, during a representative period as determined by the Secretary, have been engaged in processing.

(3) DISAPPROVAL OF ORDER.—If the Secretary determines, in a referendum conducted under paragraph (1), that suspension or termination of the order is favored by at least ⅔ of the processors voting in the referendum, the Secretary shall—

(A) suspend or terminate, as appropriate, collection of assessments under the order not later than 180 days after the date of determination; and

(B) suspend or terminate the order, as appropriate, in an orderly manner as soon as practicable after the date of determination.

(c) COSTS OF REFERENDUM.—The Secretary shall be reimbursed from assessments collected by the Board for any expenses incurred by the Secretary in connection with the conduct of any referendum under this section.

(d) METHOD OF CONDUCTING REFERENDUM.—Subject to this section, a referendum conducted under this section shall be conducted in such manner as is determined by the Secretary.

(e) CONFIDENTIALITY OF BALLOTS AND OTHER INFORMATION.—

(1) IN GENERAL.—The ballots and other information or reports that reveal or tend to reveal the vote of any processor, or any business operation of a processor, shall be considered to be strictly confidential and shall not be disclosed.

(2) PENALTY FOR VIOLATIONS.—An officer or employee of the Department who knowingly violates paragraph (1) shall be subject to the penalties described in section 705(i)(3)(C)(ii).

SEC. 707. PETITION AND REVIEW.

(a) PETITION.—

(1) IN GENERAL.—A person subject to an order may file with the Secretary a petition—

(A) stating that the order, a provision of the order, or an obligation imposed in connection with the order is not established in accordance with law; and

(B) requesting a modification of the order or obligation or an exemption from the order or obligation.

(2) STATUTE OF LIMITATIONS.—A petition under paragraph (1) concerning an obligation may be filed not later than 2 years after the date of imposition of the obligation.

(3) HEARINGS.—The petitioner shall be given the opportunity for a hearing on a petition filed under paragraph (1), in accordance with regulations issued by the Secretary.

(4) RULING.—After a hearing under paragraph (3), the Secretary shall issue a ruling on the petition that is the subject of the hearing, which shall be final if the ruling is in accordance with applicable law.

(b) REVIEW.—

(1) COMMENCEMENT OF ACTION.—The district court of the United States for any district in which a person who is a petitioner under subsection (a) resides or carries on business shall have jurisdiction to review a ruling on the petition, if the person files a complaint not later than 20 days after the date of issuance of the ruling under subsection (a)(4).

(2) PROCESS.—Service of process in a proceeding under paragraph (1) may be made on the Secretary by delivering a copy of the complaint to the Secretary.

(3) REMANDS.—If the court determines, under paragraph (1), that a ruling issued under subsection (a)(4) is not in accordance with applicable law, the court shall remand the matter to the Secretary with directions—

(A) to make such ruling as the court shall determine to be in accordance with law; or

(B) to take such further proceedings as, in the opinion of the court, the law requires.

(c) ENFORCEMENT.—The pendency of proceedings instituted under subsection (a) may not impede, hinder, or delay the Secretary or the Attorney General from taking action under section 708.

SEC. 708. ENFORCEMENT.

(a) IN GENERAL.—The Secretary may issue an enforcement order to restrain or prevent any person from violating an order or regulation issued under this subtitle and may assess a civil penalty of not more than $1,000 for each violation of the enforcement order, after an opportunity for an administrative hearing, if the Secretary determines that the administration and enforcement of the order and this subtitle would be adequately served by such a procedure.

(b) JURISDICTION.—The district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, an order or regulation issued under this subtitle.

(c) REFERRAL TO ATTORNEY GENERAL.—A civil action authorized to be brought under this section shall be referred to the Attorney General for appropriate action.

SEC. 709. INVESTIGATIONS AND POWER TO SUBPOENA.

(a) INVESTIGATIONS.—The Secretary may make such investigations as the Secretary considers necessary—

(1) for the effective administration of this subtitle; and

(2) to determine whether any person subject to this subtitle has engaged, or is about to engage, in an act that constitutes or will constitute a violation of this subtitle or of an order or regulation issued under this subtitle.

(b) OATHS, AFFIRMATIONS, AND SUBPOENAS.—For the purpose of an investigation under subsection (a), the Secretary may administer oaths and affirmations, subpoena witnesses, compel the attendance of witnesses, take evidence, and require the production of any records that are relevant to the inquiry. The attendance of witnesses and the production of records may be required from any place in the United States.

(c) AID OF COURTS.—

(1) REQUEST.—In the case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary may request the aid of any court of the United States within the jurisdiction of which the investigation or proceeding is carried on, or where the person resides or carries on business, in requiring the attendance and testimony of the person and the production of records.

(2) ENFORCEMENT ORDER OF THE COURT.—The court may issue an enforcement order requiring the person to appear before the Secretary to produce records or to give testimony concerning the matter under investigation.

(3) CONTEMPT.—A failure to obey an enforcement order of the court under paragraph (2) may be punished by the court as a contempt of the court.

(4) PROCESS.—Process in a case under this subsection may be served in the judicial district in which the person resides or conducts business or wherever the person may be found.

SEC. 710. RELATION TO OTHER PROGRAMS.

Nothing in this subtitle preempts or supersedes any other program relating to popcorn promotion organized and operated under the laws of the United States or any State.

SEC. 711. REGULATIONS.

The Secretary may issue such regulations as are necessary to carry out this subtitle.

SEC. 712. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this subtitle. Amounts made available under this section or otherwise made available to the Department, and amounts made available under any other marketing or promotion order, may not be used to pay any administrative expense of the Board.

Subtitle B—Canola and Rapeseed

SEC. 721. SHORT TITLE.

This subtitle may be cited as the "Canola and Rapeseed Research, Promotion, and Consumer Information Act".

SEC. 722. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—Congress finds that—

(1) canola and rapeseed products are an important and nutritious part of the human diet;

(2) the production of canola and rapeseed products plays a significant role in the economy of the United States in that canola and

rapeseed products are produced by thousands of canola and rapeseed producers, processed by numerous processing entities, and canola and rapeseed products produced in the United States are consumed by people throughout the United States and foreign countries;

(3) canola, rapeseed, and canola and rapeseed products should be readily available and marketed efficiently to ensure that consumers have an adequate supply of canola and rapeseed products at a reasonable price;

(4) the maintenance and expansion of existing markets and development of new markets for canola, rapeseed, and canola and rapeseed products are vital to the welfare of canola and rapeseed producers and processors and those persons concerned with marketing canola, rapeseed, and canola and rapeseed products, as well as to the general economy of the United States, and are necessary to ensure the ready availability and efficient marketing of canola, rapeseed, and canola and rapeseed products;

(5) there exist established State and national organizations conducting canola and rapeseed research, promotion, and consumer education programs that are valuable to the efforts of promoting the consumption of canola, rapeseed, and canola and rapeseed products;

(6) the cooperative development, financing, and implementation of a coordinated national program of canola and rapeseed research, promotion, consumer information, and industry information is necessary to maintain and expand existing markets and develop new markets for canola, rapeseed, and canola and rapeseed products; and

(7) canola, rapeseed, and canola and rapeseed products move in interstate and foreign commerce, and canola, rapeseed, and canola and rapeseed products that do not move in interstate or foreign commerce directly burden or affect interstate commerce in canola, rapeseed, and canola and rapeseed products.

(b) POLICY.—It is the policy of this subtitle to establish an orderly procedure for developing, financing through assessments on domestically-produced canola and rapeseed, and implementing a program of research, promotion, consumer information, and industry information designed to strengthen the position in the marketplace of the canola and rapeseed industry, to maintain and expand existing domestic and foreign markets and uses for canola, rapeseed, and canola and rapeseed products, and to develop new markets and uses for canola, rapeseed, and canola and rapeseed products.

(c) CONSTRUCTION.—Nothing in this subtitle provides for the control of production or otherwise limits the right of individual producers to produce canola, rapeseed, or canola or rapeseed products.

SEC. 723. DEFINITIONS.

In this subtitle (unless the context otherwise requires):

(1) BOARD.—The term "Board" means the National Canola and Rapeseed Board established under section 725(b).

(2) CANOLA; RAPESEED.—The terms "canola" and "rapeseed" means any brassica plant grown in the United States for the production of an oilseed, the oil of which is used for a food or nonfood use.

(3) CANOLA OR RAPESEED PRODUCTS.—The term "canola or rapeseed products" means products produced, in whole or in part, from canola or rapeseed.

(4) COMMERCE.—The term "commerce" includes interstate, foreign, and intrastate commerce.

(5) CONFLICT OF INTEREST.—The term "conflict of interest" means a situation in which a member of the Board has a direct or indirect financial interest in a corporation, partnership, sole proprietorship, joint venture, or other business entity dealing directly or indirectly with the Board.

(6) CONSUMER INFORMATION.—The term "consumer information" means information that will assist consumers and other persons in making evaluations and decisions regarding the purchase, preparation, and use of canola, rapeseed, or canola or rapeseed products.

(7) DEPARTMENT.—The term "Department" means the Department of Agriculture.

(8) FIRST PURCHASER.—The term "first purchaser" means—

(A) except as provided in subparagraph (B), a person buying or otherwise acquiring canola, rapeseed, or canola or rapeseed products produced by a producer; or

(B) the Commodity Credit Corporation, in a case in which canola or rapeseed is forfeited to the Commodity Credit Corporation as collateral for a loan issued under a price support loan program administered by the Commodity Credit Corporation.

(9) INDUSTRY INFORMATION.—The term "industry information" means information or programs that will lead to the development of new markets, new marketing strategies, or increased efficiency for the canola and rapeseed industry, or an activity to enhance the image of the canola or rapeseed industry.

(10) INDUSTRY MEMBER.—The term "industry member" means a member of the canola and rapeseed industry who represents—

(A) manufacturers of canola or rapeseed products; or

(B) persons who commercially buy or sell canola or rapeseed.

(11) MARKETING.—The term "marketing" means the sale or other disposition of canola, rapeseed, or canola or rapeseed products in a channel of commerce.

(12) ORDER.—The term "order" means an order issued under section 724.

(13) PERSON.—The term "person" means an individual, partnership, corporation, association, cooperative, or any other legal entity.

(14) PRODUCER.—The term "producer" means a person engaged in the growing of canola or rapeseed in the United States who owns, or who shares the ownership and risk of loss of, the canola or rapeseed.

(15) PROMOTION.—The term "promotion" means an action, including paid advertising, technical assistance, or trade servicing activity, to enhance the image or desirability of canola, rapeseed, or canola or rapeseed products in domestic and foreign markets, or an activity designed to communicate to consumers, processors, wholesalers, retailers, government officials, or others information relating to the positive attributes of canola, rapeseed, or canola or rapeseed products or the benefits of use or distribution of canola, rapeseed, or canola or rapeseed products.

(16) QUALIFIED STATE CANOLA AND RAPESEED BOARD.—The term "qualified State canola and rapeseed board" means a State canola and rapeseed promotion entity that is authorized and functioning under State law.

(17) RESEARCH.—The term "research" means any type of test, study, or analysis to advance the image, desirability, marketability, production, product development, quality, or functional or nutritional value of canola, rapeseed, or canola or rapeseed products, including research activity designed to identify and analyze barriers to export sales of canola or rapeseed produced in the United States.

(18) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(19) STATE.—The term "State" means any of the 50 States, the District of Columbia and the Commonwealth of Puerto Rico.

(20) UNITED STATES.—The term "United States" means collectively the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 724. ISSUANCE AND AMENDMENT OF ORDERS.

(a) IN GENERAL.—Subject to subsection (b), the Secretary shall issue 1 or more orders under this subtitle applicable to producers and first purchasers of canola, rapeseed, or canola or rapeseed products. The order shall be national in scope. Not more than 1 order shall be in effect under this subtitle at any 1 time.

(b) PROCEDURE.—

(1) PROPOSAL OR REQUEST FOR ISSUANCE.—The Secretary may propose the issuance of an order under this subtitle, or an association of canola and rapeseed producers or any other person that would be affected by an order issued pursuant to this subtitle may request the issuance of, and submit a proposal for, an order.

(2) NOTICE AND COMMENT CONCERNING PROPOSED ORDER.—Not later than 60 days after the receipt of a request and proposal for an order pursuant to paragraph (1), or whenever the Secretary determines to propose an order, the Secretary shall publish a proposed order and give due notice and opportunity for public comment on the proposed order.

(3) ISSUANCE OF ORDER.—After notice and opportunity for public comment are given as provided in paragraph (2), the Secretary shall issue an order, taking into consideration the comments received and including in the order provisions necessary to ensure that the order is in conformity with the requirements of this subtitle. The order shall be issued and become effective not later than 180 days following publication of the proposed order.

(c) AMENDMENTS.—The Secretary, from time to time, may amend an order issued under this section.

SEC. 725. REQUIRED TERMS IN ORDERS.

(a) IN GENERAL.—An order issued under this subtitle shall contain the terms and conditions specified in this section.

(b) ESTABLISHMENT AND MEMBERSHIP OF THE NATIONAL CANOLA AND RAPESEED BOARD.—

(1) IN GENERAL.—The order shall provide for the establishment of, and appointment of members to, a National Canola and Rapeseed Board to administer the order.

(2) SERVICE TO ENTIRE INDUSTRY.—The Board shall carry out programs and projects that will provide maximum benefit to the canola and rapeseed industry in all parts of the United States and only promote canola, rapeseed, or canola or rapeseed products.

(3) BOARD MEMBERSHIP.—The Board shall consist of 15 members, including—

(A) 11 members who are producers, including—

(i) 1 member from each of 6 geographic regions comprised of States where canola or rapeseed is produced, as determined by the Secretary; and

(ii) 5 members from the geographic regions referred to in clause (i), allocated according to the production in each region; and

(B) 4 members who are industry members, including at least—

(i) 1 member who represents manufacturers of canola or rapeseed end products; and

(ii) 1 member who represents persons who commercially buy or sell canola or rapeseed.

(4) LIMITATION ON STATE RESIDENCE.—There shall be no more than 4 producer members of the Board from any State.

(5) MODIFYING BOARD MEMBERSHIP.—In accordance with regulations approved by the Secretary, at least once each 3 years and not more than once each 2 years, the Board shall review the geographic distribution of canola and rapeseed production throughout the United States and, if warranted, recommend to the Secretary that the Secretary—

(A) reapportion regions in order to reflect the geographic distribution of canola and rapeseed production; and

(B) reapportion the seats on the Board to reflect the production in each region.

(6) CERTIFICATION OF ORGANIZATIONS.—

(A) IN GENERAL.—The eligibility of any State organization to represent producers shall be certified by the Secretary.

(B) CRITERIA.—The Secretary shall certify any State organization that the Secretary determines has a history of stability and permanency and meets at least 1 of the following criteria:

(i) MAJORITY REPRESENTATION.—The total paid membership of the organization—

(I) is comprised of at least a majority of canola or rapeseed producers; or

(II) represents at least a majority of the canola or rapeseed producers in the State.

(ii) SUBSTANTIAL NUMBER OF PRODUCERS REPRESENTED.—The organization represents a substantial number of producers that produce a substantial quantity of canola or rapeseed in the State.

(iii) PURPOSE.—The organization is a general farm or agricultural organization that has as a stated objective the promotion and development of the United States canola or rapeseed industry and the economic welfare of United States canola or rapeseed producers.

(C) REPORT.—The Secretary shall make a certification under this paragraph on the basis of a factual report submitted by the State organization.

(7) TERMS OF OFFICE.—

(A) IN GENERAL.—The members of the Board shall serve for a term of 3 years, except that the members appointed to the initial Board shall serve, proportionately, for terms of 1, 2, and 3 years, as determined by the Secretary.

(B) TERMINATION OF TERMS.—Notwithstanding subparagraph (C), each member shall continue to serve until a successor is appointed by the Secretary.

(C) LIMITATION ON TERMS.—No individual may serve more than 2 consecutive 3-year terms as a member.

(8) COMPENSATION.—A member of the Board shall serve without compensation, but shall be reimbursed for necessary and reasonable expenses incurred in the performance of duties for and approved by the Board.

(c) POWERS AND DUTIES OF THE BOARD.—The order shall define the powers and duties of the Board, which shall include the power and duty—

(1) to administer the order in accordance with the terms and conditions of the order;

(2) to make regulations to effectuate the terms and conditions of the order;

(3) to meet, organize, and select from among members of the Board a chairperson, other officers, and committees and subcommittees, as the Board determines appropriate;

(4) to establish working committees of persons other than Board members;

(5) to employ such persons, other than Board members, as the Board considers necessary, and to determine the compensation and define the duties of the persons;

(6) to prepare and submit for the approval of the Secretary, when appropriate or necessary, a recommended rate of assessment under section 726, and a fiscal period budget of the anticipated expenses in the administration of the order, including the probable costs of all programs and projects;

(7) to develop programs and projects, subject to subsection (d);

(8) to enter into contracts or agreements, subject to subsection (e), to develop and carry out programs or projects of research, promotion, industry information, and consumer information;

(9) to carry out research, promotion, industry information, and consumer information projects, and to pay the costs of the projects with assessments collected under section 726;

(10) to keep minutes, books, and records that reflect the actions and transactions of the Board, and promptly report minutes of each Board meeting to the Secretary;

(11) to appoint and convene, from time to time, working committees comprised of producers, industry members, and the public to assist in the development of research, promotion, industry information, and consumer information programs for canola, rapeseed, and canola and rapeseed products;

(12) to invest, pending disbursement under a program or project, funds collected through assessments authorized under section 726, or funds earned from investments, only in—

(A) obligations of the United States or an agency of the United States;

(B) general obligations of a State or a political subdivision of a State;

(C) an interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System; or

(D) obligations fully guaranteed as to principal and interest by the United States;

(13) to receive, investigate, and report to the Secretary complaints of violations of the order;

(14) to furnish the Secretary with such information as the Secretary may request;

(15) to recommend to the Secretary amendments to the order;

(16) to develop and recommend to the Secretary for approval such regulations as may be necessary for the development and execution of programs or projects, or as may otherwise be necessary, to carry out the order; and

(17) to provide the Secretary with advance notice of meetings.

(d) PROGRAMS AND BUDGETS.—

(1) SUBMISSION TO SECRETARY.—The order shall provide that the Board shall submit to the Secretary for approval any program or project of research, promotion, consumer information, or industry information. No program or project shall be implemented prior to approval by the Secretary.

(2) BUDGETS.—The order shall require the Board, prior to the beginning of each fiscal year, or as may be necessary after the beginning of a fiscal year, to submit to the Secretary for approval budgets of anticipated expenses and disbursements in the implementation of the order, including projected costs of research, promotion, consumer information, and industry information programs and projects.

(3) INCURRING EXPENSES.—The Board may incur such expenses for programs or projects of research, promotion, consumer information, or industry information, and other expenses for the administration, maintenance, and functioning of the Board as may be authorized by the Secretary, including any implementation, administrative, and referendum costs incurred by the Department.

(4) PAYING EXPENSES.—The funds to cover the expenses referred to in paragraph (3) shall be paid by the Board from assessments collected under section 726 or funds borrowed pursuant to paragraph (5).

(5) AUTHORITY TO BORROW.—To meet the expenses referred to in paragraph (3), the Board shall have the authority to borrow funds, as approved by the Secretary, for capital outlays and startup costs.

(e) CONTRACTS AND AGREEMENTS.—

(1) IN GENERAL.—To ensure efficient use of funds, the order shall provide that the Board may enter into a contract or agreement for the implementation and carrying out of a program or project of canola, rapeseed, or canola or rapeseed products research, promotion, consumer information, or industry information, including a contract with a producer organization, and for the payment of the costs with funds received by the Board under the order.

(2) REQUIREMENTS.—A contract or agreement under paragraph (1) shall provide that—

(A) the contracting party shall develop and submit to the Board a program or project together with a budget that shall show the estimated costs to be incurred for the program or project;

(B) the program or project shall become effective on the approval of the Secretary; and

(C) the contracting party shall keep accurate records of all transactions, account for funds received and expended, make periodic reports to the Board of activities conducted, and make such other reports as the Board or the Secretary may require.

(3) PRODUCER ORGANIZATIONS.—The order shall provide that the Board may contract with producer organizations for any other services. The contract shall include provisions comparable to those required by paragraph (2).

(f) BOOKS AND RECORDS OF THE BOARD.—

(1) IN GENERAL.—The order shall require the Board to—

(A) maintain such books and records (which shall be available to the Secretary for inspection and audit) as the Secretary may prescribe;

(B) prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe; and

(C) account for the receipt and disbursement of all funds entrusted to the Board.

(2) AUDITS.—The Board shall cause the books and records of the Board to be audited by an independent auditor at the end of each fiscal year, and a report of the audit to be submitted to the Secretary.

(g) PROHIBITION.—

(1) IN GENERAL.—Subject to paragraph (2), the Board shall not engage in any action to, nor shall any funds received by the Board under this subtitle be used to—

(A) influence legislation or governmental action;

(B) engage in an action that would be a conflict of interest;

(C) engage in advertising that is false or misleading; or

(D) engage in promotion that would disparage other commodities.

(2) ACTION PERMITTED.—Paragraph (1) does not preclude—

(A) the development and recommendation of amendments to the order;

(B) the communication to appropriate government officials of information relating to the conduct, implementation, or results of promotion, research, consumer information, or industry information activities under the order; or

(C) any action designed to market canola or rapeseed products directly to a foreign government or political subdivision of a foreign government.

(h) BOOKS AND RECORDS.—

(1) IN GENERAL.—The order shall require that each producer, first purchaser, or industry member shall—

(A) maintain and submit to the Board any reports considered necessary by the Secretary to ensure compliance with this subtitle; and

(B) make available during normal business hours, for inspection by employees of the Board or Secretary, such books and records as are necessary to carry out this subtitle, including such records as are necessary to verify any required reports.

(2) CONFIDENTIALITY.—

(A) IN GENERAL.—Except as otherwise provided in this subtitle, all information obtained from books, records, or reports required to be maintained under paragraph (1) shall be kept confidential, and shall not be disclosed to the public by any person.

(B) DISCLOSURE.—Information referred to in subparagraph (A) may be disclosed to the public if—

(i) the Secretary considers the information relevant;

(ii) the information is revealed in a suit or administrative hearing brought at the direction or on the request of the Secretary or to which the Secretary or any officer of the Department is a party; and

(iii) the information relates to this subtitle.

(C) MISCONDUCT.—A knowing disclosure of confidential information in violation of subparagraph (A) by an officer or employee of the Board or Department, except as required by other law or allowed under subparagraph (B) or (D), shall be considered a violation of this subtitle.

(D) GENERAL STATEMENTS.—Nothing in this paragraph prohibits—

(i) the issuance of general statements, based on the reports, of the number of persons subject to the order or statistical data collected from the reports, if the statements do not identify the information furnished by any person; or

(ii) the publication, by direction of the Secretary, of the name of a person violating the order, together with a statement of the particular provisions of the order violated by the person.

(3) AVAILABILITY OF INFORMATION.—

(A) EXCEPTION.—Except as provided in this subtitle, information obtained under this subtitle may be made available to another agency of the Federal Government for a civil or criminal law enforcement activity if the activity is authorized by law and if the head of the agency has made a written request to the Secretary specifying the particular information desired and the law enforcement activity for which the information is sought.

(B) PENALTY.—Any person knowingly violating this subsection, on conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for not more than 1 year, or both, and if an officer or employee of the Board or the Department, shall be removed from office or terminated from employment, as applicable.

(5) WITHHOLDING INFORMATION.—Nothing in this subtitle authorizes withholding information from Congress.

(i) USE OF ASSESSMENTS.—The order shall provide that the assessments collected under section 726 shall be used for payment of the expenses in implementing and administering this subtitle, with provision for a reasonable reserve, and to cover those administrative costs incurred by the Secretary in implementing and administering this subtitle.

(j) OTHER TERMS AND CONDITIONS.—The order also shall contain such terms and conditions, not inconsistent with this subtitle, as determined necessary by the Secretary to effectuate this subtitle.

SEC. 726. ASSESSMENTS.

(a) IN GENERAL.—

(1) FIRST PURCHASERS.—During the effective period of an order issued pursuant to this subtitle, assessments shall be—

(A) levied on all canola or rapeseed produced in the United States and marketed; and

(B) deducted from the payment made to a producer for all canola or rapeseed sold to a first purchaser.

(2) DIRECT PROCESSING.—The order shall provide that any person processing canola or rapeseed of that person's own production and marketing the canola or rapeseed, or canola or rapeseed products, shall remit to the Board or a qualified State canola and rapeseed board, in the manner prescribed by the order, an assessment established at a rate equivalent to the rate provided for under subsection (d).

(b) LIMITATION ON ASSESSMENTS.—No more than 1 assessment may be assessed under subsection (a) on any canola or rapeseed produced (as remitted by a first purchaser).

(c) REMITTING ASSESSMENTS.—

(1) IN GENERAL.—Assessments required under subsection (a) shall be remitted to the Board by a first purchaser. The Board shall use qualified State canola and rapeseed boards to collect the assessments. If an appropriate qualified State canola and rapeseed board does not exist to collect an assessment, the assessment shall be collected by the Board. There shall be only 1 qualified State canola or rapeseed Board in each State.

(2) TIMES TO REMIT ASSESSMENT.—Each first purchaser shall remit the assessment to the Board as provided for in the order.

(d) ASSESSMENT RATE.—

(1) INITIAL RATE.—The initial assessment rate shall be 4 cents per hundredweight of canola or rapeseed produced and marketed.

(2) INCREASE.—The assessment rate may be increased on recommendation by the Board to a rate not exceeding 10 cents per hundredweight of canola or rapeseed produced and marketed in a State, unless—

(A) after the initial referendum is held under section 727(a), the Board recommends an increase above 10 cents per hundredweight; and

(B) the increase is approved in a referendum under section 727(b).

(3) CREDIT.—A producer who demonstrates to the Board that the producer is participating in a program of an established qualified State canola and rapeseed board shall receive credit, in determining the assessment due from the producer, for contributions to the program of up to 2 cents per hundredweight of canola or rapeseed marketed.

(e) LATE PAYMENT CHARGE.—

(1) IN GENERAL.—There shall be a late payment charge imposed on any person who fails to remit, on or before the date provided for in the order, to the Board the total amount for which the person is liable.

(2) AMOUNT OF CHARGE.—The amount of the late payment charge imposed under paragraph (1) shall be prescribed by the Board with the approval of the Secretary.

(f) REFUND OF ASSESSMENTS FROM ESCROW ACCOUNT.—

(1) ESTABLISHMENT OF ESCROW ACCOUNT.—During the period beginning on the date on which an order is first issued under section 724(b)(3) and ending on the date on which a referendum is conducted under section 727(a), the Board shall—

(A) establish an escrow account to be used for assessment refunds; and

(B) place funds in such account in accordance with paragraph (2).

(2) PLACEMENT OF FUNDS IN ACCOUNT.—The Board shall place in such account, from assessments collected during the period referred to in paragraph (1), an amount equal to the product obtained by multiplying the total amount of assessments collected during the period by 10 percent.

(3) RIGHT TO RECEIVE REFUND.—The Board shall refund to a producer the assessments paid by or on behalf of the producer if—

(A) the producer is required to pay the assessment;

(B) the producer does not support the program established under this subtitle; and

(C) the producer demands the refund prior to the conduct of the referendum under section 727(a).

(4) FORM OF DEMAND.—The demand shall be made in accordance with such regulations, in such form, and within such time period as prescribed by the Board.

(5) MAKING OF REFUND.—The refund shall be made on submission of proof satisfactory to the Board that the producer paid the assessment for which the refund is demanded.

(6) PRORATION.—If—

(A) the amount in the escrow account required by paragraph (1) is not sufficient to refund the total amount of assessments demanded by eligible producers; and

(B) the order is not approved pursuant to the referendum conducted under section 727(a);

the Board shall prorate the amount of the refunds among all eligible producers who demand a refund.

(7) PROGRAM APPROVED.—If the plan is approved pursuant to the referendum conducted under section 727(a), all funds in the escrow account shall be returned to the Board for use by the Board in accordance with this subtitle.

SEC. 727. REFERENDA.

(a) INITIAL REFERENDUM.—

(1) REQUIREMENT.—During the period ending 30 months after the date of the first issuance of an order under section 724, the Secretary shall conduct a referendum among producers who, during a representative period as determined by the Secretary, have been engaged in the production of canola or rapeseed for the purpose of ascertaining whether the order then in effect shall be continued.

(2) ADVANCE NOTICE.—The Secretary shall, to the extent practicable, provide broad public notice in advance of any referendum. The notice shall be provided, without advertising expenses, by means of newspapers, county newsletters, the electronic media, and press releases, through the use of notices posted in State and county Cooperative State Research, Education, and Extension Service offices and county Consolidated Farm Service Agency offices, and by other appropriate means specified in the order. The notice shall include information on when the referendum will be held, registration and voting requirements, rules regarding absentee voting, and other pertinent information.

(3) APPROVAL OF ORDER.—The order shall be continued only if the Secretary determines that the order has been approved by not less than a majority of the producers voting in the referendum.

(4) DISAPPROVAL OF ORDER.—If continuation of the order is not approved by a majority of those voting in the referendum, the Secretary shall terminate collection of assessments under the order within 6 months after the referendum and shall terminate the order in an orderly manner as soon as practicable.

(b) ADDITIONAL REFERENDA.—

(1) IN GENERAL.—

(A) REQUIREMENT.—After the initial referendum on an order, the Secretary shall conduct additional referenda, as described in subparagraph (C), if requested by a representative group of producers, as described in subparagraph (B).

(B) REPRESENTATIVE GROUP OF PRODUCERS.—An additional referendum on an order shall be conducted if requested by 10 percent or more of the producers who during a representative period have been engaged in the production of canola or rapeseed.

(C) ELIGIBLE PRODUCERS.—Each additional referendum shall be conducted among all producers who, during a representative period, as determined by the Secretary, have been engaged in the production of canola or rapeseed to determine whether the producers favor the termination or suspension of the order.

(2) DISAPPROVAL OF ORDER.—If the Secretary determines, in a referendum conducted under paragraph (1), that suspension or termination of the order is favored by a majority of the producers voting in the referendum, the Secretary shall suspend or terminate, as appropriate, collection of assessments under the order within 6 months after the determination, and shall suspend or terminate the order, as appropriate, in an orderly manner as soon as practicable after the determination.

(3) OPPORTUNITY TO REQUEST ADDITIONAL REFERENDA.—

(A) IN GENERAL.—Beginning on the date that is 5 years after the conduct of a referendum under this subtitle, and every 5 years thereafter, the Secretary shall provide canola and rapeseed producers an opportunity to request an additional referendum.

(B) METHOD OF MAKING REQUEST.—

(i) IN-PERSON REQUESTS.—To carry out subparagraph (A), the Secretary shall establish a procedure under which a producer may request a reconfirmation referendum in-person at a county Cooperative State Research, Education, and Extension Service office or a county Consolidated Farm Service Agency office during a period established by the Secretary, or as provided in clause (ii).

(ii) MAIL-IN REQUESTS.—In lieu of making a request in person, a producer may make a request by mail. To facilitate the submission of requests by mail, the Secretary may make mail-in request forms available to producers.

(C) NOTIFICATIONS.—The Secretary shall publish a notice in the Federal Register, and the Board shall provide written notification to producers, not later than 60 days prior to the end of the period established under subparagraph (B)(i) for an in-person request, of the opportunity of producers to request an additional referendum. The notification shall explain the right of producers to an additional referendum, the procedure for a referendum, the purpose of a referendum, and the date and method by which producers may act to request an additional referendum under this paragraph. The Secretary shall take such other action as the Secretary determines is necessary to ensure that producers are made aware of the opportunity to request an additional referendum.

(D) ACTION BY SECRETARY.—As soon as practicable following the submission of a request for an additional referendum, the Secretary shall determine whether a sufficient number of producers have requested the referendum, and take such steps as are necessary to conduct the referendum, as required under paragraph (1).

(E) TIME LIMIT.—An additional referendum requested under the procedures provided in this paragraph shall be conducted not later than 1 year after the Secretary determines that a representative group of producers, as described in paragraph (1)(B), have requested the conduct of the referendum.

(c) PROCEDURES.—

(1) REIMBURSEMENT OF SECRETARY.—The Secretary shall be reimbursed from assessments collected by the Board for any expenses incurred by the Secretary in connection with the conduct of an activity required under this section.

(2) DATE.—Each referendum shall be conducted for a reasonable period of time not to exceed 3 days, established by the Secretary, under a procedure under which producers intending to vote in the referendum shall certify that the producers were engaged in the production of canola, rapeseed, or canola or rapeseed products during the representative period and, at the same time, shall be provided an opportunity to vote in the referendum.

(3) PLACE.—Referenda under this section shall be conducted at locations determined by the Secretary. On request, absentee mail ballots shall be furnished by the Secretary in a manner prescribed by the Secretary.

SEC. 728. PETITION AND REVIEW.

(a) PETITION.—

(1) IN GENERAL.—A person subject to an order issued under this subtitle may file with the Secretary a petition—

(A) stating that the order, a provision of the order, or an obligation imposed in connection with the order is not established in accordance with law; and

(B) requesting a modification of the order or an exemption from the order.

(2) HEARINGS.—The petitioner shall be given the opportunity for a hearing on a petition filed under paragraph (1), in accordance with regulations issued by the Secretary.

(3) RULING.—After a hearing under paragraph (2), the Secretary shall make a ruling on the petition that is the subject of the hearing, which shall be final if the ruling is in accordance with applicable law.

(4) LIMITATION ON PETITION.—Any petition filed under this subtitle challenging an order, or any obligation imposed in connected with an order, shall be filed not later than 2 years after the effective date of the order or obligation.

(b) REVIEW.—

(1) COMMENCEMENT OF ACTION.—The district court of the United States in any district in which the person who is a petitioner under subsection (a) resides or carries on business shall have jurisdiction to review a ruling on the petition, if a complaint is filed by the person not later than 20 days after the date of the entry of a ruling by the Secretary under subsection (a)(3).

(2) PROCESS.—Service of process in a proceeding under paragraph (1) shall be conducted in accordance with the Federal Rules of Civil Procedure.

(3) REMANDS.—If the court determines, under paragraph (1), that a ruling issued under subsection (a)(3) is not in accordance with applicable law, the court shall remand the matter to the Secretary with directions either—

(A) to make such ruling as the court shall determine to be in accordance with law; or

(B) to take such further proceedings as, in the opinion of the court, the law requires.

(4) ENFORCEMENT.—The pendency of proceedings instituted under subsection (a) shall not impede, hinder, or delay the Attorney General or the Secretary from taking any action under section 729.

SEC. 729. ENFORCEMENT.

(a) JURISDICTION.—The district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, an order or regulation made or issued under this subtitle.

(b) REFERRAL TO ATTORNEY GENERAL.—A civil action authorized to be commenced under this section shall be referred to the Attorney General for appropriate action, except that the Secretary shall not be required to refer to the Attorney General a violation of this subtitle if the Secretary believes that the administration and enforcement of this subtitle would be adequately served by providing a suitable written notice or warning to the person who committed the violation or by administrative action under section 728.

(c) CIVIL PENALTIES AND ORDERS.—

(1) CIVIL PENALTIES.—

(A) IN GENERAL.—Any person who willfully violates any provision of an order or regulation issued by the Secretary under this subtitle, or who fails or refuses to pay, collect, or remit an assessment or fee required of the person under an order or regulation, may be assessed—

(i) a civil penalty by the Secretary of not more than $1,000 for each violation; and

(ii) in the case of a willful failure to pay, collect, or remit an assessment as required by an order or regulation, an additional penalty equal to the amount of the assessment.

(B) SEPARATE OFFENSE.—Each violation under subparagraph (A) shall be a separate offense.

(2) CEASE-AND-DESIST ORDERS.—In addition to, or in lieu of, a civil penalty under paragraph (1), the Secretary may issue an order requiring a person to cease and desist from continuing a violation.

(3) NOTICE AND HEARING.—No penalty shall be assessed, or cease-and-desist order issued, by the Secretary under this subsection unless the person against whom the penalty is assessed or the order is issued is given notice and opportunity for a hearing before the Secretary with respect to the violation.

(4) FINALITY.—The order of the Secretary assessing a penalty or imposing a cease-and-desist order under this subsection shall be final and conclusive unless the affected person files an appeal of the order with the appropriate district court of the United States in accordance with subsection (d).

(d) REVIEW BY DISTRICT COURT.—

(1) COMMENCEMENT OF ACTION.—Any person who has been determined to be in violation of this subtitle, or against whom a civil penalty has been assessed or a cease-and-desist order issued under subsection (c), may obtain review of the penalty or order by—

(A) filing, within the 30-day period beginning on the date the penalty is assessed or order issued, a notice of appeal in—

(i) the district court of the United States for the district in which the person resides or conducts business; or

(ii) the United States District Court for the District of Columbia; and

(B) simultaneously sending a copy of the notice by certified mail to the Secretary.

(2) RECORD.—The Secretary shall file promptly, in the appropriate court referred to in paragraph (1), a certified copy of the

record on which the Secretary has determined that the person has committed a violation.

(3) STANDARD OF REVIEW.—A finding of the Secretary under this section shall be set aside only if the finding is found to be unsupported by substantial evidence.

(e) FAILURE TO OBEY ORDERS.—Any person who fails to obey a cease-and-desist order issued under this section after the order has become final and unappealable, or after the appropriate United States district court has entered a final judgment in favor of the Secretary, shall be subject to a civil penalty assessed by the Secretary, after opportunity for a hearing and for judicial review under the procedures specified in subsections (c) and (d), of not more than $5,000 for each offense. Each day during which the failure continues shall be considered as a separate violation of the order.

(f) FAILURE TO PAY PENALTIES.—If a person fails to pay an assessment of a civil penalty under this section after the assessment has become a final and unappealable order, or after the appropriate United States district court has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General for recovery of the amount assessed in the district court in which the person resides or conducts business. In an action for recovery, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

(g) ADDITIONAL REMEDIES.—The remedies provided in this subtitle shall be in addition to, and not exclusive of, other remedies that may be available.

SEC. 730. INVESTIGATIONS AND POWER TO SUBPOENA.

(a) INVESTIGATIONS.—The Secretary may make such investigations as the Secretary considers necessary—

(1) for the effective administration of this subtitle; and

(2) to determine whether any person has engaged or is engaging in an act that constitutes a violation of this subtitle, or an order, rule, or regulation issued under this subtitle.

(b) SUBPOENAS, OATHS, AND AFFIRMATIONS.—

(1) IN GENERAL.—For the purpose of an investigation under subsection (a), the Secretary may administer oaths and affirmations, subpoena witnesses, take evidence, and issue subpoenas to require the production of any records that are relevant to the inquiry. The attendance of witnesses and the production of records may be required from any place in the United States.

(2) ADMINISTRATIVE HEARINGS.—For the purpose of an administrative hearing held under section 728 or 729, the presiding officer is authorized to administer oaths and affirmations, subpoena and compel the attendance of witnesses, take evidence, and require the production of any records that are relevant to the inquiry. The attendance of witnesses and the production of records may be required from any place in the United States.

(c) AID OF COURTS.—In the case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which the investigation or proceeding is carried on, or where the person resides or carries on business, in order to enforce a subpoena issued by the Secretary under subsection (b). The court may issue an order requiring the person to comply with the subpoena.

(d) CONTEMPT.—A failure to obey an order of the court under this section may be punished by the court as contempt of the court.

(e) PROCESS.—Process may be served on a person in the judicial district in which the person resides or conducts business or wherever the person may be found.

(f) HEARING SITE.—The site of a hearing held under section 728 or 729 shall be in the judicial district where the person affected by the hearing resides or has a principal place of business.

SEC. 731. SUSPENSION OR TERMINATION OF AN ORDER.

The Secretary shall, whenever the Secretary finds that an order or a provision of an order obstructs or does not tend to effectuate the declared policy of this subtitle, terminate or suspend the operation of the order or provision. The termination or suspension of an order shall not be considered an order within the meaning of this subtitle.

SEC. 732. REGULATIONS.

The Secretary may issue such regulations as are necessary to carry out this subtitle.

SEC. 733. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated for each fiscal year such sums as are necessary to carry out this subtitle.

(b) ADMINISTRATIVE EXPENSES.—Funds appropriated under subsection (a) shall not be available for payment of the expenses or expenditures of the Board in administering a provision of an order issued under this subtitle.

Subtitle C—Kiwifruit

SEC. 741. SHORT TITLE.

This subtitle may be cited as the "National Kiwifruit Research, Promotion, and Consumer Information Act".

SEC. 742. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) domestically produced kiwifruit are grown by many individual producers;

(2) virtually all domestically produced kiwifruit are grown in the State of California, although there is potential for production in many other areas of the United States;

(3) kiwifruit move in interstate and foreign commerce, and kiwifruit that do not move in channels of commerce directly burden or affect interstate commerce;

(4) in recent years, large quantities of kiwifruit have been imported into the United States;

(5) the maintenance and expansion of existing domestic and foreign markets for kiwifruit, and the development of additional and improved markets for kiwifruit, are vital to the welfare of kiwifruit producers and other persons concerned with producing, marketing, and processing kiwifruit;

(6) a coordinated program of research, promotion, and consumer information regarding kiwifruit is necessary for the maintenance and development of the markets; and

(7) kiwifruit producers, handlers, and importers are unable to implement and finance such a program without cooperative action.

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

(1) to authorize the establishment of an orderly procedure for the development and financing (through an assessment) of an effective and coordinated program of research, promotion, and consumer information regarding kiwifruit;

(2) to use the program to strengthen the position of the kiwifruit industry in domestic and foreign markets and maintain, develop, and expand markets for kiwifruit; and

(3) to treat domestically produced kiwifruit and imported kiwifruit equitably.

SEC. 743. DEFINITIONS.

In this subtitle (unless the context otherwise requires):

(1) BOARD.—The term "Board" means the National Kiwifruit Board established under section 745.

(2) CONSUMER INFORMATION.—The term "consumer information" means any action taken to provide information to, and broaden the understanding of, the general public regarding the consumption, use, nutritional attributes, and care of kiwifruit.

(3) EXPORTER.—The term "exporter" means any person from outside the United States who exports kiwifruit into the United States.

(4) HANDLER.—The term "handler" means any person, excluding a common carrier, engaged in the business of buying and selling, packing, marketing, or distributing kiwifruit as specified in the order.

(5) IMPORTER.—The term "importer" means any person who imports kiwifruit into the United States.

(6) KIWIFRUIT.—The term "kiwifruit" means all varieties of fresh kiwifruit grown or imported in the United States.

(7) MARKETING.—The term "marketing" means the sale or other disposition of kiwifruit into interstate, foreign, or intrastate commerce by buying, marketing, distribution, or otherwise placing kiwifruit into commerce.

(8) ORDER.—The term "order" means a kiwifruit research, promotion, and consumer information order issued by the Secretary under section 744.

(9) PERSON.—The term "person" means any individual, group of individuals, partnership, corporation, association, cooperative, or other legal entity.

(10) PROCESSING.—The term "processing" means canning, fermenting, distilling, extracting, preserving, grinding, crushing, or in any manner changing the form of kiwifruit for the purposes of preparing the kiwifruit for market or marketing the kiwifruit.

(11) PRODUCER.—The term "producer" means any person who grows kiwifruit in the United States for sale in commerce.

(12) PROMOTION.—The term "promotion" means any action taken under this subtitle (including paid advertising) to present a favorable image for kiwifruit to the general public for the purpose of improving the competitive position of kiwifruit and stimulating the sale of kiwifruit.

(13) RESEARCH.—The term "research" means any type of research relating to the use, nutritional value, and marketing of kiwifruit conducted for the purpose of advancing the image, desirability, marketability, or quality of kiwifruit.

(14) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(15) UNITED STATES.—The term "United States" means the 50 States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 744. ISSUANCE OF ORDERS.

(a) ISSUANCE.—To effectuate the declared purposes of this subtitle, the Secretary shall issue an order applicable to producers, handlers, and importers of kiwifruit. Any such order shall be national in scope. Not more than 1 order shall be in effect under this subtitle at any 1 time.

(b) PROCEDURE.—

(1) PROPOSAL FOR ISSUANCE OF ORDER.—Any person that will be affected by this subtitle may request the issuance of, and submit a proposal for, an order under this subtitle.

(2) PROPOSED ORDER.—Not later than 90 days after the receipt of a request and proposal for an order, the Secretary shall publish a proposed order and give due notice and opportunity for public comment on the proposed order.

(3) ISSUANCE OF ORDER.—After notice and opportunity for public comment are provided under paragraph (2), the Secretary shall issue an order, taking into consideration the comments received and including in the order provisions necessary to ensure that the order is in conformity with this subtitle.

(c) AMENDMENTS.—The Secretary may amend any order issued under this section. The provisions of this subtitle applicable to an order shall be applicable to an amendment to an order.

SEC. 745. NATIONAL KIWIFRUIT BOARD.

(a) MEMBERSHIP.—An order issued by the Secretary under section 744 shall provide for the establishment of a National Kiwifruit Board that consists of the following 11 members:

(1) 6 members who are producers (or representatives of producers) and who are not exempt from an assessment under section 746(b).

(2) 4 members who are importers (or representatives of importers) and who are not exempt from an assessment under section 746(b) or are exporters (or representatives of exporters).

(3) 1 member appointed from the general public.

(b) ADJUSTMENT OF MEMBERSHIP.—Subject to the 11-member limit, the Secretary may adjust membership on the Board to accommodate changes in production and import levels of kiwifruit.

(c) APPOINTMENT AND NOMINATION.—

(1) APPOINTMENT.—The Secretary shall appoint the members of the Board from nominations submitted in accordance with this subsection.

(2) PRODUCERS.—The members referred to in subsection (a)(1) shall be appointed from individuals nominated by producers.

(3) IMPORTERS AND EXPORTERS.—The members referred to in subsection (a)(2) shall be appointed from individuals nominated by importers or exporters.

(4) PUBLIC REPRESENTATIVE.—The public representative shall be appointed from nominations submitted by other members of the Board.

(5) FAILURE TO NOMINATE.—If producers, importers, and exporters fail to nominate individuals for appointment, the Secretary may appoint members on a basis provided for in the order. If the Board fails to nominate a public representative, the member may be appointed by the Secretary without a nomination.

(d) ALTERNATES.—The Secretary shall appoint an alternate for each member of the Board. An alternate shall—

(1) be appointed in the same manner as the member for whom the individual is an alternate; and

(2) serve on the Board if the member is absent from a meeting or is disqualified under subsection (f).

(e) TERMS.—A member of the Board shall be appointed for a term of 3 years. No member may serve more than 2 consecutive 3-year terms, except that of the members first appointed—

(1) 5 members shall be appointed for a term of 2 years; and

(2) 6 members shall be appointed for a term of 3 years.

(f) DISQUALIFICATION.—If a member or alternate of the Board who was appointed as a producer, importer, exporter, or public representative member ceases to belong to the group for which the member was appointed, the member or alternate shall be disqualified from serving on the Board.

(g) COMPENSATION.—A members or alternate of the Board shall serve without pay.

(h) GENERAL POWERS AND DUTIES.—The Board shall—

(1) administer an order issued by the Secretary under section 744, and an amendment to the order, in accordance with the order and amendment and this subtitle;

(2) prescribe rules and regulations to carry out the order;

(3) meet, organize, and select from among members of the Board a chairperson, other officers, and committees and subcommittees, as the Board determines appropriate;

(4) receive, investigate, and report to the Secretary accounts of violations of the order;

(5) make recommendations to the Secretary with respect to an amendment that should be made to the order; and

(6) employ or contract with a manager and staff to assist in administering the order, except that, to reduce administrative costs and increase efficiency, the Board shall seek, to the extent practicable, to employ or contract with personnel who are already associated with State chartered organizations involved in promoting kiwifruit.

SEC. 746. REQUIRED TERMS IN ORDER.

(a) BUDGETS AND PLANS.—

(1) IN GENERAL.—An order issued under section 744 shall provide for periodic budgets and plans in accordance with this subsection.

(2) BUDGETS.—The Board shall prepare and submit to the Secretary a budget prior to the beginning of the fiscal year of the anticipated expenses and disbursements of the Board in the administration of the order, including probable costs of research, promotion, and consumer information. A budget shall become effective on a ⅔-vote of a quorum of the Board and approval by the Secretary.

(3) PLANS.—Each budget shall include a plan for research, promotion, and consumer information regarding kiwifruit. A plan under this paragraph shall become effective on approval by the Secretary. The Board may enter into contracts and agreements, on approval by the Secretary, for—

(A) the development of and carrying out the plan; and

(B) the payment of the cost of the plan, with funds collected pursuant to this subtitle.

(b) ASSESSMENTS.—

(1) IN GENERAL.—The order shall provide for the imposition and collection of assessments with regard to the production and importation of kiwifruit in accordance with this subsection.

(2) RATE.—The assessment rate shall be the reate that is recommended by a ⅔-vote of a quorum of the Board and approved by the Secretary, except that the rate shall not exceed $0.10 per 7-pound tray of kiwifruit or equivalent.

(3) COLLECTION BY FIRST HANDLERS.—Except as provided in paragraph (5), the first handler of kiwifruit shall—

(A) be responsible for the collection from the producer, and payment to the Board, of assessments required under this subsection; and

(B) maintain a separate record of the kiwifruit of each producer whose kiwifruit are so handled, including the kiwifruit owned by the handler.

(4) IMPORTERS.—The assessment on imported kiwifruit shall be paid by the importer to the United States Customs Service at the time of entry into the United States and shall be remitted to the Board.

(5) EXEMPTION FROM ASSESSMENT.—The following persons or activities are exempt from an assessment under this subsection:

(A) A producer who produces less than 500 pounds of kiwifruit per year.

(B) An importer who imports less than 10,000 pounds of kiwifruit per year.

(C) A sale of kiwifruit made directly from the producer to a consumer for a purpose other than resale.

(D) The production or importation of kiwifruit for processing.

(6) CLAIM OF EXEMPTION.—To claim an exemption under paragraph (5) for a particular year, a person shall—

(A) submit an application to the Board stating the basis for the exemption and certifying that the quantity of kiwifruit produced, imported, or sold by the person will not exceed any poundage limitation required for the exemption in the year; or

(B) be on a list of approved processors developed by the Board.

(c) USE OF ASSESSMENTS.

(1) AUTHORIZED USES.—The order shall provide that funds paid to the Board as assessments under subsection (b) may be used by the Board—

(A) to pay for research, promotion, and consumer information described in the budget of the Board under subsection (a) and for other expenses incurred by the Board in the administration of an order;

(B) to pay such other expenses for the administration, maintenance, and functioning of the Board, including any enforcement efforts for the collection of assessments as may be authorized by the Secretary, including interest and penalties for late payments; and

(C) to fund a reserve established under section 747(d).

(2) REQUIRED USES.—The order shall provide that funds paid to the Board as assessments under subsection (b) shall be used by the Board—

(A) to pay the expenses incurred by the Secretary, including salaries and expenses of Federal Government employees, in implementing and administering the order; and

(B) to reimburse the Secretary for any expenses incurred by the Secretary in conducting referenda under this subtitle.

(3) LIMITATION ON USE OF ASSESSMENTS.—Except for the first year of operation of the Board, expenses for the administration, maintenance, and functioning of the Board may not exceed 30 percent of the budget for a year.

(d) FALSE CLAIMS.—The order shall provide that any promotion funded with assessments collected under subsection (b) may not make—

(1) any false claims on behalf of kiwifruit; and

(2) any false statements with respect to the attributes or use of any product that competes with kiwifruit for sale in commerce.

(e) PROHIBITION ON USE OF FUNDS.—The order shall provide that funds collected by the Board under this subtitle through assessments may not, in any manner, be used for the purpose of influencing legislation or governmental policy or action, except for making recommendations to the Secretary as provided for under this subtitle.

(f) BOOKS, RECORDS, AND REPORTS.—

(1) BOARD.—The order shall require the Board—

(A) to maintain books and records with respect to the receipt and disbursement of funds received by the Board;

(B) to submit to the Secretary from time to time such reports as the Secretary may require for appropriate accounting; and

(C) to submit to the Secretary at the end of each fiscal year a complete audit report by an independent auditor regarding the activities of the Board during the fiscal year.

(2) OTHERS.—To make information and data available to the Board and the Secretary that is appropriate or necessary for the effectuation, administration, or enforcement of this subtitle (or any order or regulation issued under this subtitle), the order shall require handlers and importers who are responsible for the collection, payment, or remittance of assessments under subsection (b)—

(A) to maintain and make available for inspection by the employees and agents of the Board and the Secretary such books and records as may be required by the order; and

(B) to file, at the times and in the manner and content prescribed by the order, reports regarding the collection, payment, or remittance of the assessments.

(g) CONFIDENTIALITY.—

(1) IN GENERAL.—The order shall require that all information obtained pursuant to subsection (f)(2) be kept confidential by all officers and employees and agents of the Department and of the Board. Only such information as the Secretary considers relevant shall be disclosed to the public and only in a suit or administrative hearing, brought at the request of the Secretary or to which the Secretary or any officer of the United States is a party, involving the order with respect to which the information was furnished or acquired.

(2) LIMITATIONS.—Nothing in this subsection prohibits—

(A) issuance of general statements based on the reports of a number of handlers and importers subject to an order, if the statements do not identify the information furnished by any person; or

(B) the publication, by direction of the Secretary, of the name of any person violating an order issued under section 744(a), together with a statement of the particular provisions of the order violated by the person.

(3) PENALTY.—Any person who willfully violates this subsection, on conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for not more than 1 year, or both, and, if the person is a member, officer, or agent of the board or an employee of the Department, shall be removed from office.

(h) WITHHOLDING INFORMATION.—Nothing in this subtitle authorizes the withholding of information from Congress.

SEC. 747. PERMISSIVE TERMS IN ORDER.

(a) PERMISSIVE TERMS.—On the recommendation of the Board and with the approval of the Secretary, an order issued under section 744 may include the terms and conditions specified in this section and such additional terms and conditions as the Secretary considers necessary to effectuate the other provisions of the order and are incidental to, and not inconsistent with, this subtitle.

(b) ALTERNATIVE PAYMENT AND REPORTING SCHEDULES.—The order may authorize the Board to designate different handler payment and reporting schedules to recognize differences in marketing practices and procedures.

(c) WORKING GROUPS.—The order may authorize the Board to convene working groups drawn from producers, handlers, importers, exporters, or the general public and utilize the expertise of the groups to assist in the development of research and marketing programs for kiwifruit.

(d) RESERVE FUNDS.—The order may authorize the Board to accumulate reserve funds from assessments collected pursuant to section 746(b) to permit an effective and continuous coordinated program of research, promotion, and consumer information in years in which production and assessment income may be reduced, except that any reserve fund may not exceed the amount budgeted for operation of this subtitle for 1 year.

(e) PROMOTION ACTIVITIES OUTSIDE UNITED STATES.—The order may authorize the Board to use, with the approval of the Secretary, funds collected under section 746(b) and funds from other sources for the development and expansion of sales in foreign markets of kiwifruit produced in the United States.

SEC. 748. PETITION AND REVIEW.

(a) PETITION.—

(1) IN GENERAL.—A person subject to an order may file with the Secretary a petition—

(A) stating that the order, a provision of the order, or an obligation imposed in connection with the order is not in accordance with law; and

(B) requesting a modification of the order or an exemption from the order.

(2) HEARINGS.—A person submitting a petition under paragraph (1) shall be given an opportunity for a hearing on the petition, in accordance with regulations issued by the Secretary.

(3) RULING.—After the hearing, the Secretary shall make a ruling on the petition which shall be final if the petition is in accordance with law.

(4) LIMITATION ON PETITION.—Any petition filed under this subtitle challenging an order, or any obligation imposed in connected with an order, shall be filed not later than 2 years after the effective date of the order or obligation.

(b) REVIEW.—

(1) COMMENCEMENT OF ACTION.—The district court of the United States in any district in which the person who is a petitioner under subsection (a) resides or carries on business is vested with jurisdiction to review the ruling on the petition of the person, if a complaint for that purpose is filed not later than 20 days after the date of the entry of a ruling by the Secretary under subsection (a).

(2) PROCESS.—Service of process in the proceedings shall be conducted in accordance with the Federal Rules of Civil Procedure.

(3) REMANDS.—If the court determines that the ruling is not in accordance with law, the court shall remand the matter to the Secretary with directions—

(A) to make such ruling as the court shall determine to be in accordance with law; or

(B) to take such further action as, in the opinion of the court, the law requires.

(4) ENFORCEMENT.—The pendency of a proceeding instituted pursuant to subsection (a) shall not impede, hinder, or delay the Attorney General or the Secretary from obtaining relief pursuant to section 749.

SEC. 749. ENFORCEMENT.

(a) JURISDICTION.—A district court of the United States shall have jurisdiction specifically to enforce, and to prevent and restrain any person from violating, any order or regulation made or issued by the Secretary under this subtitle.

(b) REFERRAL TO ATTORNEY GENERAL.—A civil action authorized to be brought under this section shall be referred to the Attorney General for appropriate action, except that the Secretary is not required to refer to the Attorney General a violation of this subtitle, or any order or regulation issued under this subtitle, if the Secretary believes that the administration and enforcement of this subtitle would be adequately served by administrative action under subsection (c) or suitable written notice or warning to any person committing the violation.

(c) CIVIL PENALTIES AND ORDERS.—

(1) CIVIL PENALTIES.—Any person who willfully violates any provision of any order or regulation issued by the Secretary under this subtitle, or who fails or refuses to pay, collect, or remit any assessment or fee duly required of the person under the order or regulation, may be assessed a civil penalty by the Secretary of not less than $500 nor more than $5,000 for each such violation. Each violation shall be a separate offense.

(2) CEASE-AND-DESIST ORDERS.—In addition to or in lieu of the civil penalty, the Secretary may issue an order requiring the person to cease and desist from continuing the violation.

(3) NOTICE AND HEARING.—No order assessing a civil penalty or cease-and-desist order may be issued by the Secretary under this subsection unless the Secretary gives the person against whom the order is issued notice and opportunity for a hearing on the record before the Secretary with respect to the violation.

(4) FINALITY.—The order of the Secretary assessing a penalty or imposing a cease-and-desist order shall be final and conclusive unless the person against whom the order is issued files an appeal from the order with the appropriate district court of the United States, in accordance with subsection (d).

(d) REVIEW BY UNITED STATES DISTRICT COURT.—

(1) COMMENCEMENT OF ACTION.—Any person against whom a violation is found and a civil penalty assessed or cease-and-desist order issued under subsection (c) may obtain review of the penalty or order in the district court of the United States for the district in which the person resides or does business, or the United States district court for the District of Columbia, by—

(A) filing a notice of appeal in the court not later than 30 days after the date of the order; and

(B) simultaneously sending a copy of the notice by certified mail to the Secretary.

(2) RECORD.—The Secretary shall promptly file in the court a certified copy of the record on which the Secretary found that the person had committed a violation.

(3) STANDARD OF REVIEW.—A finding of the Secretary shall be set aside only if the finding is found to be unsupported by substantial evidence.

(e) FAILURE TO OBEY ORDERS.—Any person who fails to obey a cease-and-desist order issued by the Secretary after the order has become final and unappealable, or after the appropriate United States district court has entered a final judgment in favor of the Secretary, shall be subject to a civil penalty assessed by the Secretary, after opportunity for a hearing and for judicial review under the procedures specified in subsections (c) and (d), of not more than $500 for each offense. Each day during which the failure continues shall be considered a separate violation of the order.

(f) FAILURE TO PAY PENALTIES.—If a person fails to pay an assessment of a civil penalty after the assessment has become a final and unappealable order issued by the Secretary, or after the appropriate United States district court has entered final judgment in favor of the Secretary, the Secretary shall

refer the matter to the Attorney General for recovery of the amount assessed in the district court of the United States in any district in which the person resides or conducts business. In the action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

SEC. 750. INVESTIGATIONS AND POWER TO SUBPOENA.

(a) IN GENERAL.—The Secretary may make such investigations as the Secretary considers necessary—

(1) for the effective carrying out of the responsibilities of the Secretary under this subtitle; or

(2) to determine whether a person subject to this subtitle has engaged or is engaging in any act that constitutes a violation of this subtitle, or any order, rule, or regulation issued under this subtitle.

(b) POWER TO SUBPOENA.—

(1) INVESTIGATIONS.—For the purpose of an investigation made under subsection (a), the Secretary may administer oaths and affirmations and may issue subpoenas to require the production of any records that are relevant to the inquiry. The production of any such records may be required from any place in the United States.

(2) ADMINISTRATIVE HEARINGS.—For the purpose of an administrative hearing held under section 748 or 749, the presiding officer is authorized to administer oaths and affirmations, subpoena witnesses, compel the attendance of witnesses, take evidence, and require the production of any records that are relevant to the inquiry. The attendance of witnesses and the production of any such records may be required from any place in the United States.

(c) AID OF COURTS.—In the case of contumacy by, or refusal to obey a subpoena to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which the investigation or proceeding is carried on, or where the person resides or carries on business, to enforce a subpoena issued by the Secretary under subsection (b). The court may issue an order requiring the person to comply with the subpoena.

(d) CONTEMPT.—Any failure to obey the order of the court may be punished by the court as a contempt of the order.

(e) PROCESS.—Process in any such case may be served in the judicial district of which the person resides or conducts business or wherever the person may be found.

(f) HEARING SITE.—The site of any hearing held under section 748 or 749 shall be within the judicial district where the person is an inhabitant or has a principal place of business.

SEC. 751. REFERENDA.

(a) INITIAL REFERENDUM.—

(1) REFERENDUM REQUIRED.—During the 60-day period immediately preceding the proposed effective date of an order issued under section 744, the Secretary shall conduct a referendum among kiwifruit producers and importers who will be subject to assessments under the order, to ascertain whether producers and importers approve the implementation of the order.

(2) APPROVAL OF ORDER.—The order shall become effective, as provided in section 744, if the Secretary determines that—

(A) the order has been approved by a majority of the producers and importers voting in the referendum; and

(B) the producers and importers produce and import more than 50 percent of the total volume of kiwifruit produced and imported by persons voting in the referendum.

(b) SUBSEQUENT REFERENDA.—The Secretary may periodically conduct a referendum to determine if kiwifruit producers and importers favor the continuation, termination, or suspension of any order issued under section 744 that is in effect at the time of the referendum.

(c) REQUIRED REFERENDA.—The Secretary shall hold a referendum under subsection (b)—

(1) at the end of the 6-year period beginning on the effective date of the order and at the end of each subsequent 6-year period;

(2) at the request of the Board; or

(3) if not less than 30 percent of the kiwifruit producers and importers subject to assessments under the order submit a petition requesting the referendum.

(d) VOTE.—On completion of a referendum under subsection (b), the Secretary shall suspend or terminate the order that was subject to the referendum at the end of the marketing year if—

(1) the suspension or termination of the order is favored by not less than a majority of the producers and importers voting in the referendum; and

(2) the producers and importers produce and import more than 50 percent of the total volume of kiwifruit produced and imported by persons voting in the referendum.

(e) CONFIDENTIALITY.—The ballots and other information or reports that reveal, or tend to reveal, the vote of any person under this subtitle and the voting list shall be held strictly confidential and shall not be disclosed.

SEC. 752. SUSPENSION AND TERMINATION OF ORDER BY SECRETARY.

(a) IN GENERAL.—If the Secretary finds that an order issued under section 744, or a provision of the order, obstructs or does not tend to effectuate the purposes of this subtitle, the Secretary shall terminate or suspend the operation of the order or provision.

(b) LIMITATION.—The termination or suspension of any order, or any provision of an order, shall not be considered an order under this subtitle.

SEC. 753. REGULATIONS.

The Secretary may issue such regulations as are necessary to carry out this subtitle.

SEC. 754. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such funds as are necessary to carry out this subtitle for each fiscal year.

Subtitle D—Commodity Promotion and Evaluation

SEC. 761. COMMODITY PROMOTION AND EVALUATION.

(a) FINDINGS.—Congress finds that—

(1) it is in the national public interest and vital to the welfare of the agricultural economy of the United States to expand and develop markets for agricultural commodities through generic, industry-funded promotion programs;

(2) the programs play a unique role in advancing the demand for agricultural commodities, since the programs increase the total market for a product to the benefit of consumers and all producers;

(3) the programs complement branded advertising initiatives, which are aimed at increasing the market share of individual competitors;

(4) the programs are of particular benefit to small producers, who may lack the resources or market power to advertise on their own;

(5) the programs do not impede the branded advertising efforts of individual firms but instead increase market demand by methods that each individual entity would not have the incentive to employ;

(6) the programs, paid for by the producers who directly reap the benefits of the programs, provide a unique opportunity for agricultural producers to inform consumers about their products;

(7) it is important to ensure that the programs be carried out in an effective and coordinated manner that is designed to strengthen the position of the commodities in the marketplace and to maintain and expand the markets and uses of the commodities; and

(8) independent evaluation of the effectiveness of the programs will assist Congress and the Secretary of Agriculture in ensuring that the objectives of the programs are met.

(b) INDEPENDENT EVALUATIONS.—Except as otherwise provided by law, and at such intervals as the Secretary of Agriculture may determine, but not more frequently than every 3 years or 3 years after the establishment of a program, the Secretary shall require that each industry-funded generic promotion program authorized by Federal law for an agricultural commodity shall provide for an independent evaluation of the program and the effectiveness of the program. The evaluation may include an analysis of benefits, costs, and the efficacy of promotional and research efforts under the program. The evaluation shall be funded from industry assessments and made available to the public.

(c) ADMINISTRATIVE COSTS.—The Secretary shall provide to Congress annually information on administrative expenses on programs referred to in subsection (b).

TITLE VIII—MISCELLANEOUS

Subtitle A—Options Pilot Programs and Risk Management Education

SEC. 801. SHORT TITLE.

This subtitle may be cited as the "Options Pilot Programs Act of 1996".

SEC. 802. PURPOSE.

The purpose of this subtitle is to authorize the Secretary of Agriculture (referred to in this subtitle as the "Secretary") to—

(1) conduct research through pilot programs for 1 or more program commodities to ascertain whether futures and options contracts can provide producers with reasonable protection from the financial risks of fluctuations in price, yield, and income inherent in the production and marketing of agricultural commodities; and

(2) provide education in the management of the financial risks inherent in the production and marketing of agricultural commodities.

SEC. 803. PILOT PROGRAMS.

(a) IN GENERAL.—The Secretary is authorized to conduct pilot programs for 1 or more supported commodities through December 31, 2002.

(b) DISTRIBUTION OF PILOT PROGRAMS.—The Secretary may operate a pilot program described in subsection (a) (referred to in this subtitle as a "pilot program") in up to 100 counties for each program commodity with not more than 6 of those counties in any 1 State. A pilot program shall not be implemented in any county for more than 3 of the 1996 through 2002 calendar years.

(c) ELIGIBLE PARTICIPANTS.—

(1) IN GENERAL.—In carrying out a pilot program, the Secretary may contract with a producer who—

(A) is eligible to participate in a price support program for a supported commodity;

(B) desires to participate in a pilot program; and

(C) is located in an area selected for a pilot program.

(2) CONTRACTS.—Each contract under paragraph (1) shall set forth the terms and conditions for participation in a pilot program.

(d) ELIGIBLE MARKETS.—Trades for futures and options contracts under a pilot program shall be carried out on commodity futures and options markets designated as contract markets under the Commodity Exchange Act (7 U.S.C. 1 et seq.)

SEC. 804. TERMS AND CONDITIONS.

(a) IN GENERAL.—To be eligible to participate in any pilot program for any commodity conducted under this subtitle, a producer shall meet the eligibility requirements established under this subtitle (including regulations issued under this subtitle).

(b) RECORDKEEPING.—Producers shall compile, maintain, and submit (or authorize the compilation, maintenance, and submission) of such documentation as the regulations governing any pilot program require.

SEC. 805. NOTICE.

(a) ALTERNATIVE PROGRAMS.—Pilot programs shall be alternatives to other related programs of the Department of Agriculture.

(b) NOTICE TO PRODUCERS.—The Secretary shall provide notice to each producer participating in a pilot program that—

(1) the participation of the producer in a pilot program is voluntary; and

(2) neither the United States, the Commodity Credit Corporation, the Federal Crop Insurance Corporation, the Department of Agriculture, nor any other Federal agency is authorized to guarantee that participants in the pilot program will be better or worse off financially as a result of participation in a pilot program than the producer would have been if the producer had not participated in a pilot program.

SEC. 806. COMMODITY CREDIT CORPORATION.

(a) IN GENERAL.—Pilot programs established under this subtitle shall be funded by and carried out through the Commodity Credit Corporation.

(b) LIMITATION.—In conducting the programs, the Secretary shall, to the maximum extent practicable, operate the pilot programs in a budget neutral manner.

SEC. 807. RISK MANAGEMENT EDUCATION.

The Secretary shall provide such education in management of the financial risks inherent in the production and marketing of agricultural commodities as the Secretary considers appropriate.

Subtitle B—Commercial Transportation of Equine for Slaughter

SEC. 811. FINDINGS.

Congress finds that, to ensure that equine sold for slaughter are provided humane treatment and care, it is essential to regulate the transportation, care, handling, and treatment of equine by any person engaged in the commercial transportation of equine for slaughter.

SEC. 812. DEFINITIONS.

In this subtitle:

(1) COMMERCE.—The term "commerce" means trade, traffic, transportation, or other commerce by a person—

(A) between any State, territory, or possession of the United States, or the District of Columbia, and any place outside thereof;

(B) between points within the same State, territory, or possession of the United States, or the District of Columbia, but through any place outside thereof; or

(C) within any territory or possession of the United States or the District of Columbia.

(2) DEPARTMENT.—The term "Department" means the United States Department of Agriculture.

(3) EQUINE.—The term "equine" means any member of the Equidae family.

(4) EQUINE FOR SLAUGHTER.—The term "equine for slaughter" means any equine that is transported, or intended to be transported, by vehicle to a slaughter facility or intermediate handler from a sale, auction, or intermediate handler by a person engaged in the business of transporting equine for slaughter.

(5) FOAL.—The term "foal" means an equine that is not more than 6 months of age.

(6) INTERMEDIATE HANDLER.—The term "intermediate handler" means any person regularly engaged in the business of receiving custody of equine for slaughter in connection with the transport of the equine to a slaughter facility, including a stockyard, feedlot, or assembly point.

(7) PERSON.—The term "person" means any individual, partnership, firm, company, corporation, or association that regularly transports equine for slaughter in commerce, except that the term shall not include an individual or other entity that does not transport equine for slaughter on a regular basis as part of a commercial enterprise.

(8) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(9) VEHICLE.—The term "vehicle" means any machine, truck, tractor, trailer, or semitrailer, or any combination thereof, propelled or drawn by mechanical power and used on a highway in the commercial transportation of equine for slaughter.

(10) STALLION.—The term "stallion" means any uncastrated male equine that is 1 year of age or older.

SEC. 813. STANDARDS FOR HUMANE COMMERCIAL TRANSPORTATION OF EQUINE FOR SLAUGHTER.

(a) IN GENERAL.—Subject to the availability of appropriations, not later than 1 year after the date of enactment of this subtitle, the Secretary shall issue, by regulation, standards for the humane commercial transportation by vehicle of equine for slaughter.

(b) PROHIBITION.—No person engaged in the regular business of transporting equine by vehicle for slaughter as part of a commercial enterprise shall transport in commerce, to a slaughter facility or intermediate handler, an equine for slaughter except in accordance with the standards and this subtitle.

(c) MINIMUM REQUIREMENTS.—The standards shall include minimum requirements for the humane handling, care, treatment, and equipment necessary to ensure the safe and humane transportation of equine for slaughter. The standards shall require, at a minimum, that—

(1) no equine for slaughter shall be transported for more than 24 hours without being unloaded from the vehicle and allowed to rest for at least 8 consecutive hours and given access to adequate quantities of wholesome food and potable water;

(2) a vehicle shall provide adequate headroom for an equine for slaughter with a minimum of at least 6 feet, 6 inches of headroom from the roof and beams or other structural members overhead to floor underfoot, except that a vehicle transporting 6 equine or less shall provide a minimum of at least 6 feet of headroom from the roof and beams or other structural members overhead to floor underfoot if none of the equine are over 16 hands;

(3) the interior of a vehicle shall—

(A) be free of protrusions, sharp edges, and harmful objects;

(B) have ramps and floors that are adequately covered with a nonskid nonmetallic surface; and

(C) be maintained in a sanitary condition;

(4) a vehicle shall—

(A) provide adequate ventilation and shelter from extremes of weather and temperature for all equine;

(B) be of appropriate size, height, and interior design for the number of equine being carried to prevent overcrowding; and

(C) be equipped with doors and ramps of sufficient size and location to provide for safe loading and unloading, including unloading during emergencies;

(5)(A) equine shall be positioned in the vehicle by size; and

(B) stallions shall be segregated from other equine;

(6)(A) all equine for slaughter must be fit to travel as determined by an accredited veterinarian, who shall prepare a certificate of inspection, prior to loading for transport, that—

(i) states that the equine were inspected and satisfied the requirements of subparagraph (B);

(ii) includes a clear description of each equine; and

(iii) is valid for 7 days;

(B) no equine shall be transported to slaughter if the equine is found to be—

(i) suffering from a broken or dislocated limb;

(ii) unable to bear weight on all 4 limbs;

(iii) blind in both eyes; or

(iv) obviously suffering from severe illness, injury, lameness, or physical debilitation that would make the equine unable to withstand the stress of transportation;

(C) no foal may be transported for slaughter;

(D) no mare in foal that exhibits signs of impending parturition may be transported for slaughter; and

(E) no equine for slaughter shall be accepted by a slaughter facility unless the equine is—

(i) inspected on arrival by an employee of the slaughter facility or an employee of the Department; and

(ii) accompanied by a certificate of inspection issued by an accredited veterinarian, not more than 7 days before the delivery, stating that the veterinarian inspected the equine on a specified date.

SEC. 814. RECORDS.

(a) IN GENERAL.—A person engaged in the business of transporting equine for slaughter shall establish and maintain such records, make such reports, and provide such information as the Secretary may, by regulation, require for the purposes of carrying out, or determining compliance with, this subtitle.

(b) MINIMUM REQUIREMENTS.—The records shall include, at a minimum—

(1) the veterinary certificate of inspection;

(2) the names and addresses of current owners and consignors, if applicable, of the equine at the time of sale or consignment to slaughter; and

(3) the bill of sale or other documentation of sale for each equine.

(c) AVAILABILITY.—The records shall—

(1) accompany the equine during transport to slaughter;

(2) be retained by any person engaged in the business of transporting equine for slaughter for a reasonable period of time, as determined by the Secretary, except that the veterinary certificate of inspection shall be surrendered at the slaughter facility to an employee or designee of the Department and kept by the Department for a reasonable period of time, as determined by the Secretary; and

(3) on request of an officer or employee of the Department, be made available at all

reasonable times for inspection and copying by the officer or employee.

SEC. 815. AGENTS.

(a) IN GENERAL.—For purposes of this subtitle, the act, omission, or failure of an individual acting for or employed by a person engaged in the business of transporting equine for slaughter, within the scope of the employment or office of the individual, shall be considered the act, omission, or failure of the person engaging in the commercial transportation of equine for slaughter as well as of the individual.

(b) ASSISTANCE.—If an equine suffers a substantial injury or illness while being transported for slaughter on a vehicle, the driver of the vehicle shall seek prompt assistance from a licensed veterinarian.

SEC. 816. COOPERATIVE AGREEMENTS.

The Secretary is authorized to cooperate with States, political subdivisions of States, State agencies (including State departments of agriculture and State law enforcement agencies), and foreign governments to carry out and enforce this subtitle (including regulations issued under this subtitle).

SEC. 817. INVESTIGATIONS AND INSPECTIONS.

(a) IN GENERAL.—The Secretary is authorized to conduct such investigations or inspections as the Secretary considers necessary to enforce this subtitle (including any regulation issued under this subtitle).

(b) ACCESS.—For the purposes of conducting an investigation or inspection under subsection (a), the Secretary shall, at all reasonable times, have access to—

(1) the place of business of any person engaged in the business of transporting equine for slaughter;

(2) the facilities and vehicles used to transport the equine; and

(3) records required to be maintained under section 834.

(c) ASSISTANCE TO OR DESTRUCTION OF EQUINE.—The Secretary shall issue such regulations as the Secretary considers necessary to permit employees or agents of the Department to—

(1) provide assistance to any equine that is covered by this subtitle (including any regulation issued under this subtitle); or

(2) destroy, in a humane manner, any such equine found to be suffering.

SEC. 818. INTERFERENCE WITH ENFORCEMENT.

(a) IN GENERAL.—Subject to subsection (b), a person who forcibly assaults, resists, opposes, impedes, intimidates, or interferes with any person while engaged in or on account of the performance of an official duty of the person under this subtitle shall be fined not more than $5,000 or imprisoned not more than 3 years, or both.

(b) WEAPONS.—If the person uses a deadly or dangerous weapon in connection with an action described in subsection (a), the person shall be fined not more than $10,000 or imprisoned not more than 10 years, or both.

SEC. 819. JURISDICTION OF COURTS.

Except as provided in section 840(a)(5), a district court of the United States in any appropriate judicial district under section 1391 of title 28, United States Code, shall have jurisdiction to specifically enforce this subtitle, to prevent and restrain a violation of this subtitle, and to otherwise enforce this subtitle.

SEC. 820. CIVIL AND CRIMINAL PENALTIES.

(a) CIVIL PENALTIES.—

(1) IN GENERAL.—A person who violates this subtitle (including a regulation or standard issued under this subtitle) shall be assessed a civil penalty by the Secretary of not more than $2,000 for each violation.

(2) SEPARATE OFFENSES.—Each equine transported in violation of this subtitle shall constitute a separate offense. Each violation and each day during which a violation continues shall constitute a separate offense.

(3) HEARINGS.—No penalty shall be assessed under this subsection unless the person who is alleged to have violated this subtitle is given notice and opportunity for a hearing with respect to an alleged violation.

(4) FINAL ORDER.—An order of the Secretary assessing a penalty under this subsection shall be final and conclusive unless the aggrieved person files an appeal from the order pursuant to paragraph (5).

(5) APPEALS.—Not later than 30 days after entry of a final order of the Secretary issued pursuant to this subsection, a person aggrieved by the order may seek review of the order in the appropriate United States Court of Appeals. The Court shall have exclusive jurisdiction to enjoin, set aside, suspend (in whole or in part), or to determine the validity of the order.

(6) NONPAYMENT OF PENALTY.—On a failure to pay the penalty assessed by a final order under this section, the Secretary shall request the Attorney General to institute a civil action in a district court of the United States or other United States court for any district in which the person is found, resides, or transacts business, to collect the penalty. The court shall have jurisdiction to hear and decide the action.

(b) CRIMINAL PENALTIES.—

(1) FIRST OFFENSE.—Subject to paragraph (2), a person who knowingly violates this subtitle (or a regulation or standard issued under this subtitle) shall, on conviction of the violation, be subject to imprisonment for not more than 1 year or a fine of not more than $2,000, or both.

(2) SUBSEQUENT OFFENSES.—On conviction of a second or subsequent offense described in paragraph (1), a person shall be subject to imprisonment for not more than 3 years or to a fine of not more than $5,000, or both.

SEC. 821. PAYMENTS FOR TEMPORARY OR MEDICAL ASSISTANCE FOR EQUINE DUE TO VIOLATIONS.

From sums received as penalties, fines, or forfeitures of property for any violation of this subtitle (including a regulation issued under this subtitle), the Secretary shall pay the reasonable and necessary costs incurred by any person in providing temporary care or medical assistance for any equine that needs the care or assistance due to a violation of this subtitle.

SEC. 822. RELATIONSHIP TO STATE LAW.

Nothing in this subtitle prevents a State from enacting or enforcing any law (including a regulation) that is not inconsistent with this subtitle or that is more restrictive than this subtitle.

SEC. 823. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated for each fiscal year such sums as are necessary to carry out this subtitle.

(b) LIMITATION.—No provision of this subtitle shall be effective, or be enforced against any person, during a fiscal year unless funds to carry out this subtitle have been appropriated for the fiscal year.

Subtitle C—Nutrition Assistance

SEC. 831. FOOD STAMP PROGRAM.

(a) EMPLOYMENT AND TRAINING.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended by striking "1995" each place it appears and inserting "2002".

(b) AUTHORIZATION OF PILOT PROJECTS.—The last sentence of section 17(b)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(A)) is amended by striking "1995" and inserting "2002".

(c) OUTREACH DEMONSTRATION PROJECTS.—The first sentence of section 17(j)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(j)(1)(A)) is amended by striking "1995" and inserting "2002".

(d) AUTHORIZATION FOR APPROPRIATIONS.—The first sentence of section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking "1995" and inserting "2002".

(e) REAUTHORIZATION OF PUERTO RICO NUTRITION ASSISTANCE PROGRAM.—The first sentence of section 19(a)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is amended by striking "$974,000,000" and all that follows through "fiscal year 1995" and inserting "$1,143,000,000 for fiscal year 1996, $1,174,000,000 for fiscal year 1997, $1,204,000,000 for fiscal year 1998, $1,236,000,000 for fiscal year 1999, $1,268,000,000 for fiscal year 2000, $1,301,000,000 for fiscal year 2001, and $1,335,000,000 for fiscal year 2002".

(f) AMERICAN SAMOA.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

"SEC. 24. TERRITORY OF AMERICAN SAMOA.

"From amounts made available to carry out this Act, the Secretary may pay to the Territory of American Samoa not more than $5,300,000 for each of fiscal years 1996 through 2002 to finance 100 percent of the expenditures for the fiscal year for a nutrition assistance program extended under section 601(c) of Public Law 96-597 (48 U.S.C. 1469d(c)).".

SEC. 832. COMMODITY DISTRIBUTION PROGRAM; COMMODITY SUPPLEMENTAL FOOD PROGRAM.

(a) REAUTHORIZATION.—The first sentence of section 4(a) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93-86; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(b) FUNDING.—Section 5 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93-86; 7 U.S.C. 612c note) is amended—

(1) in subsection (a)(2), by striking "1995" and inserting "2002"; and

(2) in subsection (d)(2), by striking "1995" and inserting "2002".

SEC. 833. EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) REAUTHORIZATION.—The first sentence of section 204(a)(1) of the Emergency Food Assistance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(b) PROGRAM TERMINATION.—Section 212 of the Emergency Food Assistance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(c) REQUIRED PURCHASES OF COMMODITIES.—Section 214 of the Emergency Food Assistance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of subsection (a), by striking "1995" and inserting "2002"; and

(2) in subsection (e), by striking "1995" each place it appears and inserting "2002".

SEC. 834. SOUP KITCHENS PROGRAM.

Section 110 of the Hunger Prevention Act of 1988 (Public Law 100-435; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of subsection (a), by striking "1995" and inserting "2002"; and

(2) in subsection (c)(2)—

(A) in the paragraph heading, by striking "1995" and inserting "2002"; and

(B) by striking "1995" each place it appears and inserting "2002".

SEC. 835. NATIONAL COMMODITY PROCESSING.

The first sentence of section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended by striking "1995" and inserting "2002".

Subtitle D—Miscellaneous

SEC. 841. LIVESTOCK DEALER TRUST.

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. LIVESTOCK DEALER TRUST.

"(a) FINDINGS.—Congress finds that—

"(1) a burden on and obstruction to commerce in livestock is caused by financing arrangements under which dealers and market agencies purchasing livestock on commission encumber, give lenders security interests in, or have liens placed on livestock purchased by the dealers and market agencies in cash sales, or on receivables from or proceeds of such sales, when payment is not made for the livestock; and

"(2) the carrying out of such arrangements is contrary to the public interest.

"(b) PURPOSE.—The purpose of this section is to remedy the burden on and obstruction to commerce in livestock described in paragraph (1) and protect the public interest.

"(c) DEFINITIONS.—In this section:

"(1) CASH SALE.—The term 'cash sale' means a sale in which the seller does not expressly extend credit to the buyer.

"(2) TRUST.—The term 'trust' means 1 or more assets of a buyer that (subsequent to a cash sale of livestock) constitutes the corpus of a trust held for the benefit of a seller and consists of—

"(A) account receivables and proceeds earned from the cash sale of livestock by a dealer;

"(B) account receivables and proceeds of a marketing agency earned on commission from the cash sale of livestock;

"(C) the inventory of the dealer or marketing agency; or

"(D) livestock involved in the cash sale, if the seller has not received payment in full for the livestock and a bona fide third-party purchaser has not purchased the livestock from the dealer or marketing agency.

"(d) HOLDING IN TRUST.—

"(1) IN GENERAL.—The account receivables and proceeds generated in a cash sale made by a dealer or a market agency on commission and the inventory of the dealer or market agency shall be held by the dealer or market agency in trust for the benefit of the seller of the livestock until the seller receives payment in full for the livestock.

"(2) EXEMPTION.—Paragraph (1) does not apply in the case of a cash sale made by a dealer or market agency if the total amount of cash sales made by the dealer or market agency during the preceding 12 months does not exceed $250,000.

"(3) DISHONOR OF INSTRUMENT OF PAYMENT.—A payment in a sale described in paragraph (1) shall not be considered to be made if the instrument by which payment is made is dishonored.

"(4) LOSS OF BENEFIT OF TRUST.—If an instrument by which payment is made in a sale described in paragraph (1) is dishonored, the seller shall lose the benefit of the trust under paragraph (1) on the earlier of—

"(A) the date that is 15 business days after date on which the seller receives notice of the dishonor; or

"(B) the date that is 30 days after the final date for making payment under section 409, unless the seller gives written notice to the dealer or market agency of the seller's intention to preserve the trust and submits a copy of the notice to the Secretary.

"(5) RIGHTS OF THIRD-PARTY PURCHASER.—The trust established under paragraph (1) shall have no effect on the rights of a bona fide third-party purchaser of the livestock, without regard to whether the livestock are delivered to the bona fide purchaser.

"(e) JURISDICTION.—The district courts of the United States shall have jurisdiction in a civil action—

"(1) by the beneficiary of a trust described in subsection (c)(1), to enforce payment of the amount held in trust; and

"(2) by the Secretary, to prevent and restrain dissipation of a trust described in subsection (c)(1).".

SEC. 842. FUND FOR DAIRY PRODUCERS TO PAY FOR NUTRIENT MANAGEMENT.

Section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) in paragraph (A), by adding at the end the following: "The minimum price for milk of the highest classification in any order (other than an order amended under paragraph (M)) may not be higher than the minimum price required under this paragraph."; and

(2) by adding at the end the following:

"(M) SAFE HARBOR.—

"(i) IN GENERAL.—Providing that each order may be amended such that not more than $.10 per hundredweight of milk of the highest use classification may be added to the minimum applicable price to be set aside in a fund called the 'Safe Harbor Fund Account' (referred to in this paragraph as the 'Account').

"(ii) ADMINISTRATION.—

"(I) MARKET ADMINISTRATOR.—The Account shall be administered by the Market Administrator.

"(II) USE OF FUNDS.—A determination regarding the use of the funds in the Account shall be made by the Safe Harbor Committee established under clause (iii).

"(iii) SAFE HARBOR COMMITTEE.—The Secretary shall establish a Safe Harbor Committee consisting of 7 milk producers appointed by the Secretary who supply milk to handlers regulated under a Federal milk marketing order.

"(iv) USE OF FUNDS.—

"(I) APPLICATIONS.—To be eligible to use amounts in the fund, a milk producer who supplies milk to handlers regulated under a Federal milk marketing order shall submit an application to the Safe Harbor Committee.

"(II) APPROVAL.—The Safe Harbor Committee may approve only applications that fund conservation practices approved by the Secretary that control the off-migration of nutrients from the farm.

"(III) STATE WATER QUALITY PRIORITIES.—In approving applications, the Safe Harbor Committee shall take into account, to the extent practicable, the applicable State water quality priorities.".

SEC. 843. PLANTING OF ENERGY CROPS.

(a) FEED GRAINS.—The first sentence of section 105B(c)(1)(F)(i) of the Agricultural Act of 1949 (7 U.S.C. 1444f(c)(1)(F)(i)) is amended by inserting "herbaceous perennial grass, short rotation woody coppice species of trees, other energy crops designated by the Secretary with high energy content," after "mung beans,".

(b) WHEAT.—The first sentence of section 107B(c)(1)(F)(i) of the Agricultural Act of 1949 (7 U.S.C. 1445b-3a(c)(1)(F)(i)) is amended by inserting "herbaceous perennial grass, short rotation woody coppice species of trees, other energy crops designated by the Secretary with high energy content," after "mung beans,".

SEC. 844. CROP INSURANCE.

(a) CATASTROPHIC RISK PROTECTION.—Section 508(b) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)) is amended—

(1) in paragraph (4), by adding at the end the following:

"(C) DELIVERY OF COVERAGE.—

"(i) IN GENERAL.—In full consultation with approved insurance providers, the Secretary may continue to offer catastrophic risk protection in a State (or a portion of a State) through local offices of the Department if the Secretary determines that there is an insufficient number of approved insurance providers operating in the State or portion to adequately provide catastrophic risk protection coverage to producers.

"(ii) COVERAGE BY APPROVED INSURANCE PROVIDERS.—To the extent that catastrophic risk protection coverage by approved insurance providers is sufficiently available in a State as determined by the Secretary, only approved insurance providers may provide the coverage in the State.

"(iii) CURRENT POLICIES.—Subject to clause (ii), all catastrophic risk protection policies written by local offices of the Department shall be transferred (including all fees collected for the crop year in which the approved insurance provider will assume the policies) to the approved insurance provider for performance of all sales, service, and loss adjustment functions."; and

(2) in paragraph (7), by striking subparagraph (A) and inserting the following:

"(A) IN GENERAL.—Effective for the spring-planted 1996 and subsequent crops, to be eligible for any payment or loan under the Agricultural Market Transition Act or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301 et seq.), the conservation reserve program, or any benefit described in section 371 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008f), a person shall—

"(i) obtain at least the catastrophic level of insurance for each crop of economic significance in which the person has an interest; or

"(ii) provide a written waiver to the Secretary that waives any eligibility for emergency crop loss assistance in connection with the crop.".

(b) COVERAGE OF SEED CROPS.—Section 519(a)(2)(B) of the Act (7 U.S.C. 1519(a)(2)(B)) is amended by inserting "seed crops," after "turfgrass sod,".

SEC. 845. REVENUE INSURANCE.

Section 508(h) of the Federal Crop Insurance Act (7 U.S.C. 1508(h)) is amended by adding at the end the following:

"(9) REVENUE INSURANCE PILOT PROGRAM.—

"(A) IN GENERAL.—Not later than December 31, 1996, the Secretary shall carry out a pilot program in a limited number of counties, as determined by the Secretary, for crop years 1997, 1998, 1999, and 2000, under which a producer of corn, wheat, or soybeans may elect to receive insurance against loss of revenue, as determined by the Secretary.

"(B) ADMINISTRATION.—Revenue insurance under this paragraph shall—

"(i) be offered through reinsurance arrangements with private insurance companies;

"(ii) offer at least a minimum level of coverage that is an alternative to catastrophic crop insurance;

"(iii) be actuarily sound; and

"(iv) require the payment of premiums and administrative fees by an insured producer.".

SEC. 846. REIMBURSABLE AGREEMENTS.

Section 737 of Public Law 102-142 (7 U.S.C. 2277) is amended—

(1) by striking "SEC. 737. Funds" and inserting the following:

"SEC. 737. SERVICES FOR APHIS PERFORMED OUTSIDE THE UNITED STATES.

"(a) IN GENERAL.—Funds"; and

(2) by adding at the end the following:

"(b) REIMBURSABLE AGREEMENTS.—

"(1) IN GENERAL.—The Secretary of Agriculture may enter into reimbursable fee agreements with persons for preclearance at locations outside the United States of plants, plant products, animals, and articles for movement to the United States.

"(2) OVERTIME, NIGHT, AND HOLIDAY WORK.—Notwithstanding any other law, the Secretary of Agriculture may pay an employee of the Department of Agriculture preforming services relating to imports into and exports from the United States for overtime, night, and holiday work performed by the employee at a rate of pay established by the Secretary.

"(3) REIMBURSEMENT.—

"(A) IN GENERAL.—The Secretary of Agriculture may require persons for whom preclearance services are performed to reimburse the Secretary for any amounts paid by the Secretary for performance of the services.

"(B) CREDITING OF FUNDS.—All funds collected under subparagraph (A) shall be credited to the account that incurs the costs and shall remain available until expended without fiscal year limitation.

"(C) LATE PAYMENT PENALTY.—

"(i) IN GENERAL.—On failure of a person to reimburse the Secretary of Agriculture for the costs of performance of preclearance services—

"(I) the Secretary may assess a late payment penalty; and

"(II) the overdue funds shall accrue interest in accordance with section 3717 of title 31, United States Code.

"(ii) CREDITING OF FUNDS.—Any late payment penalty and any accrued interest collected under this subparagraph shall be credited to the account that incurs the costs and shall remain available until expended without fiscal year limitation.".

SEC. 847. SWINE HEALTH PROTECTION.

(a) TERMINATION OF STATE PRIMARY ENFORCEMENT RESPONSIBILITY.—Section 10 of the Swine Health Protection Act (7 U.S.C. 3809) is amended—

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

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

"(c) REQUEST OF STATE OFFICIAL.—

"(1) IN GENERAL.—On request of the Governor or other appropriate official of a State, the Secretary may terminate, effective as soon as the Secretary determines is practicable, the primary enforcement responsibility of a State under subsection (a). In terminating the primary enforcement responsibility under this subsection, the Secretary shall work with the appropriate State official to determine the level of support to be provided to the Secretary by the State under this Act.

"(2) REASSUMPTION.—Nothing in this subsection shall prevent a State from reassuming primary enforcement responsibility if the Secretary determines that the State meets the requirements of subsection (a).".

(b) ADVISORY COMMITTEE.—The Swine Health Protection Act is amended—

(1) by striking section 11 (7 U.S.C. 3810); and

(2) by redesignating sections 12, 13, and 14 (7 U.S.C. 3811, 3812, and 3813) as sections 11, 12, and 13, respectively.

SEC. 848. COOPERATIVE WORK FOR PROTECTION, MANAGEMENT, AND IMPROVEMENT OF NATIONAL FOREST SYSTEM.

The penultimate paragraph of the matter under the heading "FOREST SERVICE." of the first section of the Act of June 30, 1914 (38 Stat. 430, chapter 131; 16 U.S.C. 498), is amended—

(1) by inserting ", management," after "the protection";

(2) by striking "national forests," and inserting "National Forest System,";

(3) by inserting "management," after "protection," both places it appears; and

(4) by adding at the end the following new sentences: "Payment for work undertaken pursuant to this paragraph may be made from any appropriation of the Forest Service that is available for similar work if a written agreement so provides and reimbursement will be provided by a cooperator in the same fiscal year as the expenditure by the Forest Service. A reimbursement received from a cooperator that covers the proportionate share of the cooperator of the cost of the work shall be deposited to the credit of the appropriation of the Forest Service from which the payment was initially made or, if the appropriation is no longer available to the credit of an appropriation of the Forest Service that is available for similar work. The Secretary of Agriculture shall establish written rules that establish criteria to be used to determine whether the acceptance of contributions of money under this paragraph would adversely affect the ability of an officer or employee of the United States Department of Agriculture to carry out a duty or program of the officer or employee in a fair and objective manner or would compromise, or appear to compromise, the integrity of the program, officer, or employee. The Secretary of Agriculture shall establish written rules that protect the interests of the Forest Service in cooperative work agreements.".

SEC. 849. COLLECTION AND USE OF AGRICULTURAL QUARANTINE AND INSPECTION FEES.

Subsection (a) of section 2509 of the Food, Agriculture, Conservation, and Trade Act of 1990 (21 U.S.C. 136a) is amended to read as follows:

"(a) QUARANTINE AND INSPECTION FEES.—

"(1) FEES AUTHORIZED.—The Secretary of Agriculture may prescribe and collect fees sufficient—

"(A) to cover the cost of providing agricultural quarantine and inspection services in connection with the arrival at a port in the customs territory of the United States, or the preclearance or preinspection at a site outside the customs territory of the United States, of an international passenger, commercial vessel, commercial aircraft, commercial truck, or railroad car;

"(B) to cover the cost of administering this subsection; and

"(C) through fiscal year 2002, to maintain a reasonable balance in the Agricultural Quarantine Inspection User Fee Account established under paragraph (5).

"(2) LIMITATION.—In setting the fees under paragraph (1), the Secretary shall ensure that the amount of the fees are commensurate with the costs of agricultural quarantine and inspection services with respect to the class of persons or entities paying the fees. The costs of the services with respect to passengers as a class includes the costs of related inspections of the aircraft or other vehicle.

"(3) STATUS OF FEES.—Fees collected under this subsection by any person on behalf of the Secretary are held in trust for the United States and shall be remitted to the Secretary in such manner and at such times as the Secretary may prescribe.

"(4) LATE PAYMENT PENALTIES.—If a person subject to a fee under this subsection fails to pay the fee when due, the Secretary shall assess a late payment penalty, and the overdue fees shall accrue interest, as required by section 3717 of title 31, United States Code.

"(5) AGRICULTURAL QUARANTINE INSPECTION USER FEE ACCOUNT.—

"(A) ESTABLISHMENT.—There is established in the Treasury of the United States a no-year fund, to be known as the 'Agricultural Quarantine Inspection User Fee Account', which shall contain all of the fees collected under this subsection and late payment penalties and interest charges collected under paragraph (4) through fiscal year 2002.

"(B) USE OF ACCOUNT.—For each of the fiscal years 1996 through 2002, funds in the Agricultural Quarantine Inspection User Fee Account shall be available, in such amounts as are provided in advance in appropriations Acts, to cover the costs associated with the provision of agricultural quarantine and inspection services and the administration of this subsection. Amounts made available under this subparagraph shall be available until expended.

"(C) EXCESS FEES.—Fees and other amounts collected under this subsection in any of the fiscal years 1996 through 2002 in excess of $100,000,000 shall be available for the purposes specified in subparagraph (B) until expended, without further appropriation.

"(6) USE OF AMOUNTS COLLECTED AFTER FISCAL YEAR 2002.—After September 30, 2002, the unobligated balance in the Agricultural Quarantine Inspection User Fee Account and fees and other amounts collected under this subsection shall be credited to the Department of Agriculture accounts that incur the costs associated with the provision of agricultural quarantine and inspection services and the administration of this subsection. The fees and other amounts shall remain available to the Secretary until expended without fiscal year limitation.

"(7) STAFF YEARS.—The number of full-time equivalent positions in the Department of Agriculture attributable to the provision of agricultural quarantine and inspection services and the administration of this subsection shall not be counted toward the limitation on the total number of full-time equivalent positions in all agencies specified in section 5(b) of the Federal Workforce Restructuring Act of 1994 (Public Law 103-226; 5 U.S.C. 3101 note) or other limitation on the total number of full-time equivalent positions.".

SEC. 850. AMENDMENT OF THE VIRUS-SERUM TOXIN ACT OF 1913.

The Act of March 4, 1913 (37 Stat. 828, chapter 145), is amended in the eighth paragraph under the heading "BUREAU OF ANIMAL INDUSTRY", commonly known as the "Virus-Serum Toxin Act of 1913", by striking the 10th sentence (21 U.S.C. 158) and inserting "A person, firm, or corporation that knowingly violates any of the provisions of this paragraph or regulations issued under this paragraph, or knowingly forges, counterfeits, or, without authorization by the Secretary of Agriculture, uses, alters, defaces, or destroys any certificate, permit, license, or other document provided for in this paragraph, may, for each violation, after written notice and opportunity for a hearing on the record, be assessed a civil penalty by the Secretary of Agriculture of not more than $5,000, or shall, on conviction, be assessed a criminal penalty of not more than

$10,000, imprisoned not more than 1 year, or both. In the course of an investigation of a suspected violation of this paragraph, the Secretary of Agriculture may issue subpoenas requiring the attendance and testimony of witnesses and the production of evidence that relates to the matter under investigation. In determining the amount of a civil penalty, the Secretary of Agriculture shall take into account the nature, circumstances, extent, and gravity of the violation, the ability of the violator to pay the penalty, the effect that the assessment would have on the ability of the violator to continue to do business, any history of such violations by the violator, the degree of culpability of the violator, and such other matters as justice may require. An order assessing a civil penalty shall be treated as a final order reviewable under chapter 158 of title 28, United State's Code. The Secretary of Agriculture may compromise, modify, or remit a civil penalty with or without conditions. The amount of a civil penalty that is paid (including any amount agreed on in compromise) may be deducted from any sums owing by the United States to the violator. The total amount of civil penalties assessed against a violator shall not exceed $300,000 for all such violations adjudicated in a single proceeding. The validity of an order assessing a civil penalty shall not be subject to review in an action to collect the civil penalty. The unpaid amount of a civil penalty not paid in full when due shall accrue interest at the rate of interest applicable to civil judgments of the courts of the United States.".

SEC. 851. OVERSEAS TORT CLAIMS.

Title VII of Public Law 102-142 (105 Stat. 911) is amended by inserting after section 737 (7 U.S.C. 2277) the following:

"SEC. 737A. OVERSEAS TORT CLAIMS.

"The Secretary of Agriculture may pay a tort claim in the manner authorized in section 2672 of title 28, United States Code, if the claim arises outside the United States in connection with activities of individuals who are performing services for the Secretary. A claim may not be allowed under this section unless the claim is presented in writing to the Secretary within 2 years after the date on which the claim accrues.".

SEC. 852. GRADUATE SCHOOL OF THE UNITED STATES DEPARTMENT OF AGRICULTURE.

(a) PURPOSE.—The purpose of this section is to authorize the continued operation of the Graduate School as a nonappropriated fund instrumentality of the Department of Agriculture.

(b) DEFINITIONS.—In this section:

(1) BOARD.—The term "Board" means the General Administration Board of the Graduate School.

(2) DEPARTMENT.—The term "Department" means the Department of Agriculture.

(3) DIRECTOR.—The term "Director" means the Director of the Graduate School.

(4) GRADUATE SCHOOL.—The term "Graduate School" means the Graduate School of the United States Department of Agriculture.

(5) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(c) FUNCTIONS AND AUTHORITY.—

(1) IN GENERAL.—The Graduate School shall continue as a nonappropriated fund instrumentality of the Department under the general supervision of the Secretary.

(2) ACTIVITIES.—The Graduate School shall develop and administer education, training, and professional development activities, including the provision of educational activities for Federal agencies, Federal employees, nonprofit organizations, other entities, and members of the general public.

(3) FEES.—

(A) IN GENERAL.—The Graduate School may charge and retain fair and reasonable fees for the activities that it provides based on the cost of the activities to the Graduate School.

(B) NOT FEDERAL FUNDS.—Fees under subparagraph (A) shall not be considered to be Federal funds and shall not required to be deposited in the Treasury of the United States.

(4) NAME.—The Graduate School shall operate under the name "United States Department of Agriculture Graduate School" or such other name as the Graduate School may adopt.

(d) GENERAL ADMINISTRATION BOARD.—

(1) APPOINTMENT.—The Secretary shall appoint a General Administration Board to serve as a governing board subject to regulation by the Secretary.

(2) SUPERVISION.—The Graduate School shall be subject to the supervision and direction of the Board.

(3) DUTIES.—The Board shall—

(A) formulate broad policies in accordance with which the Graduate School shall be administered;

(B) take all steps necessary to see that the highest possible educational standards are maintained;

(C) exercise general supervision over the administration of the Graduate School; and

(D) establish such bylaws, rules, and procedures as may be necessary for the fulfillment of the duties described in subparagraph (A), (B), and (C).

(4) DIRECTOR AND OTHER OFFICERS.—The Board shall select the Director and such other officers as the Board may consider necessary, who shall serve on such terms and perform such duties as the Board may prescribe.

(5) BORROWING.—The Board may authorize the Director to borrow money on the credit of the Graduate School.

(e) DIRECTOR OF THE GRADUATE SCHOOL.—

(1) DUTIES.—The Director shall be responsible, subject to the supervision and direction of the Board, for carrying out the functions of the Graduate School.

(2) INVESTMENT OF FUNDS.—The Board may authorize the Director to invest funds held in excess of the current operating requirements of the Graduate School for purposes of maintaining a reasonable reserve.

(f) LIABILITY.—The Director and the members of the Board shall not be held personally liable for any loss or damage that may accrue to the funds of the Graduate School as the result of any act or exercise of discretion performed in carrying out the duties described in this section.

(g) EMPLOYEES.—Employees of the Graduate School are employees of a nonappropriated fund instrumentality and shall not be considered to be Federal employees.

(h) NOT A FEDERAL AGENCY.—The Graduate School shall not be considered to be a Federal Agency for purposes of—

(1) chapter 171 of title 28, United States Code;

(2) section 552 or 552a of title 28, United States Code; or

(3) the Federal Advisory Committee Act (5 U.S.C. App.).

(i) ACCEPTANCE OF DONATIONS.—The Graduate School shall not accept a donation from a person that is actively engaged in a procurement activity with the Graduate School or has an interest that may be substantially affected by the performance or nonperformance of an official duty of a member of the Board or an employee of the Graduate School.

(j) ADMINISTRATIVE PROVISIONS.—In order to carry out the functions of the Graduate School, the Graduate School may—

(1) accept, use, hold, dispose, and administer gifts, bequests, or devises of money, securities, and other real or personal property made for the benefit of, or in connection with, the Graduate School;

(2) notwithstanding any other law—

(A) acquire real property in the District of Columbia and in other places by lease, purchase, or otherwise;

(B) maintain, enlarge, or remodel any such property; and

(C) have sole control of any such property;

(3) enter into contracts without regard to the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471) or any other law that prescribes procedures for the procurement of property or services by an executive agency;

(4) dispose of real and personal property without regard to the requirements of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471); and

(5) use the facilities and resources of the Department, on the condition that any costs incurred by the Department that are attributable solely to Graduate School operations and all costs incurred by the Graduate School arising out of such operations shall be borne by the fees paid by or on behalf of students or by other means and not with Federal funds.

SEC. 853. STUDENT INTERN SUBSISTENCE PROGRAM.

(a) DEFINITION.—In this section, the term "student intern" means a person who—

(1) is employed by the Department of Agriculture to assist scientific, professional, administrative, or technical employees of the Department; and

(2) is a student in good standing at an accredited college or university pursuing a course of study related to the field in which the person is employed by the Department.

(b) PAYMENT OF CERTAIN EXPENSES BY THE SECRETARY.—The Secretary of Agriculture may, out of user fee funds or funds appropriated to any agency, pay for lodging expenses, subsistence expenses, and transportation expenses of a student intern (including expenses of transportation to and from the student intern's residence at or near the college or university attended by the student intern and the official duty station at which the student intern is employed).

SEC. 854. CONVEYANCE OF LAND TO WHITE OAK CEMETERY.

(a) IN GENERAL.—

(1) RELEASE OF INTEREST.—After execution of the agreement described in subsection (b), the Secretary of Agriculture shall release the condition stated in the deed on the land described in subsection (c) that the land be used for public purposes, and that if the land is not so used, that the land revert the United States, on the condition that the land be used exclusively for cemetery purposes, and that if the land is not so used, that the land revert the United States.

(2) BANKHEAD-JONES ACT.—Section 32(c) of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1011(c)) shall not apply to the release under paragraph (1).

(b) AGREEMENT.—The Secretary of Agriculture shall make the release under in subsection (a) on execution by the Board of Trustees of the University of Arkansas, in consideration of the release, of an agreement, satisfactory to the Secretary of Agriculture, that—

(1) the Board of Trustees will not sell, lease, exchange, or otherwise dispose of the land described in subsection (c) except to the White Oak Cemetery Association of Washington County, Arkansas, or a successor organization, for exclusive use for an expansion of the cemetery maintained by the Association; and

(2) the proceeds of such a disposition of the land will be deposited and held in an account open to inspection by the Secretary of Agriculture, and used, if withdrawn from the account, for public purposes.

(c) LAND DESCRIPTION.—The land described in this subsection is the land conveyed to the Board of Trustees of the University of Arkansas, with certain other land, by deed dated November 18, 1953, comprising approximately 2.2 acres located within property of the University of Arkansas in Washington, County, Arkansas, commonly known as the "Savor property" and described as follows:

The part of Section 20, Township 17 north, range 31 west, beginning at the north corner of the White Oak Cemetery and the University of Arkansas Agricultural Experiment Station farm at Washington County road #874, running west approximately 330 feet, thence south approximately 135 feet, thence southeast approximately 384 feet, thence north approximately 330 feet to the point of beginning.

SEC. 855. ADVISORY BOARD ON AGRICULTURAL AIR QUALITY.

(a) FINDINGS.—Congress finds that—

(1) various studies have identified agriculture as a major atmospheric polluter;

(2) Federal research activities are underway to determine the extent of the pollution problem and the extent of the role of agriculture in the problem; and

(3) any Federal policy decisions that may result, and any Federal regulations that may be imposed on the agricultural sector, should be based on sound scientific findings;

(b) PURPOSE.—The purpose of this section is to establish an advisory board to assist and provide the Secretary of Agriculture with information, analyses, and policy recommendations for determining matters of fact and technical merit and addressing scientific questions dealing with particulate matter less than 10 microns that become lodged in human lungs (known as "PM10") and other airborne particulate matter or gases that affect agricultural production yields and the economy.

(c) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary of Agriculture may establish a board to be known as the "Advisory Board on Agricultural Air Quality" (referred to in this section as the "Board") to advise the Secretary, through the Chief of the Natural Resources Conservation Service, with respect to carrying out this act and obligations agriculture incurred under the Clean Air Act (42 U.S.C. 7401 et seq.) and the Act entitled 'An Act to amend the Clean Air Act to provide for attainment and maintenance of health protective national ambient air quality standards, and for other purposes', approved November 15, 1990 (commonly known as the 'Clean Air Act Amendments of 1990') (42 U.S.C. 7401 et seq.).

(2) OVERSIGHT COORDINATION.—The Secretary of Agriculture shall provide oversight and coordination with respect to other Federal departments and agencies to ensure intergovernmental cooperation in research activities and to avoid duplication of Federal efforts.

(d) COMPOSITION.—

(1) IN GENERAL.—The Board shall be composed of at least 17 members appointed by the Secretary in consultation with the Administrator of the Environmental Protection Agency.

(2) REGIONAL REPRESENTATION.—The membership of the Board shall be 2 persons from each of the 6 regions of the Natural Resources Conservation Service, of whom 1 from each region shall be an agricultural producer.

(3) ATMOSPHERIC SCIENTIST.—At least 1 member of the Board shall be an atmospheric scientist.

(e) CHAIRPERSON.—The Chief of the Natural Resources Conservation Service shall—

(1) serve as chairman of the Board; and

(2) provide technical support to the Board.

(f) TERM.—Each member of the Board shall be appointed for a 3-year term, except that the Secretary of Agriculture shall appoint 4 of the initial members for a term of 1 year and 4 for a term of 2 years.

(g) MEETINGS.—The Board shall meet not less than twice annually.

(h) COMPENSATION.—Members of the Board shall serve without compensation, but while away from their homes or regular place of business in performance of services for the Board, members of the Board shall be allowed travel expenses, including a per diem allowance in lieu of subsistence, in the same manner as persons employed in Government service are allowed travel expenses under section 5703 of title 5, United States Code.

(i) FUNDING.—The Board shall be funded using appropriations for conservation operations.

SEC. 856. COMMODITY CREDIT CORPORATION INTEREST RATE.

Notwithstanding any other provision of law, the monthly Commodity Credit Corporation interest rate applicable to loans provided for agricultural commodities by the Corporation shall be 100 basis points greater than the rate determined under the applicable interest rate formula in effect on October 1, 1995.

SEC. 857. EVERGLADES AGRICULTURAL AREA.

(a) IN GENERAL.—On July 1, 1996, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall provide $200,000,000 to the Secretary of the Interior to carry out this section.

(b) ENTITLEMENT.—The Secretary of the Interior—

(1) shall accept the funds made available under subsection (a);

(2) shall be entitled to receive the funds; and

(3) shall use the funds to conduct restoration activities in the Everglades ecosystem, which may include acquiring the remaining private acreage in Townships 46, 47, and 48 of the Everglades Agricultural Area of approximately 52,000 acres that is commonly known as the "Talisman tract".

(c) DEADLINE.—The Secretary of the Interior shall acquire acreage referred to in subsection (b)(3) not later than December 31, 1998.

(d) EMINENT DOMAIN.—If necessary, the Secretary of the Interior may use the power of eminent domain to carry out this section.

BURNS (AND OTHERS) AMENDMENT NO. 3253

(Ordered to lie on the table.)

Mr. BURNS (for himself, Mr. GORTON, and Mr. CRAIG) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the end of title II, insert the following:

SEC. 206. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

The Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) is amended by adding at the end the following:

"TITLE VII—FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM

"SEC. 701. DEFINITION OF ELIGIBLE TRADE ORGANIZATION.

"In this title, the term 'eligible trade organization' means a United States trade organization that—

"(1) promotes the export of 1 or more United States agricultural commodities or products; and

"(2) does not have a business interest in or receive remuneration from specific sales of agricultural commodities or products.

"SEC. 702. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

"(a) IN GENERAL.—The Secretary shall establish and, in cooperation with eligible trade organizations, carry out a foreign market development cooperator program to maintain and develop foreign markets for United States agricultural commodities and products.

"(b) ADMINISTRATION.—Funds made available to carry out this title shall be used only to provide—

"(1) cost-share assistance to an eligible trade organization under a contract or agreement with the organization; and

"(2) assistance for other costs that are necessary or appropriate to carry out the foreign market development cooperator program, including contingent liabilities that are not otherwise funded.

"SEC. 703. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this title such sums as may be necessary for each of fiscal years 1996 through 2002.".

BURNS AMENDMENT NO. 3254

(Ordered to lie on the table.)

Mr. BURNS submitted an amendment to the bill S. 1541, supra; as follows:

At the appropriate place in the bill, insert:

"(j)" MARKETING ASSESSMENTS.—The following assessments shall be collected with respect to all sugar marketed for consumption within the United States during the 1996 through 2003 fiscal years:

"(1)" BEET SUGAR.—The first seller of beet sugar produced from sugar beets or sugar beet molasses produced in the United States shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to 1.4742 percent of the loan level established under subsection (b) per pound of sugar marketed.

"(2)" CANE SUGAR.—The first seller of raw cane sugar produced from sugarcane or sugarcane molasses produced in the United States shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to 1.375 percent of the loan level established under subsection (b) per pound of sugar marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing).

"(3)" IMPORTED SUGAR.—The first seller of refined sugar produced from sugar beets, sugar beet molasses, surgarcane or sugarcane molasses produced outside the United States shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to 1.4742 percent of the loan level established under subsection (b) per pound of sugar marketed.

KERREY AMENDMENTS NOS. 3255–3257

(Ordered to lie on the table.)

Mr. LEAHY submitted three amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3255

On page 3–6, strike lines 6 and 7 and insert the following:

(2) in subsection (d)—

(A) by striking "38,000,000" and inserting "36,400,000"; and

(B) by adding at the end the following: "The Secretary may enter into 1 or more new contracts to enroll acreage in a quantity equal to the quantity of acreage covered by any contract that terminates after the date of enactment of the Agricultural Market Transition Act.".

AMENDMENT NO. 3256

On page 3–6, between lines 11 and 12, insert the following:

(c) REPAYMENT OF COST SHARING AND OTHER PAYMENTS.—Section 1235(d)(1) of the Food Security Act of 1985 (16 U.S.C. 3835(d)(1)) is amended—

(1) in subparagraph (A), by striking "and" at the end;

(2) in subparagraph (B), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

"(C) in the case of a contract with respect to which 5 years or less of the contract term have elapsed, the owner or operator agrees to repay all cost sharing, rental, and other payments made by the Secretary under the contract and section 1234; and

"(D) in the case of a contract with respect to which more than 5 years but less than 8 years of the contract term have elapsed, the owner or operator agrees to repay all cost sharing payments made by the Secretary under the contract and section 1234(b).".

AMENDMENT NO. 3257

On page 3–46, strike lines 6 through 14 and insert the following:

SEC. 353. STATE TECHNICAL COMMITTEES.

Subtitle G of title XII of the Food Security Act of 1985 (16 U.S.C. 3861 et seq.) is amended to read as follows:

"Subtitle G—State Technical Committees

"SEC. 1261. ESTABLISHMENT.

"(a) IN GENERAL.—The Secretary shall establish in each State a State technical committee to assist the Secretary in the technical considerations relating to implementation of the conservation provisions under this title.

"(b) COORDINATION.—Each State technical committee shall be coordinated by the State Conservationist of the Natural Resources Conservation Service.

"(c) COMPOSITION.—Each technical committee shall be composed of persons with relevant expertise that represent a variety of disciplines in the soil, water, wetland, and wildlife and social sciences, including representatives of—

"(1) the Natural Resources Conservation Service;

"(2) the Farm Service Agency;

"(3) the Forest Service;

"(4) the Cooperative State Research, Education and Extension Service;

"(5) the United States Fish and Wildlife Service;

"(6) the Environmental Protection Agency;

"(7) the United States Geological Service;

"(8) State departments and agencies that the Secretary considers appropriate, including—

"(A) the State fish and wildlife agency;

"(B) the State forester or equivalent State official;

"(C) the State water resources agency;

"(D) the State department of agriculture; and

"(E) the State association of soil and water conservation districts, or natural resources districts;

"(9) farmers utilizing a range of conservation farming systems and practices;

"(10) other nonprofit organizations with demonstrable expertise;

"(11) persons knowledgeable about the economic and environmental impact of conservation techniques and programs; and

"(12) agribusiness.

"SEC. 1262. RESPONSIBILITIES.

"(a) IN GENERAL.—

"(1) MEETINGS.—Each State technical committee shall meet regularly to provide information, analysis, and recommendations to the Secretary regarding implementation of conservation provisions and programs.

"(2) MANNER.—The information, analysis, and recommendations shall be provided in a manner that will assist the Department of Agriculture in determining conservation priorities for the State and matters of fact, technical merit, or scientific question.

"(3) BEST INFORMATION AND JUDGMENT.—Information, analysis, and recommendations shall be provided in writing and shall reflect the best information and judgment of the committee.

"(b) OTHER DUTIES.—Each State technical committee shall provide assistance and offer recommendations with respect to the technical aspects of—

"(1) wetland protection, restoration, and mitigation requirements;

"(2) criteria to be used in evaluating bids for enrollment of environmentally sensitive lands in the conservation reserve program;

"(3) guidelines for haying or grazing and the control of weeds to protect nesting wildlife on set-aside acreage;

"(4) addressing common weed and pest problems and programs to control weeds and pests found on acreage enrolled in the conservation reserve program;

"(5) guidelines for planting perennial cover for water quality and wildlife habitat improvement on set-aside lands;

"(6) criteria and guidelines to be used in evaluating petitions by farmers to test conservation practices and systems not currently covered in Field Office Technical Guides;

"(7) identification, prioritization, and coordination of Water Quality Incentives Program initiatives in the State; and

"(8) other matters determined appropriate by the Secretary.

"(c) AUTHORITY.—

"(1) NO ENFORCEMENT AUTHORITY.—Each State technical committee is advisory and shall have no implementation or enforcement authority.

"(2) CONSIDERATION.—The Secretary shall give strong consideration to the recommendations of State technical committees in administering the program under this title, and to any factual, technical, or scientific finding of a committee.".

KERREY AMENDMENT NO. 3258

(Ordered to lie on the table.)

Mr. KERREY submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

On page 3–21, lines 6 and 21, insert ", in consultation with the State Technical Committee" after "Secretary".

On page 3–22, lines 2 and 8, insert ", in consultation with the State Technical Committee" after "Secretary".

On page 3–26, line 25, strike "Governor of a State" and insert in lieu thereof "State Technical Committee".

On page 3–29, line 18, insert "in consultation with the State Technical Committee" after "shall,".

MACK AMENDMENT NO. 3259

(Ordered to lie on the table.)

Mr. MACK submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 511, strike lines 1 through the end and insert in lieu thereof the following:

Nothing in this section precludes the Secretary of the Interior from transferring funds to the Army Corps of Engineers, or the State of Florida or the South Florida Water Management District to carry out sub-section (b)(3).

(3) Shall use the funds to conduct restoration activities in the Everglades ecosystem, which may include acquisition of up to 52,000 acres of private acreage in the Everglades agricultural area, that is commonly known as the (Talisman tract).

(d) DEADLINE.—The Secretary of the Interior shall acquire acreage referred to in subsection (b)(3) not later than December 31, 1999.

KERREY AMENDMENT NO. 3260

(Ordered to lie on the table.)

Mr. KERREY submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

On page 1–75, strike lines 13–16.

KERREY AMENDMENTS NOS. 3261–3271

(Ordered to lie on the table.)

Mr. KERREY submitted 11 amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3261

On page 3–62, after line 22, insert the following:

SEC. 356. CONSERVATION ESCROW ACCOUNT.

Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) amended by adding at the end the following:

"SEC. 1248. CONSERVATION ESCROW ACCOUNT.

"(a) ESTABLISHMENT.—The Secretary shall establish a conservation escrow account.

"(b) Deposits Into Account.—Any program loans, payments, or benefits forfeited by, or fines collected from, producers under section 1211 or 1221 shall be placed in the conservation escrow account.

"(c) USE OF FUNDS.—Funds in the conservation escrow account shall be used to provide technical and financial assistance to individuals to implement natural resource conservation practices.

"(d) GEOGRAPHIC DISTRIBUTION.—The Secretary shall use funds in the conservation escrow account for local areas in proportion to the amount of funds forfeited by or collected from producers in the local area.

"(e) REFUND.—A producer shall be eligible to a refund of 66 percent of any loan, payment, or benefit forfeited to the conservation escrow account if the producer complies with the applicable section referred to in subsection (b) not later than 1 year after a determination of noncompliance.".

AMENDMENT NO. 3262

On page 1-26, line 19, strike all through line 25 and insert in lieu thereof: "The loan rate for a marketing assistance loan for soybeans shall be 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 preceeding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period."

"(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rates for a marketing assistance loan for a sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, individually, shall be not less than 85 percent of the simple average price received by producers of such crops, as determined by the Secretary, during the marketing years for the immediately preceeding 5 crops of such crops, 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."

AMENDMENT NO. 3263

On page 1-22, line 17, strike "Subject to subparagraph (B),".

AMENDMENT NO. 3264

On page 1-23, line 2, strike "; but" through page 1-24, line 2, and insert in lieu thereof ". ".

AMENDMENT NO. 3265

On page 1-21, line 16, strike "; but" through page 1-22, line 15, and insert in lieu thereof ". ".

AMENDMENT NO. 3266

On page 1-21, line 6, strike "Subject to subparagraph (B),".

AMENDMENT NO. 3267

On page 5-10, strike lines 8 through 15.

AMENDMENT NO. 3268

On page 3-3, between lines 23 and 24, insert the following, "the Rain Water Basin Region, the Prairie Pothole Region,".

AMENDMENT NO. 3269

On page 1-76, strike all of section 110.

AMENDMENT NO. 3270

On page 5-5, between lines 13 and 14, insert the following:

"(c) RECONFIGURATION OF BOARD OF DIRECTORS.—Section 505 of the Federal Crop Insurance Act (7 U.S.C. 1505) is amended to read as follows:

"SEC. 505. BOARD OF DIRECTORS.

"(a) AUTHORITY.—The management of the Corporation shall be vested in a Board of Directors subject to the general supervision of the Secretary.

"(b) MEMBERSHIP.—

"(1) IN GENERAL.—The Board shall be appointed by the Secretary and shall consist of the Manager of the Corporation, the Under Secretary of Agriculture responsible for the Federal crop insurance program, one person who is an officer or employee of an approved insurance provider, one person who is a licensed crop insurance agent, one person experienced in the reinsurance business who is not otherwise employed by the Federal Government, and four active producers who are not otherwise employed by the Federal Government. The Secretary shall not be a member of the Board.

"(2) PRODUCER MEMBERS.—In appointing the four active producers who are not otherwise employed by the Federal Government, the Secretary shall ensure that three such members are policyholders and are from different geographic areas of the United States, in order that diverse agricultural interests in the United States are at all times represented on the Board. The Secretary shall ensure that the fourth active producer, who may also be a policyholder, receives a significant portion of crop income from crops are employed in the Department shall receive no additional compensation for their covered by the noninsured crop disaster assistance program established under section 519.

"(c) TERMS OF OFFICE.—

(1) TERMS OF USDA EMPLOYEES.—The Manager of the Corporation and the Under Secretary of Agriculture responsible for the Federal crop insurance program shall hold office at the pleasure of the Secretary.

(2) TERMS OF OTHER MEMBERS.—Other than the Manager of the Corporation and the Under Secretary of Agriculture responsible for the Federal crop insurance program, the members of the Board shall be appointed by the Secretary for a term of 3 years. However, in the initial appointment of such members, the Secretary shall appoint two members for one year, two members for two years, and two members for three years in order to provide greater continuity to the Board.

(3) SUCCESSION.—A member of the Board appointed under paragraph (2) may serve after the expiration of the term of office of such member until the successor for such member has taken office.

"(d) QUORUM.—Five of the members in office shall constitute a quorum for the transaction of the business of the Board.

"(e) IMPAIRMENT OF POWERS.—The powers of the Board to execute the function of the Corporation shall be impaired at any time there are not six members of the Board in office.

"(f) COMPENSATION.—

"(1) EMPLOYEES OF THE DEPARTMENT.—The Directors of the Corporation who are employed in the Department shall receive no additional compensation for their services as such Directors but may be allowed necessary traveling and subsistence expenses when engaged in business of the Corporation, outside of the District of Columbia.

"(2) NON-EMPLOYEES OF THE FEDERAL GOVERNMENT.—The Directors of the Corporation who are not employed by the Federal Government shall be paid such compensation for their services as Directors as the Secretary shall determine, but such compensation shall not exceed the daily equivalent of the rate prescribed for positions at level V of the Executive Schedule under section 5316 of Title 5, United States Code, when actually employed. Such members may also receive actual necessary traveling and subsistence expenses, or a per diem allowance in lieu of subsistence expenses, as authorized by section 5703 of such title for persons in Government service employed intermittently, when on the business of the Corporation away from their homes or regular places of business.

"(g) CHIEF EXECUTIVE OFFICER.—The Manager of the Corporation shall be its chief executive officer, with such power and authority as may be conferred by the Board. The Manager shall be appointed by, and hold office at the pleasure of, the Secretary.".

AMENDMENT NO. 3271

On page 3-14, line 20, strike "means" and insert in lieu thereof, "shall be defined by the State Technical Committee, or mean".

HEFLIN AMENDMENT NO. 3272

(Ordered to lie on the table.)

Mr. HEFLIN submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place insert the following:

SEC. 106. PEANUT PROGRAM.

(a) MARKETING QUOTAS.—

(1) NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS.—

(A) IN GENERAL.—The section heading of section 358-1 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358-1) is amended by striking **"1991 THROUGH 1997 CROPS OF"**.

(B) NATIONAL POUNDAGE QUOTAS.—

(i) ESTABLISHMENT.—Section 358-1(a)(1) of the Act is amended—

(I) in the first sentence—

(aa) by striking "of the 1991 through 1997 marketing years" and inserting "marketing year";

(bb) by striking ", seed,"; and

(cc) by striking the period at the end and inserting ", excluding seed. In making estimates under this paragraph for a marketing year, the Secretary shall annually estimate and take into account the quantity of peanuts and peanut products to be imported into the United States for the marketing year."; and

(II) by striking the second sentence.

(ii) APPORTIONMENT.—Section 358-1(a)(3) of the Act is amended by striking "1990" and inserting "1995".

(C) FARM POUNDAGE QUOTA.—

(i) ESTABLISHMENT.—Section 358-1(b)(1)(A) of the Act is amended—

(I) by striking "of the 1991 through 1997 marketing years" and inserting "marketing year"; and

(II) in clause (i), by striking "1990" and inserting "1995".

(ii) QUANTITY.—Section 358-1(b)(1)(B) of the Act is amended—

(I) by striking "of the 1991 through 1997 marketing years" and inserting "marketing year"; and

(II) by striking "including—" and all that follows through "(ii) any" and inserting "including any".

(iii) ADJUSTMENTS.—Section 358-1(b)(2) of the Act is amended—

(I) in subparagraph (A)—

(aa) by striking "(B) and subject to subparagraph (D)" and inserting "(C)"; and

(bb) by striking "of the 1991 through 1997 marketing years" and inserting "marketing year";

(II) by striking subparagraph (B);

(III) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively; and

(IV) in subparagraph (B) (as so redesignated), by striking "of the 1991 through 1997 marketing years" and inserting "marketing year".

(iv) QUOTA NOT PRODUCED.—Section 358-1(b)(3) of the Act is amended—

(I) in subparagraph (A), by striking "of the 1991 through 1997 marketing years" and inserting "marketing year"; and

(II) in subparagraph (B), by striking "include—" and all that follows through "(ii) any" and inserting "include any".

(v) QUOTA CONSIDERED PRODUCED.—Section 358–1(b)(4) of the Act is amended—

(I) in subparagraph (A), by inserting "or" after the semicolon at the end; and

(II) by striking subparagraphs (B) and (C) and inserting the following:

"(B) the farm poundage quota for the farm was—

"(i) released voluntarily under paragraph (7); or

"(ii) leased to another owner or operator of a farm within the same county for transfer to the farm;

for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made.".

(vi) ALLOCATION OF QUOTAS REDUCED OR RELEASED.—Section 358–1(b)(6) of the Act is amended—

(I) in subparagraph (A), by striking "subparagraphs (B) and (C), the total quantity of the" and inserting "subparagraph (B),";

(II) in subparagraph (B)—

(aa) by striking "Not more than 25 percent of the" and inserting "The"; and

(bb) by adding at the end the following: "Any farm quota pounds remaining after allocation to farms under this subparagraph shall be allocated under subparagraph (A).";

and

(III) by striking subparagraph (C).

(vii) TEMPORARY QUOTA ALLOCATION FOR SEED.—Section 358–1(b) of the Act is amended by striking paragraph (8) and inserting the following:

"(8) TEMPORARY QUOTA ALLOCATION FOR SEED.—For each marketing year and pursuant to regulation, the Secretary shall make a temporary allocation of poundage quota, for that marketing year only, to each producer of peanuts on a farm, in addition to any farm poundage quota established under paragraph (1), in a quantity equal to the pounds of seed peanuts planted by the producer on the farm.".

(viii) TRANSFER OF ADDITIONAL PEANUTS.—Section 358–1(b) of the Act is amended by striking paragraph (9) and inserting the following:

"(9) TRANSFER OF ADDITIONAL PEANUTS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), additional peanuts on a farm from which the quota poundage was not harvested and marketed may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall provide by regulation.

"(B) LIMITATIONS.—The poundage of peanuts transferred under subparagraph (A) shall not exceed 25 percent of the total farm poundage quota, excluding pounds transferred in the fall.

"(C) SUPPORT RATE.—Peanuts transferred under this paragraph shall be supported at a rate of not less than 70 percent of the quota support rate for the marketing years during which the transfers occur.".

(D) CROPS.—Section 358–1(f) of the Act is amended by striking "1991 through 1997" and inserting "1996 through 2002".

(2) SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.—

(A) IN GENERAL.—The section heading of section 358b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b) is amended by striking "**1991 THROUGH 1995 CROPS OF**".

(B) SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.—Section 358b(a) of the Act is amended—

(i) by striking "(including any applicable under marketings)" each place it appears;

(ii) in paragraph (1)—

(I) by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively;

(II) by inserting before subparagraph (B) (as so redesignated) the following:

"(A) with the owner or operator of another farm located within the same county or located in a different county within the same State;";

(III) in subparagraph (B) (as so redesignated), by striking "undermarketings and";

and

(IV) by adding at the end the following: "Fall transfers of quota pounds shall not affect the farm quota history for the transferring or receiving farm and shall not result in a reduction of the farm poundage quota on the transferring farm.";

(iii) in paragraph (2)—

(I) in the first sentence—

(aa) by striking "county or in a county contiguous to the county in the same"; and

(bb) by inserting before the period at the end the following: ", if both the transferring and the receiving farms were under the control of the owner or operator for at least 3 crop years prior to the crop year in which the farm poundage quota is transferred"; and

(II) in the second sentence, by striking "the transferred quota is produced or considered produced on the receiving farm" and inserting "sufficient acreage is planted on the receiving farm to produce the quota pounds transferred"; and

(iv) by adding at the end the following:

"(4) TRANSFERS BY SALE IN STATES WITH LARGE QUOTAS.—

"(A) IN GENERAL.—In the case of a State for which the poundage quota allocated to the State was 10,000 tons or greater for the previous year, the owner, or operator with permission of the owner, of a farm located in the State for which a farm poundage quota has been established under section 358–1 may sell all or any part of the farm poundage quota to any other eligible owner or operator of a farm within the same State.

"(B) LIMITATIONS.—

"(i) 1996.—During calendar year 1996, not more than 15 percent of the total poundage quota within a county as of January 1, 1996, may be sold and transferred outside the county under this paragraph.

"(ii) SUBSEQUENT YEARS.—During calendar year 1997 and each subsequent calendar year, not more than 5 percent of the total poundage quota within a county as of January 1 of the calendar year may be sold and transferred outside the county under this paragraph.

"(iii) AGGREGATE LIMIT.—Not more than an aggregate of 30 percent of the total poundage quota within a county may be sold and transferred outside the county under this paragraph.

"(C) SUBSEQUENT LEASE OR SALE.—Quota poundage sold and transferred under this paragraph may not be leased or sold to another farm owner or operator within the same State for a period of 5 years following the original transfer to the farm.".

(C) RECORD.—Section 358b(b)(3) of the Act is amended by striking "committee of the county to which the transfer is made and the committee determines" and inserting "committees of the counties from and to which the transfer is made and the committees determine".

(D) CROPS.—Section 358b(c) of the Act is amended by striking "1991 through 1995" and inserting "1996 through 2002".

(3) EXPERIMENTAL AND RESEARCH PROGRAMS.—Section 358c(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358c(d)) is amended by striking "1991 through 1995" and inserting "1996 through 2002".

(4) MARKETING PENALTIES.—Section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a) is amended—

(A) in the section heading, by striking "**1991 THROUGH 1997 CROPS OF**";

(B) in subsection (d)(6)(A), by inserting after "If any additional peanuts" the following: "or peanut products made from additional peanuts"; and

(C) in subsection (i), by striking "1991 through 1997" and inserting "1996 through 2002".

(b) PRICE SUPPORT PROGRAM FOR PEANUTS.—

(1) QUOTA PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, and other operations on quota peanuts.

(B) SUPPORT RATES.—The national average quota support rate for each crop of quota peanuts shall be the national average quota support rate for the immediately preceding crop, adjusted to reflect any increase, during the calendar year immediately preceding the marketing year for the crop for which a level of support is being determined, in the national average cost of peanut production, excluding any change in the cost of land and the cost of any assessments required under paragraph (7), except that in no event shall the national average quota support rate for any such crop be increased, or decreased, by more than 5 percent of the national average quota support rate for the preceding crop.

(C) INSPECTION, HANDLING, OR STORAGE.—The levels of support so announced shall not be reduced by any deductions for inspection, handling, or storage.

(D) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments for location of peanuts and such other factors as are authorized by section 411 of the Agricultural Adjustment Act of 1938.

(E) ANNOUNCEMENT.—The Secretary shall announce the level of support for quota peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the level of support is being determined.

(2) ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts at such levels as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, except that the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(B) ANNOUNCEMENT.—The Secretary shall announce the level of support for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the level of support is being determined.

(3) AREA MARKETING ASSOCIATIONS.—

(A) WAREHOUSE STORAGE LOANS.—

(i) IN GENERAL.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the three producing areas (described in section 1446.95 of title 7 of the Code of Federal Regulations (January 1, 1989)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the

loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and sections 358d and 358e of the Agricultural Adjustment Act of 1938.

(ii) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—The area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this section and sections 358d and 358e of the Agricultural Adjustment Act of 1938.

(iii) ASSOCIATION COSTS.—Loans made to the association under this paragraph shall include, in addition to the price support value of the peanuts, such costs as the area marketing association reasonably may incur in carrying out its responsibilities, operations, and activities under this section and sections 358d and 358e of the Agricultural Adjustment Act of 1938.

(B) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(i) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico. Peanuts physically produced outside the State of New Mexico shall not be eligible for entry into or participation in the New Mexico pools. Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(ii) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(I) QUOTA PEANUTS.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool plus an amount from all additional pool gains equal to any loss on disposition of all peanuts in the pool for quota peanuts.

(II) ADDITIONAL PEANUTS.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in subclause (I).

(4) LOSSES.—

(A) OTHER PRODUCERS IN SAME POOL.—Losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributable to the same producer from the sale of additional peanuts for domestic and edible use or export.

(B) QUOTA PEANUTS PLACED UNDER LOAN.—Net gains on additional peanuts within an area (other than net gains on additional peanuts in separate type pools established under paragraph (3)(B)(i) for Valencia peanuts produced in New Mexico) shall be first reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts placed under loan in the area, in such manner as the Secretary shall by regulation prescribe.

(C) QUOTA LOAN POOLS.—

(i) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(9) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(9)).

(ii) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under paragraph (7) to offset further losses in area quota pools. At the end of each year, the Secretary shall transfer to the Treasury the funds collected under paragraph (7) that the Secretary determines are not required to cover losses in area quota pools.

(iii) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(9) of the Agricultural Adjustment Act of 1938, shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under paragraph (3)(B)(i) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(iv) INCREASED ASSESSMENTS.—If actions taken under clauses (i) through (iii) are not sufficient to cover losses in area pools, the Secretary shall increase the marketing assessment established under paragraph (7) by such amount as the Secretary considers necessary to cover the losses. Amounts collected under paragraph (7) as a result of the increased assessment shall be retained by the Secretary to cover losses in the pool.

(5) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no price support may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938.

(6) QUALITY IMPROVEMENT.—

(A) PRICE SUPPORT PEANUTS.—With respect to peanuts under price support loan, the Secretary shall—

(i) promote the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration;

(ii) ensure that all Commodity Credit Corporation loan stocks of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department of Agriculture inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(iii) continue to endeavor to operate the peanut price support program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.)); and

(iv) ensure that any changes made in the price support program as a result of this subsection requiring additional production or handling at the farm level shall be reflected as an upward adjustment in the Department of Agriculture loan schedule.

(B) EXPORTS AND OTHER PEANUTS.—

(i) IN GENERAL.—The Secretary shall require that all peanuts, including peanuts imported into the United States, meet all United States quality standards under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937), and that importers of the peanuts fully comply with inspection, handling, storage, and processing requirements implemented under Marketing Agreement No. 146.

(ii) EXPORTED PEANUTS.—The Secretary shall ensure that peanuts produced for the export market meet quality, inspection, handling, storage, and processing requirements under Marketing Agreement No. 146.

(7) MARKETING ASSESSMENT.—

(A) IN GENERAL.—The Secretary shall provide, by regulation, for a nonrefundable marketing assessment equal to 1.2 percent of the national average quota or additional peanut support rate per pound, as applicable, on all peanuts sold in the United States during each of the 1996 through 2002 marketing years.

(B) TREATMENT OF IMPORTED PEANUTS.—For the purposes of determining the applicable assessment rate under this section, imported peanuts shall be treated as additional peanuts.

(C) FIRST PURCHASERS.—

(i) DEFINITION OF FIRST PURCHASER.—In this clause, the term 'first purchaser' means a person acquiring peanuts from a producer, or a person that imports peanuts, except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(ii) ADMINISTRATION.—Except as provided in clause (iii) and subparagraphs (D) and (E), the first purchaser shall—

(I) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by .6 percent of the applicable national average support rate;

(II) pay, in addition to the amount collected under subclause (I), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .6 percent of the applicable national average support rate; and

(III) remit the amounts required under subclauses (I) and (II) to the Commodity Credit Corporation in a manner specified by the Secretary.

(iii) IMPORTED PEANUTS.—In the case of imported peanuts, the first purchaser shall pay to the Commodity Credit Corporation, in a manner specified by the Secretary, a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by 1.2 percent of the national average support rate for additional peanuts.

(D) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(E) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a price support loan made under this section, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

(F) PENALTIES.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(i) the quantity of peanuts involved in the violation; by

(ii) the national average quota peanut price support level for the applicable crop year.

(G) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

(H) USE OF FUNDS.—Funds collected under this subsection shall be used by the Secretary to offset the costs of operating the peanut price support program.

(8) CROPS.—Except as provided in paragraph (7) and notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.

(c) ADMINISTRATIVE PROVISIONS.—

(1) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before "all brokers and dealers in peanuts" the following: "all producers engaged in the production of peanuts,".

(2) SUSPENSION OF PERMANENT PROGRAM.—The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1996 through 2002 crops of peanuts:

(A) Subsections (a) through (j) of section 358 (7 U.S.C. 1358).

(B) Subsections (a) through (h) of section 358a (7 U.S.C. 1358a).

(C) Subsections (a), (b), (d), and (e) of section 359 (7 U.S.C. 1359).

(D) Part I of subtitle C of title III (7 U.S.C. 1361 et seq.).

(E) Section 371 (7 U.S.C. 1371).

(3) ADMINISTRATION.—The first paragraph of section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935 (7 U.S.C. 612c), is amended—

(A) in the first sentence, by striking "30 per centum" and inserting "30 percent (or, in the case of duties collected with respect to an import that is subject to a tariff-rate quota, 100 percent)"; and

(B) in the second sentence—

(i) by striking "and (3)" and inserting "(3)"; and

(ii) by inserting before the period at the end the following: "; and (4) offset the costs of operating a program to provide price support for domestically produced peanuts".

(d) PEANUT STANDARDS.—

(1) INSPECTION; QUALITY ASSURANCE.—

(A) INITIAL ENTRY.—The Secretary of Agriculture (referred to in this title as the "Secretary") shall require all peanuts and peanut products sold in the United States to be initially placed in a bonded, licensed warehouse approved by the Secretary for the purpose of inspection and grading by the Secretary, the Commissioner of the Food and Drug Administration, and the heads of other appropriate agencies of the United States.

(B) PRELIMINARY INSPECTION.—Peanuts and peanut products shall be held in the warehouse until inspected by the Secretary, the Commissioner of the Food and Drug Administration, or the head of another appropriate agency of the United States, for chemical residues, general cleanliness, disease, size, aflatoxin, stripe virus, and other harmful conditions, and an assurance of compliance with all grade and quality standards specified under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937).

(C) SEPARATION OF LOTS.—All imported peanuts shall be maintained separately from, and shall not be commingled with, domestically produced peanuts in the warehouse.

(D) ORIGIN OF PEANUT PRODUCTS.—

(i) LABELING.—A peanut product shall be labeled with a label that indicates the origin of the peanuts contained in the product.

(ii) SOURCE.—No peanut product may contain both imported and domestically produced peanuts.

(iii) IMPORTED PEANUT PRODUCTS.—The first seller of an imported peanut product shall certify that the product is made from raw peanuts that meet the same quality and grade standards that apply to domestically produced peanuts.

(E) DOCUMENTATION.—No peanuts or peanut products may be transferred, shipped, or otherwise released from a warehouse described in subparagraph (A) unless accompanied by a United States Government inspection certificate that certifies compliance with this section.

(2) HANDLING AND STORAGE.—

(A) TEMPERATURE AND HUMIDITY.—The Secretary shall require all shelled peanuts sold in the United States to be maintained at a temperature of not more than 37 degrees Fahrenheit and a humidity range of 60 to 68 percent at all times during handling and storage prior to sale and shipment.

(B) CONTAINERS.—The peanuts shall be shipped in a container that provides the maximum practicable protection against moisture and insect infestation.

(C) IN-SHELL PEANUTS.—The Secretary shall require that all in-shell peanuts be reduced to a moisture level not exceeding 10 percent immediately on being harvested and be stored in a facility that will ensure quality maintenance and will provide proper ventilation at all times prior to sale and shipment.

(3) LABELING.—The Secretary shall require that all peanuts and peanut products sold in the United States contain labeling that lists the country or countries in which the peanuts, including all peanuts used to manufacture the peanut products, were produced.

(4) INSPECTION AND TESTING.—

(A) IN GENERAL.—All peanuts and peanut products sold in the United States shall be inspected and tested for grade and quality.

(B) CERTIFICATION.—All peanuts or peanut products offered for sale in, or imported into, the United States shall be accompanied by a certification by the first seller or importer that the peanuts or peanut products do not contain residues of any pesticide not approved for use in, or importation into, the United States.

(5) NUTRITIONAL LABELING.—The Secretary shall require all peanuts and peanut products sold in the United States to contain complete nutritional labeling information as required under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 et seq.).

(6) PEANUT CONTENT.—

(A) OFFSET AGAINST HTS QUANTITY.—The actual quantity of peanuts, by weight, used to manufacture, and ultimately contained in, peanut products imported into the United States shall be accounted for and offset against the total quantity of peanut imports allowed under the in-quota quantity of the tariff-rate quota established for peanuts under the Harmonized Tariff Schedule of the United States.

(B) VERIFICATION.—The Secretary shall establish standards and procedures for the purpose of verifying the actual peanut content of peanut products imported into the United States.

(7) PLANT DISEASES.—The Secretary, in consultation with the heads of other appropriate agencies of the United States, shall ensure that all peanuts in the domestic edible market are inspected and tested to ensure that they are free of all plant diseases.

(8) ADMINISTRATION.—

(A) FEES.—The Secretary shall by regulation fix and collect fees and charges to cover the costs of any inspection or testing performed under this title.

(B) CERTIFICATION.—

(i) IN GENERAL.—The Secretary may require the first seller of peanuts sold in the United States to certify that the peanuts comply with this title.

(ii) FRAUD AND FALSE STATEMENTS.—Section 1001 of title 18, United States Code, shall apply to a certification made under this title.

(C) STANDARDS AND PROCEDURES.—In consultation with the heads of other appropriate agencies of the United States, the Secretary shall establish standards and procedures to provide for the enforcement of, and ensure compliance with, this title.

(D) FAILURE TO MEET STANDARDS.—Peanuts or peanut products that fail to meet standards established under this title shall be returned to the seller and exported or crushed pursuant to section 358e(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a(d)).

(9) CHANGE OF VENUE.—In any case in which an area pool or a marketing association brings, joins, or seeks to join a civil action in a United States district court to enforce this title, the district court may not transfer the action to any other district or division over the objection of the pool or marketing association.

KERREY AMENDMENT NO. 3273

(Ordered to lie on the table.)

Mr. KERREY submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 5–5, between lines 13 and 14, insert the following:

"(c) ESTABLISHMENT OF THE OFFICE OF RISK MANAGEMENT.—

(1) ESTABLISHMENT.—The Department of Agriculture Reorganization Act of 1994 is amended by inserting after section 226 (7 U.S.C. 6932) the following new section:

"SEC. 226A. OFFICE OF RISK MANAGEMENT.

"(a) ESTABLISHMENT.—The Secretary shall establish and maintain in the Department an independent Office of Risk Management.

or

"(a) ESTABLISHMENT.—Nothing in this Act shall change the status of the Federal Crop Insurance Corporation, an agency created under the Federal Crop Insurance Act (7 U.S.C. 1503), as an agency within the Department. The administration of the agency shall be carried out by an independent Office of Risk Management that is separate and independent of the Consolidated Farm Services Agency and of equal or higher ranking than that agency within the Department.

"(b) FUNCTIONS OF THE OFFICE OF RISK MANAGEMENT.—The Office of Risk Management shall have jurisdiction over the following functions:

"(1) Supervision of the Federal Crop Insurance Corporation.

"(2) Administration and oversight of all aspects, including delivery through local offices of the Department, of all programs authorized under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.).

"(3) Any pilot or other program involving revenue insurance, risk management savings accounts, or the use of the futures market to manage risk and support farm income that may be established under the Federal Crop Insurance Act or other law.

"(4) Such other functions as the Secretary considers appropriate.

"(c) MANAGER.—The Manager of the Federal Crop Insurance Corporation shall serve as head of the Office of Risk Management but not in any other capacity.

"(d) RESOURCES.—

"(1) FUNCTIONAL COORDINATION.—Certain functions of the Office of Risk Management such as human resources, public affairs, and legislative affairs may be provided by a consolidation of such functions under the Under Secretary of Agriculture responsible for crop insurance program.

"(2) MINIMUM PROVISIONS.—Notwithstanding paragraph (1) or any other provision of law or order of the Secretary, the Secretary shall provide the Office of Risk Management with human and capital resources sufficient for it to carry out its functions in a timely and efficient manner.

"(3) FISCAL YEAR 1996 FUNDING.—Not less than $88,500,000 of the appropriation provided for the salaries and expenses of the Consolidated Farm Services Agency in the Agricultural, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1996 shall be provided to the Office of Risk Management for the salaries and expenses of the Office.".

(2) CONFORMING AMENDMENT.—Section 226(b) of such Act (7 U.S.C. 6932(b)) is amended by striking paragraph (2).

HARKIN AMENDMENT NO. 3274

(Ordered to lie on the table.)

Mr. HARKIN submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place, insert the following:

SECTION . NUTRITIONAL SUPPLEMENTS UNDER THE FOOD STAMP PROGRAM.

Section 3(g)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2012(g)(1)) is amended by striking "or food product" and inserting ", food product, or nutritional supplement of a vitamin, mineral, or a vitamin and a mineral".

KERRY AMENDMENTS NOS. 3275–3276

(Ordered to lie on the table.)

Mr. KERRY submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3275

On page 2–2, strike lines 7 through 9, and insert in lieu the following:

"(2) by striking "through 1997," and inserting "through 1995, and not more than $25,000 each for fiscal years 1996 and 1997, and notwithstanding any other provision of law or this Act, $75,000,000 shall be placed in a separate fund in each of fiscal years 1996 and 1997 which fund is to be administered by the Secretary of Agriculture, and from which fund the Secretary is authorized to make grants to the states and to non-profit organizations for the purpose of alleviating the hunger of women, infants, and children which exceeds the ability of government programs to alleviate because of funding limitations imposed by this Act or any other law on the federal programs intended to accomplish that objective,".

AMENDMENT NO. 3276

On page 2–2, strike lines 7 through 9, and insert in lieu the following:

"(2) by striking "through 1997," and inserting "through 1995, and not more than $25,000 each for fiscal years 1996 and 1997,".

HATCH AMENDMENT NO. 3277

(Ordered to lie on the table.)

Mr. HATCH submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the end of title IV, insert the following:

SEC. 406. NUTRITIONAL SUPPLEMENTS.

(a) FINDINGS.—Congress finds that—

(1) the dietary patterns of Americans do not result in nutrient intakes that fully meet Recommended Dietary Allowances (RDAs) of vitamins and minerals;

(2) children in low-income families and the elderly often fail to achieve adequate nutrient intakes from diet alone;

(3) pregnant women have particularly high nutrient needs, which they often fail to meet through dietary means alone;

(4)(A) many scientific studies have shown that nutritional supplements that contain folic acid (a B vitamin) can prevent as many as 60 to 80 percent of neural tube birth defects;

(B) the Public Health Service, in September 1992, recommended that all women of childbearing age in the United States who are capable of becoming pregnant should consume 0.4 mg of folic acid per day for the purpose of reducing their risk of having a pregnancy affected with spina bifida or other neural tube birth defects; and

(C) the Food and Drug Administration has also approved a health claim for folic acid to reduce the risk of neural tube birth defects;

(5) infants who fail to receive adequate intakes of iron may be somewhat impaired in their mental and behavioral development; and

(6) a massive volume of credible scientific evidence strongly suggests that increasing intake of specific nutrients over an extended period of time may be helpful in protecting against diseases or conditions such as osteoporosis, cataracts, cancer, and heart disease.

(b) AMENDMENT OF THE FOOD STAMP ACT OF 1977.—Section 3(g)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2012(g)(1)) is amended by striking "or food product" and inserting ", food product, or nutritional supplement of a vitamin, mineral, or a vitamin and a mineral".

HEFLIN AMENDMENT NO. 3278

(Ordered to lie on the table.)

Mr. HEFLIN submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike section 106 and insert the following:

SEC. 106. PEANUT PROGRAM.

(a) MARKETING QUOTAS.—

(1) NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS.—

(A) IN GENERAL.—The section heading of section 358–1 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1) is amended by striking "1991 THROUGH 1997 CROPS OF".

(B) NATIONAL POUNDAGE QUOTAS.—

(i) ESTABLISHMENT.—Section 358–1(a)(1) of the Act is amended—

(I) in the first sentence—

(aa) by striking "of the 1991 through 1997 marketing years" and inserting "marketing year";

(bb) by striking ", seed,"; and

(cc) by striking the period at the end and inserting ", excluding seed. In making estimates under this paragraph for a marketing year, the Secretary shall annually estimate and take into account the quantity of peanuts and peanut products to be imported into the United States for the marketing year."; and

(II) by striking the second sentence.

(ii) APPORTIONMENT.—Section 358–1(a)(3) of the Act is amended by striking "1990" and inserting "1995".

(C) FARM POUNDAGE QUOTA.—

(i) ESTABLISHMENT.—Section 358–1(b)(1)(A) of the Act is amended—

(I) by striking "of the 1991 through 1997 marketing years" and inserting "marketing year"; and

(II) in clause (i), by striking "1990" and inserting "1995".

(ii) QUANTITY.—Section 358–1(b)(1)(B) of the Act is amended—

(I) by striking "of the 1991 through 1997 marketing years" and inserting "marketing year"; and

(II) by striking "including—" and all that follows through "(ii) any" and inserting "including any".

(iii) ADJUSTMENTS.—Section 358–1(b)(2) of the Act is amended—

(I) in subparagraph (A)—

(aa) by striking "(B) and subject to subparagraph (D)" and inserting "(C)"; and

(bb) by striking "of the 1991 through 1997 marketing years" and inserting "marketing year";

(II) by striking subparagraph (B);

(III) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively; and

(IV) in subparagraph (B) (as so redesignated), by striking "of the 1991 through 1997 marketing years" and inserting "marketing year".

(iv) QUOTA NOT PRODUCED.—Section 358–1(b)(3) of the Act is amended—

(I) in subparagraph (A), by striking "of the 1991 through 1997 marketing years" and inserting "marketing year"; and

(II) in subparagraph (B), by striking "include—" and all that follows through "(ii) any" and inserting "include any".

(v) QUOTA CONSIDERED PRODUCED.—Section 358–1(b)(4) of the Act is amended—

(I) in subparagraph (A), by inserting "or" after the semicolon at the end; and

(II) by striking subparagraphs (B) and (C) and inserting the following:

"(B) the farm poundage quota for the farm was—

"(i) released voluntarily under paragraph (7); or

"(ii) leased to another owner or operator of a farm within the same county for transfer to the farm;

for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made.".

(vi) ALLOCATION OF QUOTAS REDUCED OR RELEASED.—Section 358–1(b)(6) of the Act is amended—

(I) in subparagraph (A), by striking "subparagraphs (B) and (C), the total quantity of the" and inserting "subparagraph (B),";

(II) in subparagraph (B)—

(aa) by striking "Not more than 25 percent of the" and inserting "The"; and

(bb) by adding at the end the following: "Any farm quota pounds remaining after allocation to farms under this subparagraph shall be allocated under subparagraph (A).";

and

(III) by striking subparagraph (C).

(vii) TEMPORARY QUOTA ALLOCATION FOR SEED.—Section 358–1(b) of the Act is amended by striking paragraph (8) and inserting the following:

"(8) TEMPORARY QUOTA ALLOCATION FOR SEED.—For each marketing year and pursuant to regulation, the Secretary shall make a temporary allocation of poundage quota, for that marketing year only, to each producer of peanuts on a farm, in addition to any farm poundage quota established under paragraph (1), in a quantity equal to the pounds of seed peanuts planted by the producer on the farm.".

(viii) TRANSFER OF ADDITIONAL PEANUTS.—Section 358–1(b) of the Act is amended by striking paragraph (9) and inserting the following:

"(9) TRANSFER OF ADDITIONAL PEANUTS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), additional peanuts on a farm from which the quota poundage was not harvested and marketed may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall provide by regulation.

"(B) LIMITATIONS.—The poundage of peanuts transferred under subparagraph (A) shall not exceed 25 percent of the total farm poundage quota, excluding pounds transferred in the fall.

"(C) SUPPORT RATE.—Peanuts transferred under this paragraph shall be supported at a rate of not less than 70 percent of the quota support rate for the marketing years during which the transfers occur.".

(D) CROPS.—Section 358–1(f) of the Act is amended by striking "1991 through 1997" and inserting "1996 through 2002".

(2) SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.—

(A) IN GENERAL.—The section heading of section 358b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b) is amended by striking "1991 THROUGH 1995 CROPS OF".

(B) SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.—Section 358b(a) of the Act is amended—

(i) by striking "(including any applicable under marketings)" each place it appears;

(ii) in paragraph (1)—

(I) by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively;

(II) by inserting before subparagraph (B) (as so redesignated) the following:

"(A) with the owner or operator of another farm located within the same county or located in a different county within the same State;";

(III) in subparagraph (B) (as so redesignated), by striking "undermarketings and";

and

(IV) by adding at the end the following: "Fall transfers of quota pounds shall not affect the farm quota history for the transferring or receiving farm and shall not result in a reduction of the farm poundage quota on the transferring farm.";

(iii) in paragraph (2)—

(I) in the first sentence—

(aa) by striking "county or in a county contiguous to the county in the same"; and

(bb) by inserting before the period at the end the following: ", if both the transferring and the receiving farms were under the control of the owner or operator for at least 3 crop years prior to the crop year in which the farm poundage quota is transferred"; and

(II) in the second sentence, by striking "the transferred quota is produced or considered produced on the receiving farm" and inserting "sufficient acreage is planted on the receiving farm to produce the quota pounds transferred"; and

(iv) by adding at the end the following:

"(4) TRANSFERS BY SALE IN STATES WITH LARGE QUOTAS.—

"(A) IN GENERAL.—In the case of a State for which the poundage quota allocated to the State was 10,000 tons or greater for the previous year, the owner, or operator with permission of the owner, of a farm located in the State for which a farm poundage quota has been established under section 358–1 may sell all or any part of the farm poundage quota to any other eligible owner or operator of a farm within the same State.

"(B) LIMITATIONS.—

"(i) 1996.—During calendar year 1996, not more than 15 percent of the total poundage quota within a county as of January 1, 1996, may be sold and transferred outside the county under this paragraph.

"(ii) SUBSEQUENT YEARS.—During calendar year 1997 and each subsequent calendar year, not more than 5 percent of the total poundage quota within a county as of January 1 of the calendar year may be sold and transferred outside the county under this paragraph.

"(iii) AGGREGATE LIMIT.—Not more than an aggregate of 30 percent of the total poundage quota within a county may be sold and transferred outside the county under this paragraph.

"(C) SUBSEQUENT LEASE OR SALE.—Quota poundage sold and transferred under this paragraph may not be leased or sold to another farm owner or operator within the same State for a period of 5 years following the original transfer to the farm.".

(C) RECORD.—Section 358b(b)(3) of the Act is amended by striking "committee of the county to which the transfer is made and the committee determines" and inserting "committees of the counties from and to which the transfer is made and the committees determine".

(D) CROPS.—Section 358b(c) of the Act is amended by striking "1991 through 1995" and inserting "1996 through 2002".

(3) EXPERIMENTAL AND RESEARCH PROGRAMS.—Section 358c(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358c(d)) is amended by striking "1991 through 1995" and inserting "1996 through 2002".

(4) MARKETING PENALTIES.—Section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a) is amended—

(A) in the section heading, by striking "1991 THROUGH 1997 CROPS OF";

(B) in subsection (d)(6)(A), by inserting after "If any additional peanuts" the following: "or peanut products made from additional peanuts"; and

(C) in subsection (i), by striking "1991 through 1997" and inserting "1996 through 2002".

(b) PRICE SUPPORT PROGRAM FOR PEANUTS.—

(1) QUOTA PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, and other operations on quota peanuts.

(B) SUPPORT RATES.—The national average quota support rate for each crop of quota peanuts shall be the national average quota support rate for the immediately preceding crop, adjusted to reflect any increase, during the calendar year immediately preceding the marketing year for the crop for which a level of support is being determined, in the national average cost of peanut production, excluding any change in the cost of land and the cost of any assessments required under paragraph (7), except that in no event shall the national average quota support rate for any such crop be increased, or decreased, by more than 5 percent of the national average quota support rate for the preceding crop.

(C) INSPECTION, HANDLING, OR STORAGE.—The levels of support so announced shall not be reduced by any deductions for inspection, handling, or storage.

(D) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments for location of peanuts and such other factors as are authorized by section 411 of the Agricultural Adjustment Act of 1938.

(E) ANNOUNCEMENT.—The Secretary shall announce the level of support for quota peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the level of support is being determined.

(2) ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts at such levels as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, except that the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(B) ANNOUNCEMENT.—The Secretary shall announce the level of support for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the level of support is being determined.

(3) AREA MARKETING ASSOCIATIONS.—

(A) WAREHOUSE STORAGE LOANS.—

(i) IN GENERAL.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the three producing areas (described in section 1446.95 of title 7 of the Code of Federal Regulations (January 1, 1989)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and sections 358d and 358e of the Agricultural Adjustment Act of 1938.

(ii) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—The area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this section and sections 358d and 358e of the Agricultural Adjustment Act of 1938.

(iii) ASSOCIATION COSTS.—Loans made to the association under this paragraph shall include, in addition to the price support value of the peanuts, such costs as the area marketing association reasonably may incur in carrying out its responsibilities, operations, and activities under this section and sections 358d and 358e of the Agricultural Adjustment Act of 1938.

(B) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(i) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico. Peanuts physically produced outside the State of New Mexico shall not be eligible for entry into or participation in the New Mexico pools. Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(ii) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(I) QUOTA PEANUTS.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool plus an amount from all additional pool gains equal to any loss on disposition of all peanuts in the pool for quota peanuts.

(II) ADDITIONAL PEANUTS.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in subclause (I).

(4) LOSSES.—

(A) OTHER PRODUCERS IN SAME POOL.—Losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributable to the same producer from the sale of additional peanuts for domestic and edible use or export.

(B) QUOTA PEANUTS PLACED UNDER LOAN.—Net gains on additional peanuts within an area (other than net gains on additional peanuts in separate type pools established under paragraph (3)(B)(i) for Valencia peanuts produced in New Mexico) shall be first reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts placed under loan in the area, in such manner as the Secretary shall by regulation prescribe.

(C) QUOTA LOAN POOLS.—

(i) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(9) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(9)).

(ii) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under paragraph (7) to offset further losses in area quota pools. At the end of each year, the Secretary shall transfer to the Treasury the funds collected under paragraph (7) that the Secretary determines are not required to cover losses in area quota pools.

(iii) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(9) of the Agricultural Adjustment Act of 1938, shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under paragraph (3)(B)(i) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(iv) INCREASED ASSESSMENTS.—If actions taken under clauses (i) through (iii) are not sufficient to cover losses in area pools, the Secretary shall increase the marketing assessment established under paragraph (7) by such amount as the Secretary considers necessary to cover the losses. Amounts collected under paragraph (7) as a result of the increased assessment shall be retained by the Secretary to cover losses in the pool.

(5) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no price support may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938.

(6) QUALITY IMPROVEMENT.—

(A) PRICE SUPPORT PEANUTS.—With respect to peanuts under price support loan, the Secretary shall—

(i) promote the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration;

(ii) ensure that all Commodity Credit Corporation loan stocks of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department of Agriculture inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(iii) continue to endeavor to operate the peanut price support program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.)); and

(iv) ensure that any changes made in the price support program as a result of this subsection requiring additional production or handling at the farm level shall be reflected as an upward adjustment in the Department of Agriculture loan schedule.

(B) EXPORTS AND OTHER PEANUTS.—

(i) IN GENERAL.—The Secretary shall require that all peanuts, including peanuts imported into the United States, meet all United States quality standards under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937), and that importers of the peanuts fully comply with inspection, handling, storage, and processing requirements implemented under Marketing Agreement No. 146.

(ii) EXPORTED PEANUTS.—The Secretary shall ensure that peanuts produced for the export market meet quality, inspection, handling, storage, and processing requirements under Marketing Agreement No. 146.

(7) MARKETING ASSESSMENT.—

(A) IN GENERAL.—The Secretary shall provide, by regulation, for a nonrefundable marketing assessment equal to 1.2 percent of the national average quota or additional peanut support rate per pound, as applicable, on all peanuts sold in the United States during each of the 1996 through 2002 marketing years.

(B) TREATMENT OF IMPORTED PEANUTS.—For the purposes of determining the applicable assessment rate under this section, imported peanuts shall be treated as additional peanuts.

(C) FIRST PURCHASERS.—

(i) DEFINITION OF FIRST PURCHASER.—In this clause, the term 'first purchaser' means a person acquiring peanuts from a producer, or a person that imports peanuts, except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(ii) ADMINISTRATION.—Except as provided in clause (iii) and subparagraphs (D) and (E), the first purchaser shall—

(I) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by .6 percent of the applicable national average support rate;

(II) pay, in addition to the amount collected under subclause (I), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .6 percent of the applicable national average support rate; and

(III) remit the amounts required under subclauses (I) and (II) to the Commodity Credit Corporation in a manner specified by the Secretary.

(iii) IMPORTED PEANUTS.—In the case of imported peanuts, the first purchaser shall pay to the Commodity Credit Corporation, in a manner specified by the Secretary, a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by 1.2 percent of the national average support rate for additional peanuts.

(D) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(E) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a price support loan made under this section, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

(F) PENALTIES.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(i) the quantity of peanuts involved in the violation; by

(ii) the national average quota peanut price support level for the applicable crop year.

(G) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

(H) USE OF FUNDS.—Funds collected under this subsection shall be used by the Secretary to offset the costs of operating the peanut price support program.

(8) CROPS.—Except as provided in paragraph (7) and notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.

(c) ADMINISTRATIVE PROVISIONS.—

(1) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before "all brokers and dealers in peanuts" the following: "all producers engaged in the production of peanuts,".

(2) SUSPENSION OF PERMANENT PROGRAM.—The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1996 through 2002 crops of peanuts:

(A) Subsections (a) through (j) of section 358 (7 U.S.C. 1358).

(B) Subsections (a) through (h) of section 358a (7 U.S.C. 1358a).

(C) Subsections (a), (b), (d), and (e) of section 359 (7 U.S.C. 1359).

(D) Part I of subtitle C of title III (7 U.S.C. 1361 et seq.).

(E) Section 371 (7 U.S.C. 1371).

(3) ADMINISTRATION.—The first paragraph of section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935 (7 U.S.C. 612c), is amended—

(A) in the first sentence, by striking "30 per centum" and inserting "30 percent (or, in the case of duties collected with respect to an import that is subject to a tariff-rate quota, 100 percent)"; and

(B) in the second sentence—

(i) by striking "and (3)" and inserting "(3)"; and

(ii) by inserting before the period at the end the following: "; and (4) offset the costs of operating a program to provide price support for domestically produced peanuts".

(d) PEANUT STANDARDS.—

(1) INSPECTION; QUALITY ASSURANCE.—

(A) INITIAL ENTRY.—The Secretary of Agriculture (referred to in this title as the "Secretary") shall require all peanuts and peanut products sold in the United States to be initially placed in a bonded, licensed warehouse approved by the Secretary for the purpose of inspection and grading by the Secretary, the Commissioner of the Food and Drug Administration, and the heads of other appropriate agencies of the United States.

(B) PRELIMINARY INSPECTION.—Peanuts and peanut products shall be held in the warehouse until inspected by the Secretary, the Commissioner of the Food and Drug Administration, or the head of another appropriate agency of the United States, for chemical residues, general cleanliness, disease, size, aflatoxin, stripe virus, and other harmful conditions, and an assurance of compliance with all grade and quality standards specified under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937).

(C) SEPARATION OF LOTS.—All imported peanuts shall be maintained separately from, and shall not be commingled with, domestically produced peanuts in the warehouse.

(D) ORIGIN OF PEANUT PRODUCTS.—

(i) LABELING.—A peanut product shall be labeled with a label that indicates the origin of the peanuts contained in the product.

(ii) SOURCE.—No peanut product may contain both imported and domestically produced peanuts.

(iii) IMPORTED PEANUT PRODUCTS.—The first seller of an imported peanut product shall certify that the product is made from raw peanuts that meet the same quality and grade standards that apply to domestically produced peanuts.

(E) DOCUMENTATION.—No peanuts or peanut products may be transferred, shipped, or otherwise released from a warehouse described in subparagraph (A) unless accompanied by a United States Government inspection certificate that certifies compliance with this section.

(2) HANDLING AND STORAGE.—

(A) TEMPERATURE AND HUMIDITY.—The Secretary shall require all shelled peanuts sold in the United States to be maintained at a temperature of not more than 37 degrees Fahrenheit and a humidity range of 60 to 68 percent at all times during handling and storage prior to sale and shipment.

(B) CONTAINERS.—The peanuts shall be shipped in a container that provides the maximum practicable protection against moisture and insect infestation.

(C) IN-SHELL PEANUTS.—The Secretary shall require that all in-shell peanuts be reduced to a moisture level not exceeding 10 percent immediately on being harvested and be stored in a facility that will ensure quality maintenance and will provide proper ventilation at all times prior to sale and shipment.

(3) LABELING.—The Secretary shall require that all peanuts and peanut products sold in the United States contain labeling that lists the country or countries in which the peanuts, including all peanuts used to manufacture the peanut products, were produced.

(4) INSPECTION AND TESTING.—

(A) IN GENERAL.—All peanuts and peanut products sold in the United States shall be inspected and tested for grade and quality.

(B) CERTIFICATION.—All peanuts or peanut products offered for sale in, or imported into, the United States shall be accompanied by a certification by the first seller or importer that the peanuts or peanut products do not contain residues of any pesticide not approved for use in, or importation into, the United States.

(5) NUTRITIONAL LABELING.—The Secretary shall require all peanuts and peanut products sold in the United States to contain complete nutritional labeling information as required under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 et seq.).

(6) PEANUT CONTENT.—

(A) OFFSET AGAINST HTS QUANTITY.—The actual quantity of peanuts, by weight, used to manufacture, and ultimately contained in, peanut products imported into the United States shall be accounted for and offset against the total quantity of peanut imports allowed under the in-quota quantity of the tariff-rate quota established for peanuts under the Harmonized Tariff Schedule of the United States.

(B) VERIFICATION.—The Secretary shall establish standards and procedures for the purpose of verifying the actual peanut content of peanut products imported into the United States.

(7) PLANT DISEASES.—The Secretary, in consultation with the heads of other appropriate agencies of the United States, shall ensure that all peanuts in the domestic edible market are inspected and tested to ensure that they are free of all plant diseases.

(8) ADMINISTRATION.—

(A) FEES.—The Secretary shall by regulation fix and collect fees and charges to cover the costs of any inspection or testing performed under this title.

(B) CERTIFICATION.—

(i) IN GENERAL.—The Secretary may require the first seller of peanuts sold in the United States to certify that the peanuts comply with this title.

(ii) FRAUD AND FALSE STATEMENTS.—Section 1001 of title 18, United States Code, shall apply to a certification made under this title.

(C) STANDARDS AND PROCEDURES.—In consultation with the heads of other appropriate agencies of the United States, the Secretary shall establish standards and procedures to provide for the enforcement of, and ensure compliance with, this title.

(D) FAILURE TO MEET STANDARDS.—Peanuts or peanut products that fail to meet standards established under this title shall be returned to the seller and exported or crushed pursuant to section 358e(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a(d)).

(9) CHANGE OF VENUE.—In any case in which an area pool or a marketing association brings, joins, or seeks to join a civil action in a United States district court to enforce this title, the district court may not transfer the action to any other district or division over the objection of the pool or marketing association.

HARKIN AMENDMENT NO. 3279

(Ordered to lie on the table.)

Mr. HARKIN submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra, as follows:

Strike all after the enacting clause and insert the following:

SEC. 1001. SHORT TITLE.

This Act may be cited as the "Farm Security and Reform Act of 1996".

Subtitle A—Commodity Programs

SEC. 1101. WHEAT, FEED GRAIN, AND OILSEED PROGRAM.

(a) IN GENERAL.—Title I of the Agricultural Act of 1949 (7 U.S.C. 1441 et seq.) is amended by adding the end the following:

"SEC. 116. MARKETING LOANS AND LOAN DEFICIENCY PAYMENTS FOR 1996 THROUGH 2002 CROPS OF WHEAT, FEED GRAINS, AND OILSEEDS.

"(a) DEFINITIONS.—In this section:

"(1) COVERED COMMODITIES.—The term 'covered commodities' means wheat, feed grains, and oilseeds.

"(2) FEED GRAINS.—The term 'feed grains' means corn, grain sorghum, barley, oats, millet, rye, or as designated by the Secretary, other feed grains.

"(3) OILSEEDS.—The term 'oilseeds' means soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or as designated by the Secretary, other oilseeds.

"(b) ADJUSTMENT ACCOUNT.—

"(1) DEFINITION OF PAYMENT BUSHEL OF PRODUCTION.—In this subsection, the term 'payment bushel of production' means—

"(A) in the case of wheat, 7/10 of a bushel;

"(B) in the case of corn, a bushel; and

"(C) in the case of other feed grains, a quantity determined by the Secretary.

"(2) ESTABLISHMENT.—The Secretary shall establish an Adjustment Account (referred to in this subsection as the 'Account') for making—

"(A) payments to producers of the 1996 through 2002 crops of covered commodities who participate in the marketing loan program established under subsection (c); and

"(B) payments to producers of the 1994 and 1995 crops of covered commodities that are authorized, but not paid, under sections 105B and 107B prior to the date of enactment of this section.

"(3) AMOUNT IN ACCOUNT.—The Secretary shall transfer from funds of the Commodity Credit Corporation into the Account—

"(A) $4,500,000,000 for fiscal year 1996; and

"(B) $2,800,000,000 for each of fiscal years 1997 through 2002;

to remain available until expended.

"(4) PAYMENTS.—The Secretary shall use funds in the Account to make payments to producers of wheat and feed grains in accordance with this subsection.

"(5) TIER 1 SUPPORT.—

"(A) IN GENERAL.—The producers on a farm referred to in paragraph (2) shall be entitled to a payment computed by multiplying—

"(i) the payment quantity determined under subparagraph (B); by

"(ii) the payment factor determined under subparagraph (C).

"(B) PAYMENT QUANTITY.—

"(i) IN GENERAL.—Subject to clause (ii), the payment quantity for payments under subparagraph (A) shall be determined by the Secretary based on—

"(I) 90 percent of the 5-year average of the quantity of wheat and feed grains produced on the farm;

"(II) an adjustment to reflect any disaster or other circumstance beyond the control of the producers that adversely affected production of wheat or feed grains, as determined by the Secretary; and

"(III) an adjustment for planting resource conservation crops on the crop acreage base for covered commodities, and adopting conserving uses, on the base not enrolled in the environmental reserve program provided in paragraph (6).

"(ii) LIMITATIONS.—The quantity determined under clause (i) for an individual, directly or indirectly, shall not exceed 22,000 payment bushels of wheat or feed grains and may be adjusted by the Secretary to reflect the availability of funds.

"(C) PAYMENT FACTOR.—

"(i) WHEAT.—The payment factor for wheat under subparagraph (A) shall be equal to the difference between a price established by the Secretary, of not to exceed $4.00 per bushel, and the greater of—

"(I) the marketing loan rate for the crop of wheat; or

"(II) the average domestic price for wheat for the crop for the calendar year in which the crop is normally harvested.

"(ii) CORN.—The payment factor for corn under subparagraph (A) shall be equal to the difference between a price established by the Secretary, of not to exceed $2.75 per bushel, and the greater of—

"(I) the marketing loan rate for the crop of corn; or

"(II) the average domestic price for corn for the crop for the calendar year in which the crop is normally harvested;

"(iii) OTHER FEED GRAINS.—The payment factor for other feed grains under subparagraph (A) shall be established by the Secretary at such level as the Secretary determines is fair and reasonable in relation to the payment factor for corn.

"(D) ADVANCE PAYMENT.—The Secretary shall make available to producers on a farm 50 percent of the projected payment under this subsection at the time the producers agree to participate in the program.

"(6) ENVIRONMENTAL RESERVE PROGRAM.—

"(A) IN GENERAL.—The Secretary may enter into 1 to 5 year contracts with producers on a farm referred to in paragraph (2) for the purposes of enrolling flexible acreage base for conserving use purposes.

"(B) LIMITATION.—Flexible acreage base enrolled in the environmental reserve program shall not be eligible for benefits provided in paragraph (5)(B).

"(c) MARKETING LOANS.—

"(1) IN GENERAL.—The Secretary shall make available to producers on a farm marketing loans for each of the 1996 through 2002 crops of covered commodities produced on the farm.

"(2) ELIGIBILITY.—

"(A) IN GENERAL.—To be eligible for a loan under this subsection, the producers on a farm may not plant covered commodities on the farm in excess of the flexible acreage base of the farm determined under section 502.

"(B) AMOUNT.—The Secretary shall provide marketing loans for their normal production of covered commodities produced on a farm.

"(3) LOAN RATE.—Loans made under this subsection shall be made at the rate of 95 percent of the average price for the commodity for the previous 5 crop years, as determined by the Secretary.

"(4) REPAYMENT.—

"(A) CALCULATION.—Producers on a farm may repay loans made under this subsection for a crop at a level that is the lesser of—

"(i) the loan level determined for the crop; or

"(ii) the prevailing domestic market price for the commodity (adjusted to location and quality), as determined by the Secretary.

"(B) PREVAILING DOMESTIC MARKET PRICE.—The Secretary shall prescribe by regulation—

"(i) a formula to determine the prevailing domestic market price for each covered commodity; and

"(ii) a mechanism by which the Secretary shall announce periodically the prevailing domestic market prices established under this subsection.

"(d) LOAN DEFICIENCY PAYMENTS.—

"(1) IN GENERAL.—The Secretary may, for each of the 1996 through 2002 crops of covered commodities, make payments (referred to in this subsection as 'loan deficiency payments') available to producers who, although eligible to obtain a marketing loan under subsection (c), agree to forgo obtaining the loan in return for payments under this subsection.

"(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

"(A) the loan payment rate; by

"(B) the quantity of a covered commodity the producer is eligible to place under loan but for which the producer forgoes obtaining the loan in return for payments under this subsection.

"(3) LOAN PAYMENT RATE.—

"(A) IN GENERAL.—For the purposes of this subsection, the loan payment rate shall be the amount by which—

"(i) the marketing loan rate determined for the crop under subsection (c)(3); exceeds

"(ii) the level at which a loan may be repaid under subsection (c)(4).

"(B) DATE.—The date on which the calculation required under subparagraph (A) for the producers on a farm shall be determined by the producers, except that the date may not be later than the earlier of—

"(i) the date the producers lost beneficial interest in the crop; or

"(ii) the end of the marketing year for the crop.

"(4) APPLICATION.—Producers on a farm may apply for a payment for a covered commodity under this subsection at any time prior to the end of the marketing year for the commodity.

"(e) PROGRAM COST LIMITATION.—

"(1) IN GENERAL.—If the Secretary determines that the costs of providing marketing loans and loan deficiency payments for covered commodities under this section will exceed an amount of $9,000,000,000 for the 1996 through 2002 fiscal years, the Secretary shall carry out a program cost limitation program to ensure that the cost of providing marketing loans and loan deficiency payments do not exceed the amount.

"(2) TERMS.—If the Secretary determines that a program cost limitation program is required for a crop year, the Secretary shall carry out for the crop year—

"(A) a proportionate reduction in the number of bushels that a producer may directly or indirectly place under loan;

"(B) a limitation on the number of bushels the producers on a farm may directly or indirectly place under loan;

"(C) an acreage limitation program; or

"(D) any combination of actions described in subparagraphs (A), (B), and (C).

"(3) LIMITATION.—The program cost limitation program may only be applied to a crop of a covered commodity for which the domestic price is projected, by the Secretary, to be less than the 5-year average price for the commodity.

"(4) ANNOUNCEMENTS.—If the Secretary elects to implement a program cost limitation program for any crop year, the Secretary shall make an announcement of the program not later than—

"(A) in the case of wheat, June 1 of the calendar year preceding the year in which the crop is harvested; and

"(B) in the case of feed grains and oilseeds, September 30 of the calendar year preceding the year in which the crop is harvested, and

"(f) EQUITABLE RELIEF.—If the failure of a producer to comply fully with the terms and conditions of programs conducted under this section precludes the making of loans and payments, the Secretary may, nevertheless, make the loans and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure.

"(g) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(h) 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 under this section.

"(i) TENANTS AND SHARECROPPERS.—In carrying out this section, the Secretary shall provide adequate safeguards to protect the interest of tenants and sharecroppers.

"(j) CROPS.—This section shall be effective only for the 1996 through 2002 crops of a covered commodity.".

(b) FLEXIBLE ACREAGE BASE.—

(1) DEFINITIONS.—Section 502 of the Agricultural Act of 1949 (7 U.S.C. 1462) is amended by striking paragraphs (2) and (3) and inserting the following:

"(2) FEED GRAINS.—The term 'feed grains' means corn, grain sorghum, barley, oats, millet, rye, or as designated by the Secretary, other feed grains.

"(3) GO CROPS.—The term 'GO crops' means wheat, feed grains, and oilseeds.

"(4) OILSEEDS.—The term 'oilseed' means a crop of soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or, if designated by the Secretary, other oilseeds.

"(5) PROGRAM CROP.—The term 'program crop' means a GO crop and a crop of upland cotton or rice.".

(2) CROP ACREAGE BASES.—Section 503(a) of the Act (7 U.S.C. 1463(a)) is amended by striking paragraph (1) and inserting the following:

"(1) IN GENERAL.—

"(A) GO CROPS.—The Secretary shall provide for the establishment and maintenance of a single crop acreage base for GO crops, including any GO crops produced under an established practice of double cropping.

"(B) COTTON AND RICE.—The Secretary shall provide for the establishment and

maintenance of crop acreage bases for cotton and rice crops, including any program crop produced under an established practice of double cropping.".

SEC. 1102. UPLAND COTTON PROGRAM.

(a) EXTENSION.—Section 103B of the Agricultural Act of 1949 (7 U.S.C. 1444–2) is amended—

(1) in the section heading, by striking "**1997**" and inserting "**2002**";

(2) in subsections (a)(1), (b)(1), (c)(1), and (o), by striking "1997" each place it appears and inserting "2002";

(3) in subsection (a)(5), by striking "1998" each place it appears and inserting "2002";

(4) in the heading of subsection (c)(1)(D)(v)(II), by striking "1997" and inserting "2002";

(5) in subsection (e)(1)(D), by striking "the 1997 crop" and inserting "each of the 1997 through 2002 crops"; and

(6) in subsections (e)(3)(A) and (f)(1), by striking "1995" each place it appears and inserting "2002".

(b) INCREASE IN NONPAYMENT ACRES.—Section 103B(c)(1)(C) of the Act is amended by striking "85 percent" and inserting "77.5 percent for each of the 1996 through 2002 crops".

SEC. 1103. RICE PROGRAM.

(a) EXTENSION.—Section 101B of the Agricultural Act of 1949 (7 U.S.C. 1441–2) is amended—

(1) in the section heading, by striking "**1995**" and inserting "**2002**";

(2) in subsections (a)(1), (a)(3), (b)(1), (c)(1)(A), (c)(1)(B)(iii), (e)(3)(A), (f)(1), and (n), by striking "1995" each place it appears and inserting "2002";

(3) in subsection (a)(5)(D)(i), by striking "1996" and inserting "2003"; and

(4) in subsection (c)(1)—

(A) in subparagraph (B)(ii)—

(i) by striking "AND 1995" and inserting "THROUGH 2002"; and

(ii) by striking "and 1995" and inserting "through 2002"; and

(B) in subparagraph (D)—

(i) in clauses (i) and (v)(II), by striking "1997" each place it appears and inserting "2002"; and

(ii) in the heading of clause (v)(II), by striking "1997" and inserting "2002".

(b) INCREASE IN NONPAYMENT ACRES.—Section 101B(c)(1)(C)(ii) of the Act is amended by striking "85 percent" and inserting "77.5 percent for each of the 1998 through 2002 crops".

SEC. 1104. PEANUT PROGRAM.

(a) EXTENSION.—

(1) AGRICULTURAL ACT OF 1949.—Section 108B of the Agricultural Act of 1949 (7 U.S.C. 1445c–3) is amended—

(A) in the section heading, by striking "**1997**" and inserting "**2002**";

(B) in subsection (a)(1), (b)(1), and (h), by striking "1997" each place it appears and inserting "2002"; and

(C) in subsection (g)—

(i) by striking "1997" in paragraphs (1) and (2)(A)(ii)(II) and inserting "2002"; and

(ii) by striking "the 1997 crop" each place it appears and inserting "each of the 1997 through 2002 crops".

(2) AGRICULTURAL ADJUSTMENT ACT OF 1938.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended—

(A) in section 358–1 (7 U.S.C. 1358–1)—

(i) in the section heading, by striking "**1997**" and inserting "**2002**"; and

(ii) in subsections (a)(1), (b), and (f), by striking "1997" each place it appears and inserting "2002";

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking "**1995**" and inserting "**2002**"; and

(ii) in subsection (c), by striking "1995" and inserting "2002";

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking "1995" and inserting "2002"; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking "**1997**" and inserting "**2002**"; and

(ii) in subsection (i), by striking "1997" and inserting "2002".

(b) SUPPORT RATES FOR PEANUTS.—Section 108B(a)(2) of the Agricultural Act of 1949 (7 U.S.C. 1445c–3(a)(2)) is amended—

(1) by striking "(2) SUPPORT RATES.—The" and inserting the following:

"(2) SUPPORT RATES.—

"(A) 1991–1995 CROPS.—The"; and

(2) by adding at the end the following:

"(B) 1996–2002 CROPS.—The national average quota support rate for each of the 1996 through 2002 crops of quota peanuts shall be $678 per ton.".

(c) UNDERMARKETINGS.—

(1) IN GENERAL.—Section 358–1(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)) is amended—

(A) in paragraph (7), by adding at the end the following::

"(C) TRANSFER OF ADDITIONAL PEANUTS.—Additional peanuts on a farm from which the quota poundage was not harvested or marketed may be transferred to the quota loan pool for pricing purposes at the quota price on such basis as the Secretary shall be regulation provide, except that the poundage of the peanuts so transferred shall not exceed the difference in the total quantity of peanuts meeting quality requirements for domestic edible use, as determined by the Secretary, marketed from the farm and the total farm poundage quota."; and

(B) by striking paragraphs (8) and (9).

(2) CONFORMING AMENDMENTS.—Section 358b(a) of the Act (7 U.S.C. 1358b(a)) is amended—

(A) in paragraph (1)(A), by striking "undermarketings and"; and

(B) in paragraph (3), by striking "(including any applicable undermarketings)".

SEC. 1105. DAIRY PROGRAM.

(a) PRICE SUPPORT.—Section 204 of the Agricultural Act of 1949 (7 U.S.C. 1446e) is amended—

(1) in the section heading, by striking "**1996**" and inserting "**2002**";

(2) in subsections (a), (b), (f), (g), and (k), by striking "1996" each place it appears and inserting "2002";

(3) in subsection (h)(2)(C), by striking "and 1997" and inserting "through 2002".

(b) SUPPORT PRICE FOR BUTTER AND POWDERED MILK.—Section 204(c)(3) of the Act is amended—

(1) in subparagraph (A), by striking "Subject to subparagraph (B), the" and inserting "The";

(2) by striking subparagraph (B); and

(3) by redesignating subparagraph (C) as subparagraph (B).

(c) SUPPORT RATE.—Section 204(d) of the Act is amended—

(1) by striking paragraphs (1) through (3); and

(2) by redesignating paragraphs (4) and (5) as paragraphs (1) and (2) respectively.

SEC. 1106. SUGAR PROGRAM.

(a) IN GENERAL.—Section 206 of the Agricultural Act of 1949 (7 U.S.C. 1446g) is amended to read as follows:

"SEC. 206. SUGAR SUPPORT FOR 1996 THROUGH 2002 CROPS.

"(a) DEFINITIONS.—In this section:

"(1) AGREEMENT ON AGRICULTURE.—The term 'Agreement on Agriculture' means the Agreement on Agriculture resulting from the Uruguay Round of Multilateral Trade Negotiations.

"(2) MAJOR COUNTRY.—The term 'major country' includes—

"(A) a country that is allocated a share of the tariff rate quota for imported sugars and syrups by the United States Trade Representative pursuant to additional U.S. note 5 to chapter 17 of the Harmonized Tariff Schedule;

"(B) a country of the European Union; and

"(C) the People's Republic of China.

"(3) MARKET.—The term 'market' means to sell or otherwise dispose of in commerce in the United States (including, with respect to any integrated processor and refiner, the movement of raw cane sugar into the refining process) and delivery to a buyer.

"(4) TOTAL ESTIMATED DISAPPEARANCE.—The term 'total estimated disappearance' means the quantity of sugar, as estimated by the Secretary, that will be consumed in the United States during a fiscal year (other than sugar imported for the production of polyhydric alcohol or to be refined and reexported in refined form or in a sugar-containing product), plus the quantity of sugar that would provide for adequate carryover stocks.

"(b) PRICE SUPPORT.—The price of each of the 1996 through 2002 crops of sugar beets and sugarcane shall be supported in accordance with this section.

"(c) SUGARCANE.—Subject to subsection (e), the Secretary shall support the price of domestically grown sugarcane through loans at a support level of 18 cents per pound for raw cane sugar.

"(d) SUGAR BEETS.—Subject to subsection (e), the Secretary shall support the price of each crop of domestically grown sugar beets through loans at the level provided for refined beet sugar produced from the 1995 crop of domestically grown sugar beets.

"(e) ADJUSTMENT IN SUPPORT LEVEL.—

"(1) DOWNWARD ADJUSTMENT IN SUPPORT LEVEL.—

"(A) IN GENERAL.—The Secretary shall decrease the support price of domestically grown sugarcane and sugar beets from the level determined for the preceding crop, as determined under this section, if the quantity of negotiated reductions in export and domestic subsidies of sugar that apply to the European Union and other major countries in the aggregate exceed the quantity of the reductions in the subsidies agreed to under the Agreement of Agriculture.

"(B) EXTENT OF REDUCTION.—The Secretary shall not reduce the level of price support under subparagraph (A) below a level that provides an equal measure of support to the level provided by the European Union or any other major country through domestic and export subsidies that are subject to reduction under the Agreement on Agriculture.

"(2) INCREASES IN SUPPORT LEVEL.—The Secretary may increase the support level for each crop of domestically grown sugarcane and sugar beets from the level determined for the preceding crop based on such factors as the Secretary determines appropriate, including changes (during the 2 crop years immediately preceding the crop year for which the determination is made) in the cost of sugar products, the cost of domestic sugar production, the amount of any applicable assessments, and other factors or circumstances that may adversely affect domestic sugar production.

"(f) LOAN TYPE; PROCESSOR ASSURANCES.—

"(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall carry out this section by making recourse loans to sugar producers.

"(2) MODIFICATION.—During any fiscal year in which the tariff rate quota for imports of

sugar into the United States is established at, or is increased to, a level that exceeds the minimum level for the imports committed to by the United States under the Agreement on Agriculture, the Secretary shall carry out this section by making nonrecourse loans available to sugar producers. Any recourse loan previously made available by the Secretary and not repaid under this section during the fiscal year shall be converted into a nonrecourse loan.

"(3) PROCESSOR ASSURANCES.—To effectively support the prices of sugar beets and sugarcane received by a producer, the Secretary shall obtain from each processor that receives a loan under this section such assurances as the Secretary considers adequate that, if the Secretary is required under paragraph (2) to make nonrecourse loans available, or convert recourse loans into nonrecourse loans, each producer served by the processor will receive the appropriate minimum payment for sugar beets and sugarcane delivered by the producer, as determined by the Secretary.

"(g) ANNOUNCEMENTS.—The Secretary shall announce the type of loans available and the loan rates for beet and cane sugar for any fiscal year under this section as far in advance as is practicable.

"(h) LOAN TERM.—

"(1) IN GENERAL.—Except as provided in paragraph (2) and subsection (i), a loan under this section during any fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature at the end of 3 months.

"(2) EXTENSION.—The maturity of a loan under this section may be extended for up to 2 additional 3-month periods, at the option of the borrower, except that the maturity of a loan may not be extended under this paragraph beyond the end of the fiscal year.

"(i) SUPPLEMENTARY LOANS.—Subject to subsection (e), the Secretary shall make available to eligible processors price support loans with respect to sugar processed from sugar beets and sugarcane harvested in the last 3 months of a fiscal year. The loans shall mature at the end of the fiscal year. The processor may repledge the sugar as collateral for a price support loan in the subsequent fiscal year, except that the second loan shall—

"(1) be made at the loan rate in effect at the time the second loan is made; and

"(2) mature in not more than 9 months, less the quantity of time that the first loan was in effect.

"(j) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this section.

"(k) MARKETING ASSESSMENTS.—

"(1) IN GENERAL.—Assessments shall be collected in accordance with this subsection with respect to all sugar marketed within the United States during the 1996 through 2002 fiscal years.

"(2) BEET SUGAR.—The first seller of beet sugar produced from domestic sugar beets or domestic sugar beet molasses shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to 1.1894 percent of the loan level established under subsection (d) per pound of sugar marketed.

"(3) CANE SUGAR.—The first seller of raw cane sugar produced from domestic sugarcane or domestic sugarcane molasses shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to 1.11 percent of the loan level established under subsection (c) per pound of sugar marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing).

"(4) COLLECTION.—

"(A) TIMING.—Marketing assessments required under this subsection shall be collected and remitted to the Commodity Credit Corporation not later than 30 days after the date that the sugar is marketed.

"(B) MANNER.—Subject to subparagraph (A), marketing assessments shall be collected under this subsection in the manner prescribed by the Secretary and shall be nonrefundable.

"(5) PENALTIES.—If any person fails to remit an assessment required by this subsection or fails to comply with such requirements for recordkeeping or otherwise fails to comply with this subsection, the person shall be liable to the Secretary for a civil penalty of not more than an amount determined by multiplying—

"(A) the quantity of sugar involved in the violation; by

"(B) the loan level for the applicable crop of sugarcane or sugar beets from which the sugar is produced.

For the purposes of this paragraph, refined sugar shall be treated as produced from sugar beets.

"(6) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

"(l) INFORMATION REPORTING.—

"(1) DUTY OF PROCESSORS AND REFINERS TO REPORT.—A sugarcane processor, cane sugar refiner, and sugar beet processor shall furnish the Secretary, on a monthly basis, such information as the Secretary may require to administer sugar programs, including the quantity of purchases of sugarcane, sugar beets, and sugar, and production, importation, distribution, and stock levels of sugar.

"(2) DUTY OF PRODUCERS TO REPORT.—To efficiently and effectively carry out the program under this section, the Secretary may require a producer of sugarcane or sugar beets to report, in the manner prescribed by the Secretary, the producer's sugarcane or sugar beet yields and acres planted to sugarcane or sugar beets, respectively.

"(3) PENALTY.—Any person willfully failing or refusing to furnish the information, or furnishing willfully any false information, required under this subsection shall be subject to a civil penalty of not more than $10,000 for each such violation.

"(4) MONTHLY REPORTS.—Taking into consideration the information received under paragraph (1), the Secretary shall publish on a monthly basis composite data on production, imports, distribution, and stock levels of sugar.

"(m) SUGAR ESTIMATES.—

"(1) DOMESTIC REQUIREMENT.—Before the beginning of each fiscal year, the Secretary shall estimate the domestic sugar requirement of the United States in an amount that is equal to the total estimated disappearance, minus the quantity of sugar that will be available from carry-in stocks.

"(2) QUARTERLY REESTIMATES.—The Secretary shall make quarterly reestimates of sugar consumption, stocks, production, and imports for a fiscal year not later than the beginning of each of the second through fourth quarters of the fiscal year.

"(n) CROPS.—This section shall be effective only for the 1996 through 2002 crops of sugar beets and sugarcane.".

(b) MARKETING QUOTAS.—Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa et seq.) is repealed.

SEC. 1107. SHEEP INDUSTRY TRANSITION PROGRAM.

Title II of the Agricultural Act of 1949 (7 U.S.C. 1446 et seq.) is amended by adding at the end the following:

"SEC. 208. SHEEP INDUSTRY TRANSITION PROGRAM.

"(a) LOSS.—

"(1) IN GENERAL.—The Secretary shall, on presentation of warehouse receipts or other acceptable evidence of title as determined by the Secretary, make available for each of the 1996 through 1999 marketing years recourse loans for wool at a loan level, per pound, that is not less than the smaller of—

"(A) the average price (weighted by market and month) of the base quality of wool at average location in the United States as quoted during the 5-marketing year period preceding the year in which the loan level is announced, 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 price for wool projected for the marketing year in which the loan level is announced, as determined by the Secretary.

"(2) ADJUSTMENTS TO LOAN LEVEL.—

"(A) LIMITATION ON DECREASE IN LOAN LEVEL.—The loan level for any marketing year determined under paragraph (1) may not be reduced by more than 5 percent from the level determined for the preceding marketing year, and may not be reduced below 50 cents per pound.

"(B) LIMITATION ON INCREASE IN LOAN LEVEL.—If for any marketing year the average projected price determined under paragraph (1)(B) is less than the average United States market price determined under paragraph (1)(A), the Secretary may increase the loan level to such level as the Secretary may consider appropriate, not in excess of the average United States market price determined under paragraph (1)(A).

"(C) ADJUSTMENT FOR QUALITY.—

"(i) IN GENERAL.—Notwithstanding subparagraphs (A) and (B), the Secretary may adjust the loan level of a loan made under this section with respect to a quantity of wool to more accurately reflect the quality of the wool, as determined by the Secretary.

"(ii) ESTABLISHMENT OF GRADING SYSTEM.—To allow producers to establish the quality of wool produced on a farm, the Secretary shall establish a grading system for wool, based on micron diameter of the fibers in the wool.

"(iii) FEES.—The Secretary may charge each person that requests a grade for a quantity of wool a fee to offset the costs of testing and establishing a grade for the wool.

"(iv) TESTING FACILITIES.—To the extent practicable, the Secretary may certify State, local, or private facilities to carry out the grading of wool for the purpose of carrying out this subparagraph.

"(3) ANNOUNCEMENT OF LOAN LEVEL.—The loan level for any marketing year of wool shall be determined and announced by the Secretary not later than December 1 of the calendar year preceding the marketing year for which the loan is to be effective or, in the case of the 1996 marketing year, as soon as is practicable after December 1, 1995.

"(4) TERM OF LOAN.—

"(A) IN GENERAL.—Recourse loans provided for in this section may be made for an initial term of 9 months from the first day of the month in which the loan is made.

"(B) EXTENSIONS.—Except as provided in subparagraph (C), recourse loans provided for

in this section shall, on request of the producer during the 9th month of the loan period for the wool, be made available for an additional term of 8 months.

"(C) LIMITATION.—A request to extend the loan period shall not be approved in any month in which the average price of the base quality of wool, as determined by the Secretary, in the designated markets for the preceding month exceeded 130 percent of the average price of the base quality of wool in the designated United States markets for the preceding 36-month period

"(5) MARKETING LOAN PROVISIONS.—If the Secretary determines that the prevailing world market price for wool (adjusted to United States quality and location) is below the loan level determined under paragraphs (1) through (4), to make United States wool competitive, the Secretary shall permit a producer to repay a loan made for any marketing year at the lesser of—

"(A) the loan level determined for the marketing year; or

"(B) the higher of—

"(i) the loan level determined for the marketing year multiplied by 70 percent; or

"(ii) the prevailing world market price for wool (adjusted to United States quality and location), as determined by the Secretary.

"(6) PREVAILING WORLD MARKET PRICE.—

"(A) IN GENERAL.—The Secretary shall prescribe by regulation—

"(i) a formula to define the prevailing world market price for wool (adjusted to United States quality and location); and

"(ii) a mechanism by which the Secretary shall announce periodically the prevailing world market price for wool (adjusted to United States quality and location).

"(B) USE.—The prevailing world market price for wool (adjusted to United States quality and location) established under this paragraph shall be used to carry out paragraph (5).

"(C) ADJUSTMENT OF PREVAILING WORLD MARKET PRICE.—

"(i) IN GENERAL.—The prevailing world market price for wool (adjusted to United States quality and location) established under this paragraph shall be further adjusted if the adjusted prevailing world market price is less than 115 percent of the current marketing year loan level for the base quality of wool, as determined by the Secretary.

"(ii) FURTHER ADJUSTMENT.—The adjusted prevailing world market price shall be further adjusted on the basis of some or all of the following data, as available:

"(I) The United States share of world exports.

"(II) The current level of wool export sales and wool export shipments.

"(III) Other data determined by the Secretary to be relevant in establishing an accurate prevailing world market price for wool (adjusted to United States quality and location).

"(D) MARKET PRICE QUOTATION.—The Secretary may establish a system to monitor and make available on a weekly basis information with respect to the most recent average domestic and world market prices for wool.

"(7) PARTICIPATION.—The Secretary may make loans available under this subsection to producers, cooperatives, or marketing pools.

"(b) LOAN DEFICIENCY PAYMENTS.—

"(1) IN GENERAL.—The Secretary shall, for each of the 1996 through 1999 marketing years of wool, make payments available to producers who, although eligible to obtain a loan under subsection (a), agree to forgo obtaining the loan in return for payments under this subsection.

"(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

"(A) the loan payment rate; by

"(B) the quantity of wool the producer is eligible to place under loan but for which the producer forgoes obtaining the loan in return for payments under this subsection.

"(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

"(A) the loan level determined for the marketing year under subsection (a); exceeds

"(B) the level at which a loan may be repaid under subsection (a).

"(c) DEFICIENCY PAYMENTS.—

"(1) IN GENERAL.—The Secretary shall make available to producers deficiency payments for each of the 1996 through 1999 marketing years of wool in an amount computed by multiplying—

"(A) the payment rate; by

"(B) the payment quantity of wool for the marketing year.

"(2) PAYMENT RATE.—

"(A) IN GENERAL.—The payment rate for wool shall be the amount by which the established price for the marketing year of wool exceeds the higher of—

"(i) the national average market price received by producers during the marketing year, as determined by the Secretary; or

"(ii) the loan level determined for the marketing year.

"(B) MINIMUM ESTABLISHED PRICE.—The established price for wool shall not be less than $2.12 per pound on a grease wool basis for each of the 1996 through 1999 marketing years.

"(3) PAYMENT QUANTITY.—Payment quantity of wool for a marketing year shall be the number of pounds of wool produced during the marketing year.

"(d) EQUITABLE RELIEF.—

"(1) LOANS AND PAYMENTS.—If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans and payments, the Secretary may, nevertheless, make the loans and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure. The Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of the program in determining whether equitable relief is warranted under this paragraph.

"(2) DEADLINES AND PROGRAM REQUIREMENTS.—The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"(e) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(f) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(g) 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 under this section.

"(h) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(i) TENANTS AND SHARECROPPERS.—The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(j) CROSS-COMPLIANCE.—

"(1) IN GENERAL.—Compliance on a farm with the terms and conditions of any other commodity program, or compliance with marketing year acreage base requirements for any other commodity, may not be required as a condition of eligibility for loans or payments under this section.

"(2) COMPLIANCE ON OTHER FARMS.—The Secretary may not require producers on a farm, as a condition of eligibility for loans or payments under this section for the farm, to comply with the terms and conditions of the wool program with respect to any other farm operated by the producers.

"(k) LIMITATION ON OUTLAYS.—

"(1) IN GENERAL.—The total amount of payments that may be made available to all producers under this section may not exceed—

"(A) $75,000,000, during any single marketing year; or

"(B) $200,000,000 in the aggregate for marketing years 1996 through 1999.

"(2) PRORATION OF BENEFITS.—To the extent that the total amount of benefits for which producers are eligible under this section exceeds the limitations in paragraph (1), funds made available under this section shall be prorated among all eligible producers.

"(3) PERSON LIMITATION.—

"(A) LOANS.—No person may realize gains or receive payments under subsection (a) or (b) that exceed $75,000 during any marketing year.

"(B) DEFICIENCY PAYMENTS.—No person may receive payments under subsection (c) that exceed $50,000 during any marketing year.

"(l) MARKETING YEARS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 1999 marketing years for wool.".

SEC. 1108. SUSPENSION OF PERMANENT PRICE SUPPORT AUTHORITY.

(a) WHEAT.—

(1) NONAPPLICABILITY OF CERTIFICATE REQUIREMENTS.—Sections 379d through 379j of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1379d–1379j) shall not be applicable to wheat processors or exporters during the period June 1, 1995, through May 31, 2003.

(2) SUSPENSION OF LAND USE, WHEAT MARKETING ALLOCATION, AND PRODUCER CERTIFICATE PROVISIONS.—Sections 331 through 339, 379b, and 379c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1331 through 1339, 1379b, and 1379c) shall not be applicable to the 1996 through 2002 crops of wheat.

(3) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—The joint resolution entitled "A joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended", approved May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1996 through 2002.

(4) NONAPPLICABILITY OF SECTION 107 OF THE AGRICULTURAL ACT OF 1949.—Section 107 of the Agricultural Act of 1949 (7 U.S.C. 1445a) shall not be applicable to the 1996 through 2002 crops of wheat.

(b) FEED GRAINS.—

(1) NONAPPLICABILITY OF SECTION 105 OF THE AGRICULTURAL ACT OF 1949.—Section 105 of the Agricultural Act of 1949 (7 U.S.C. 1444b) shall not be applicable to the 1996 through 2002 crops of feed grains.

(2) RECOURSE LOAN PROGRAM FOR SILAGE.—Section 403 of the Food Security Act of 1985 (7 U.S.C. 1444e-1) is amended by striking "1996" and inserting "2002".

(c) OILSEEDS.—Section 201(a) of the Agricultural Act of 1949 (7 U.S.C. 1446(a)) is amended by striking "oilseeds" and all that follows through "determine),".

(d) UPLAND COTTON.—

(1) SUSPENSION OF BASE ACREAGE ALLOTMENTS, MARKETING QUOTAS, AND RELATED PROVISIONS.—Sections 342, 343, 344, 345, 346, and 377 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1342-1346 and 1377) shall not be applicable to any of the 1996 through 2002 crops of upland cotton.

(2) MISCELLANEOUS COTTON PROVISIONS.—Section 103(a) of the Agricultural Act of 1949 (7 U.S.C. 1444(a)) shall not be applicable to the 1996 through 2002 crops.

(e) PEANUTS.—

(1) SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS.—The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1996 through 2002 crops of peanuts:

(A) Subsections (a) through (j) of section 358 (7 U.S.C. 1358).

(B) Subsections (a) through (h) of section 358a (7 U.S.C. 1358a).

(C) Subsections (a), (b), (d), and (e) of section 358d (7 U.S.C. 1359).

(D) Part I of subtitle C of title III (7 U.S.C. 1361 et seq.).

(E) Section 371 (7 U.S.C. 1371).

(2) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before "all brokers and dealers in peanuts" the following: "all producers engaged in the production of peanuts,".

(3) SUSPENSION OF CERTAIN PRICE SUPPORT PROVISIONS.—Section 101 of the Agricultural Act of 1949 (7 U.S.C. 1441) shall not be applicable to the 1996 through 2002 crops of peanuts.

SEC. 1109. EXTENSION OF RELATED PRICE SUPPORT PROVISIONS.

(a) DEFICIENCY AND LAND DIVERSION PAYMENTS.—Section 114 of the Agricultural Act of 1949 (7 U.S.C. 1445j) is amended—

(1) in subsections (a)(1) and (c), by striking "1997" each place it appears and inserting "2002"; and

(2) in subsection (b), by striking "1995" and inserting "2002";

(b) ADJUSTMENT OF ESTABLISHED PRICES.—Section 402(b) of the Agricultural Act of 1949 (7 U.S.C. 1422(b)) is amended by striking "1995" and inserting "2002".

(c) ADJUSTMENT OF SUPPORT PRICES.—Section 403(c) of the Agricultural Act of 1949 (7 U.S.C. 1423(c)) is amended by striking "1995" and inserting "2002".

(d) APPLICATION OF TERMS IN THE AGRICULTURAL ACT OF 1949.—Section 408(k)(3) of the Agricultural Act of 1949 (7 U.S.C. 1428(k)(3)) is amended by striking "1995" and inserting "2002".

(e) ACREAGE BASE AND YIELD SYSTEM.—Title V of the Agricultural Act of 1949 (7 U.S.C. 1461 et seq.) is amended—

(1) in subsections (c)(3) and (h)(2)(A) of section 503 (7 U.S.C. 1463), by striking "1997" each place it appears and inserting "2002";

(2) in paragraphs (1) and (2) of section 505(b) (7 U.S.C. 1465(b)), by striking "1997" each place it appears and inserting "2002"; and

(3) in section 509 (7 U.S.C. 1469), by striking "1997" and inserting "2002".

(f) PAYMENT LIMITATIONS.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking "1997" each place it appears and inserting "2002".

(g) NORMALLY PLANTED ACREAGE.—Section 1001 of the Food and Agriculture Act of 1977 (7 U.S.C. 1309) is amended by striking "1995" each place it appears in subsections (a), (b)(1), and (c) and inserting "2002".

(h) OPTIONS PILOT PROGRAM.—The Options Pilot Program Act of 1990 (subtitle E of title XI of Public Law 101-624; 104 Stat. 3518; 7 U.S.C. 1421 note) is amended—

(1) in subsections (a) and (b) of section 1153, by striking "1995" each place it appears and inserting "2002"; and

(2) in section 1154(b)(1)(A), by striking "1995" each place it appears and inserting "2002".

(i) FOOD SECURITY WHEAT RESERVE.—Section 302(i) of the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f-1(i)) is amended by striking "1995" each place it appears and inserting "2002".

SEC. 1110. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise specifically provided in this subtitle, this subtitle and the amendments made by this subtitle shall apply beginning with the 1996 crop of an agricultural commodity.

(b) PRIOR CROPS.—Except as otherwise specifically provided and notwithstanding any other provision of law, this subtitle and the amendments made by this subtitle shall not affect the authority of the Secretary of Agriculture to carry out a price support, production adjustment, or payment program for—

(1) any of the 1991 through 1995 crops of an agricultural commodity established under a provision of law as in effect immediately before the enactment of this Act; or

(2) the 1996 crop of an agricultural commodity established under section 406(b) of the Agricultural Act of 1949 (7 U.S.C. 1426(b)).

Subtitle B—Conservation

SEC. 1201. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

Chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.) is amended to read as follows:

"CHAPTER 2—ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

"SEC. 1238. DEFINITIONS.

"In this chapter:

"(1) LAND MANAGEMENT PRACTICE.—The term 'land management practice' means nutrient or manure management, integrated pest management, irrigation management, tillage or residue management, grazing management, or another land management practice the Secretary determines is needed to protect soil, water, or related resources in the most cost efficient manner.

"(2) LARGE CONFINED LIVESTOCK OPERATION.—The term 'large confined livestock operation' means a farm or ranch that—

"(A) is a confined animal feeding operation; and

"(B) has more than—

"(i) 700 mature dairy cattle;

"(ii) 1,000 beef cattle;

"(iii) 100,000 laying hens or broilers;

"(iv) 55,000 turkeys;

"(v) 2,500 swine; or

"(vi) 10,000 sheep or lambs.

"(3) LIVESTOCK.—The term 'livestock' means mature dairy cows, beef cattle, laying hens, broilers, turkeys, swine, sheep, or lambs.

"(4) OPERATOR.—The term 'operator' means a person who is engaged in crop or livestock production (as defined by the Secretary).

"(5) STRUCTURAL PRACTICE.—The term 'structural practice' means the establishment of an animal waste management facility, terrace, grassed waterway, contour grass strip, filterstrip, permanent wildlife habitat, or another structural practice that the Secretary determines is needed to protect soil, water, or related resources in the most cost effective manner.

"SEC. 1238A. ESTABLISHMENT AND ADMINISTRATION OF ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—During the 1996 through 2006 fiscal years, the Secretary shall enter into contracts with operators to provide technical assistance, cost-sharing payments, and incentive payments to operators, who enter into contracts with the Secretary, through an environmental quality incentives program in accordance with this chapter.

"(2) CONSOLIDATION OF EXISTING PROGRAMS.—In establishing the environmental quality incentives program authorized under this chapter, the Secretary shall combine into a single program the functions of—

"(A) the agricultural conservation program authorized by sections 7 and 8 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g and 590h) (as in effect before the amendments made by section 201(b)(1) of the Agricultural Reconciliation Act of 1995);

"(B) the Great Plains conservation program established under section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p(b)) (as in effect before the amendment made by section 201(b)(2) of the Agricultural Reconciliation Act of 1995);

"(C) the water quality incentives program established under this chapter (as in effect before amendment made by section 201(a) of the Agricultural Reconciliation Act of 1995); and

"(D) the Colorado River Basin salinity control program established under section 202(c) of the Colorado River Basin Salinity Control Act (43 U.S.C. 1592(c)) (as in effect before the amendment made by section 201(b)(3) of the Agricultural Reconciliation Act of 1995).

"(b) APPLICATION AND TERM.—

"(1) IN GENERAL.—A contract between an operator and the Secretary under this chapter may—

"(A) apply to 1 or more structural practices or 1 or more land management practices, or both; and

"(B) have a term of not less than 5, nor more than 10, years, as determined appropriate by the Secretary, depending on the practice or practices that are the basis of the contract.

"(2) CONTRACT EFFECTIVE DATE.—A contract between an operator and the Secretary under this chapter shall become effective on October 1st following the date the contract is fully entered into.

"(c) COST-SHARING AND INCENTIVE PAYMENTS.—

"(1) COST-SHARING PAYMENTS.—

"(A) IN GENERAL.—The Federal share of cost-sharing payments to an operator proposing to implement 1 or more structural practices shall not be more than 75 percent of the projected cost of the practice, as determined by the Secretary, taking into consideration any payment received by the operator from a State or local government.

"(B) LIMITATION.—An operator of a large confined livestock operation shall not be eligible for cost-sharing payments to construct an animal waste management facility.

"(C) OTHER PAYMENTS.—An operator shall not be eligible for cost-sharing payments for structural practices on eligible land under this chapter if the operator receives cost-

sharing payments or other benefits for the same land under chapter 1 or 3.

"(2) INCENTIVE PAYMENTS.—The Secretary shall make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage an operator to perform 1 or more land management practices.

"(d) TECHNICAL ASSISTANCE.—

"(1) FUNDING.—The Secretary shall allocate funding under this chapter for the provision of technical assistance according to the purpose and projected cost for which the technical assistance is provided in a fiscal year. The allocated amount may vary according to the type of expertise required quantity of time involved, and other factors as determined appropriate by the Secretary. Funding shall not exceed the projected cost to the Secretary of the technical assistance provided in a fiscal year.

"(2) OTHER AUTHORITIES.—The receipt of technical assistance under this chapter shall not affect the eligibility of the operator to receive technical assistance under other authorities of law available to the Secretary.

"(e) FUNDING.—The Secretary shall use to carry out this chapter not less than—

"(1) $200,000,000 for fiscal year 1997; and

"(2) $250,000,000 for each of fiscal years 1998 through 2002.

"(f) COMMODITY CREDIT CORPORATION.—The Secretary may use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this subchapter.

"SEC. 1238B. CONSERVATION PRIORITY AREAS.

"(a) IN GENERAL.—The Secretary shall designate watersheds or regions of special environmental sensitivity, including the Chesapeake Bay region (located in Pennsylvania, Maryland, and Virginia), the Great Lakes region, the Long Island Sound region, prairie pothole region (located in North Dakota, South Dakota, and Minnesota), Rainwater Basin (located in Nebraska), and other areas the Secretary considers appropriate, as conservation priority areas that are eligible for enhanced assistance through the programs established under this chapter and chapter 1.

"(b) APPLICABILITY.—A designation shall be made under this section if an application is made by a State agency and agricultural practices within the watershed or region pose a significant threat to soil, water, and related natural resources, as determined by the Secretary.

"SEC. 1238C. EVALUATION OF OFFERS AND PAYMENTS.

"(a) REGIONAL PRIORITIES.—The Secretary shall provide technical assistance, cost-sharing payments, and incentive payments to operators in a region, watershed, or conservation priority area under this chapter based on the significance of soil, water, and related natural resources problems in the region, watershed, or area, and the structural practices or land management practices that best address the problems, as determined by the Secretary.

"(b) MAXIMIZATION OF ENVIRONMENTAL BENEFITS.—

"(1) IN GENERAL.—In providing technical assistance, cost-sharing payments, and incentive payments to operators in regions, watersheds, or conservation priority areas under this chapter, the Secretary shall accord a higher priority to assistance and payments that maximize environmental benefits per dollar expended.

"(2) STATE OR LOCAL CONTRIBUTIONS.—The Secretary shall accord a higher priority to operators whose agricultural operations are located within watersheds, regions, or conservation priority areas in which State or local governments have provided, or will provide, financial or technical assistance to the operators for the same conservation or environmental purposes.

"SEC. 1238D. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

"(a) IN GENERAL.—Prior to approving cost-share or incentive payments authorized under this chapter, the Secretary shall require the preparation and evaluation of an environmental quality incentives program plan described in subsection (b), unless the Secretary determines that such a plan is not necessary to evaluate the application for the payments.

"(b) TERMS.—An environmental quality incentives program plan shall include (as determined by the Secretary) a description of relevant—

"(1) farming or ranching practices on the farm;

"(2) characteristics of natural resources on the farm;

"(3) specific conservation and environmental objectives to be achieved including those that will assist the operator in complying with Federal and State environmental laws;

"(4) dates for, and sequences of, events for implementing the practices for which payments will be received under this chapter; and

"(5) information that will enable evaluation of the effectiveness of the plan in achieving the conservation and environmental objectives, and that will enable evaluation of the degree to which the plan has been implemented.

"SEC. 1238E. LIMITATION ON PAYMENTS.

"(a) PAYMENTS.—The total amount of cost-share and incentive payments paid to a person under this chapter may not exceed—

"(1) $10,000 for any fiscal year; or

"(2) $50,000 for any multiyear contract.

"(b) REGULATIONS.—The Secretary shall issue regulations that are consistent with section 1001 for the purpose of—

"(1) defining the term 'person' as used in subsection (a); and

"(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitations contained in subsection (a).".

Subtitle C—Food Stamp Program Integrity and Reform

SEC. 1301. REFERENCES TO THE FOOD STAMP ACT OF 1977.

Except as otherwise expressly provided, wherever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

SEC. 1302. CERTIFICATION PERIOD.

(a) DEFINITION.—Section 3 (7 U.S.C. 2012(c)) is amended by striking subsection (c) and inserting the following:

"(c) CERTIFICATION PERIOD.—The term 'certification period' means the period specified by the State agency for which a household shall be eligible to receive an authorization card, except that the period shall be—

"(1) not more than 24 months for a household in which all adult members are elderly or disabled members; and

"(2) not more than 12 months for another household.".

(b) REPORTING ON RESERVATIONS.—Section 6(c)(1)(C) (7 U.S.C. 2015(c)(1)(C)) is amended—

(1) in clause (ii), by adding "and" at the end;

(2) in clause (iii), by striking "; and" at the end and inserting a period; and

(3) by striking clause (iv).

SEC. 1303. EXPANDED DEFINITION OF COUPON.

Section 3(d) (7 U.S.C. 2012(d)) is amended by striking "or type of certificate" and inserting "type of certificate, authorization card, cash or check issued as a coupon, or an access device, including an electronic benefits transfer card or a personal identification number,".

SEC. 1304. TREATMENT OF MINORS.

The second sentence of section 3(i) (7 U.S.C. 2012(i)) is amended by striking "(who are not themselves parents living with their children or married and living with their spouses)".

SEC. 1305. ADJUSTMENT TO THRIFTY FOOD PLAN.

The second sentence of section 3(o) (7 U.S.C. 2012(o)) is amended—

(1) by striking "shall (1) make" and inserting the following: "shall—

"(1) make";

(2) by striking "scale, (2) make" and inserting "scale;

"(2) make";

(3) by striking "Alaska, (3) make" and inserting the following: "Alaska;

"(3) make"; and

(4) by striking "Columbia, (4) through" and all that follows through the end of the subsection and inserting the following: "Columbia; and

"(4) on October 1, 1995, and each October 1 thereafter, adjust the cost of the diet to reflect the cost of the diet, in the preceding June, and round the result to the nearest lower dollar increment for each household size.".

SEC. 1306. EARNINGS OF CERTAIN HIGH SCHOOL STUDENTS COUNTED AS INCOME.

Section 5(d)(7) (7 U.S.C. 2014(d)(7)) is amended by striking "21" and inserting "18".

SEC. 1307. ENERGY ASSISTANCE COUNTED AS INCOME.

(a) LIMITING EXCLUSION.—Section 5(d)(11) (7 U.S.C. 2014(d)(11)) is amended—

(1) by striking "(A) under any Federal law, or (B)"; and

(2) by inserting before the comma at the end the following: ", except that no benefits provided under the State program under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall be excluded under this clause".

(b) CONFORMING AMENDMENTS.—

(1) Section 5(e) (7 U.S.C. 2014(e)) is amended by striking sentences nine through twelve.

(2) Section 5(k)(2) (7 U.S.C. 2014(k)(2)) is amended by striking subparagraph (C) and redesignating subparagraphs (D) through (H) as subparagraphs (C) through (G), respectively.

(3) Section 5(k) (7 U.S.C. 2014(k)) is amended by adding at the end the following new paragraph:

"(4) For purposes of subsection (d)(1), any payments or allowances made under any Federal or State law for the purposes of energy assistance shall be treated as money payable directly to the household.".

(4) Section 2605(f) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8634(f)) is amended—

(A) in paragraph (1), by striking "food stamps";

(B) by striking "(f)(1) Notwithstanding" and inserting "(f) Notwithstanding"; and

(C) by striking paragraph (2).

SEC. 1308. EXCLUSION OF CERTAIN JTPA INCOME.

Section 5 (7 U.S.C. 2014) is amended—

(1) in subsection (d)—

(A) by striking "and (16)" and inserting "(16)"; and

(B) by inserting before the period at the end the following: ", and (17) income received under the Job Training Partnership Act (29 U.S.C. 1501 et seq.) by a household member who is less than 19 years of age"; and

(2) in subsection (*l*), by striking "under section 204(b)(1)(C)" and all that follows and inserting "shall be considered earned income for purposes of the food stamp program.".

SEC. 1309. 2-YEAR FREEZE OF STANDARD DEDUCTION.

The second sentence of section 5(e)(4) (7 U.S.C. 2014(e)(4)) is amended by inserting ", except October 1, 1995, and October 1, 1996" after "thereafter".

SEC. 1310. ELIMINATION OF HOUSEHOLD ENTITLEMENT TO SWITCH BETWEEN ACTUAL EXPENSES AND ALLOWANCES DURING CERTIFICATION PERIOD.

The fourteenth sentence of section 5(e) (7 U.S.C. 2014(e)) (as in effect before the amendment made by section 1307) is amended by striking "and up to one additional time during each twelve-month period".

SEC. 1311. EXCLUSION OF LIFE INSURANCE PROCEEDS.

Section 5(g) (7 U.S.C. 2014(g)) is amended by adding at the end the following:

"(6) LIFE INSURANCE POLICY.—The Secretary shall exclude from financial resources the cash value of any life insurance policy owned by a member of a household.".

SEC. 1312. VENDOR PAYMENTS FOR TRANSITIONAL HOUSING COUNTED AS INCOME.

Section 5(k)(2) (7 U.S.C. 2014(k)(2)) (as amended by section 1307(b)(2)) is amended—

(1) by striking subparagraph (E); and

(2) by redesignating subparagraphs (F) and (G) as subparagraphs (E) and (F), respectively.

SEC. 1313. DOUBLED PENALTIES FOR VIOLATING FOOD STAMP PROGRAM REQUIREMENTS.

Section 6(b)(1) (7 U.S.C. 2015(b)(1)) is amended—

(1) in clause (i)—

(A) by striking "six months upon" and inserting "1 year on"; and

(B) by adding "and" at the end; and

(2) striking clauses (ii) and (iii) and inserting the following:

"(ii) permanently on—

"(I) the second occasion of any such determination; or

"(II) the first occasion of a finding by a Federal, State, or local court of the trading for coupons of—

"(aa) a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)); or

"(bb) firearms, ammunition, or explosives.".

SEC. 1314. STRENGTHENED WORK REQUIREMENTS.

(a) IN GENERAL.—Section 6(d) (7 U.S.C. 2015(d)) is amended—

(1) by striking "(d)(1) Unless otherwise exempted by the provisions" and all that follows through the end of paragraph (1) and inserting the following:

"(d) CONDITIONS OF PARTICIPATION.—

"(1) WORK REQUIREMENTS.—

"(A) IN GENERAL.—No physically and mentally fit individual over the age of 15 and under the age of 60 shall be eligible to participate in the food stamp program if the individual—

"(i) refuses, at the time of application and every 12 months thereafter, to register for employment in a manner prescribed by the State agency;

"(ii) refuses without good cause to participate in an employment and training program under paragraph (4), to the extent required under paragraph (4), including any reasonable employment requirements prescribed by the State agency under paragraph (4);

"(iii) refuses without good cause to accept an offer of employment, at a site or plant not subject to a strike or lockout at the time of the refusal, at a wage that is not less than the higher of—

"(I) the applicable Federal or State minimum wage; or

"(II) 80 percent of the wage that would have governed had the minimum hourly rate under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) been applicable to the offer of employment; or

"(iv) voluntarily quits a job without good cause.

"(B) HOUSEHOLD INELIGIBILITY.—If an individual who is the head of a household becomes ineligible to participate in the food stamp program under subparagraph (A), the household shall, at the option of the State agency, become ineligible to participate in the food stamp program for a period not to exceed the period of the individual's ineligibility.

"(C) DURATION OF INELIGIBILITY.—

"(i) FIRST REFUSAL.—The first time that an individual becomes ineligible to participate in the food stamp program under clause (i), (ii), or (iii) of subparagraph (A), the individual shall remain ineligible until the individual becomes eligible under this Act (including subparagraph (A)).

"(ii) SECOND REFUSAL.—The second time that an individual becomes ineligible to participate in the food stamp program under clause (i), (ii), or (iii) of subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under this Act (including subparagraph (A)); or

"(II) the date that is 3 months after the date the individual became ineligible under subparagraph (A).

"(iii) THIRD OR SUBSEQUENT REFUSAL.—The third or subsequent time that an individual becomes ineligible to participate in the food stamp program under clause (i), (ii), or (iii) of subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under this Act (including subparagraph (A)); or

"(II) the date that is 6 months after the date the individual became ineligible under subparagraph (A).

"(iv) VOLUNTARY QUIT.—On the date that an individual becomes ineligible under subparagraph (A)(iv), the individual shall remain ineligible until—

"(I) in the case of the first time the individual becomes ineligible, the date that is 3 months after the date the individual became ineligible; and

"(II) in the case of the second or subsequent time the individual becomes ineligible, the date that is 6 months after the date the individual became ineligible.

"(D) ADMINISTRATION.—

"(i) BECOMING ELIGIBLE.—

"(I) WAITING PERIOD.—A State agency may consider an individual ineligible to participate in the food stamp program not earlier than 14 days after the date the individual becomes ineligible to participate under clause (i), (ii), or (iii) of subparagraph (A).

"(II) REMAINING ELIGIBLE.—If an individual remains eligible to participate in the food stamp program under this Act (including subparagraph (A)) at the end of the earliest date for ineligibility under subclause (I), the State agency shall consider the individual to have maintained eligibility during the period preceding the earliest date for ineligibility.

"(ii) GOOD CAUSE.—In this paragraph, the term 'good cause' includes the lack of adequate child care for a dependent child under the age of 12.

"(iii) STRIKE AGAINST THE GOVERNMENT.—For the purpose of subparagraph (A)(iv), an employee of the Federal Government, a State, or a political subdivision of a State, who is dismissed for participating in a strike against the Federal Government, the State, or the political subdivision of the State shall be considered to have voluntarily quit without good cause.

"(iv) SELECTING A HEAD OF HOUSEHOLD.—

"(I) IN GENERAL.—For the purpose of this paragraph, the State agency shall allow the household to select any adult parent of a child in the household as the head of the household if all adult members of the household making application under the food stamp program agree to the selection.

"(II) TIME FOR MAKING DESIGNATION.—A household may designate the head of the household under subclause (I) each time the household is certified for participation in the food stamp program. The household may not change the designation during a certification period unless there is a change in the composition of the household.

"(v) CHANGE IN HEAD OF HOUSEHOLD.—If the head of a household leaves the household during a period in which the household is ineligible to participate in the food stamp program under subparagraph (B)—

"(I) the household shall, if otherwise eligible, become eligible to participate in the food stamp program; and

"(II) if the head of the household becomes the head of another household, the household that becomes headed by the individual shall become ineligible to participate in the food stamp program for the remaining period of ineligibility."; and

(2) in paragraph (4)(H)(i), by striking "The Secretary" and all that follows through "State agency shall" and inserting "A State agency may".

(b) WORKFARE.—Section 20(f) (7 U.S.C. 2029(f)) is amended by striking "neither that" and all that follows through "shall be eligible" and inserting "the person and, at the option of a State agency, the household of which the person is a member, shall be ineligible".

(c) CONFORMING AMENDMENT.—The second sentence of section 17(b)(2) (7 U.S.C. 2026(b)(2)) is amended by striking "6(d)(1)(i)" and inserting "6(d)(1)(A)(i)".

SEC. 1315. WORK REQUIREMENT FOR ABLE-BODIED RECIPIENTS.

(a) IN GENERAL.—Section 6 (7 U.S.C. 2015) is amended by adding at the end the following:

"(i) WORK REQUIREMENT.—

"(1) DEFINITION OF WORK PROGRAM.—In this subsection, the term 'work program' means—

"(A) a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

"(B) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); or

"(C) a program of employment or training operated or supervised by a State or local government, as determined appropriate by the Secretary.

"(2) WORK REQUIREMENT.—No individual shall be eligible to participate in the food stamp program as a member of any household if, during the preceding 12 months, the individual received food stamp benefits for

not less than 6 months during which the individual did not—

"(A) work 20 hours or more per week, averaged monthly;

"(B) participate in a workfare program under section 20 or a comparable State or local workfare program;

"(C) participate in and comply with the requirements of an approved employment and training program under subsection (d)(4); or

"(D) participate in and comply with the requirements of a work program for 20 hours or more per week.

"(3) EXCEPTION.—Paragraph (2) shall not apply to an individual if the individual is—

"(A) under 18 or over 50 years of age;

"(B) medically certified as physically or mentally unfit for employment;

"(C) a parent or other member of a household with a dependent child under 18 years of age; or

"(D) otherwise exempt under subsection (d)(2).

"(4) WAIVER.—

"(A) IN GENERAL.—The Secretary may waive the applicability of paragraph (2) to any group of individuals in the State if the Secretary makes a determination that the area in which the individuals reside—

"(i) has an unemployment rate of over 8 percent; or

"(ii) does not have a sufficient number of jobs to provide employment for the individuals.

"(B) REPORT.—The Secretary shall report the basis for a waiver under subparagraph (A) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.".

(b) WORK AND TRAINING PROGRAMS.—Section 6(d)(4) (7 U.S.C. 2015(d)(4)) is amended by adding at the end the following:

"(O) REQUIRED PARTICIPATION IN WORK AND TRAINING PROGRAMS.—A State agency shall provide an opportunity to participate in the employment and training program under this paragraph to any individual who would otherwise become subject to disqualification under subsection (i).

"(P) COORDINATING WORK REQUIREMENTS.—

"(i) IN GENERAL.—Notwithstanding any other provision of this paragraph, a State agency that meets the participation requirements of clause (ii) may operate the employment and training program of the State for individuals who are members of households receiving allotments under this Act as part of a program operated by the State under part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.), subject to the requirements of the Act.

"(ii) PARTICIPATION REQUIREMENTS.—A State agency may exercise the option under clause (i) if the State agency provides an opportunity to participate in an approved employment and training program to an individual who is—

"(I) subject to subsection (i);

"(II) not employed at least an average of 20 hours per week;

"(III) not participating in a workfare program under section 20 (or a comparable State or local program); and

"(IV) not subject to a waiver under subsection (i)(4).".

(c) ENHANCED EMPLOYMENT AND TRAINING PROGRAM.—Section 16(h)(1) (7 U.S.C. 2025(h)(1)) is amended—

(1) in subparagraph (A), by striking "$75,000,000 for each of the fiscal years 1991 through 1995" and inserting "$150,000,000 for each of fiscal years 1996 through 2000";

(2) by striking subparagraphs (B), (C), (E), and (F);

(3) by redesignating subparagraph (D) as subparagraph (B); and

(4) in subparagraph (B) (as redesignated by paragraph (3)), by striking "for each" and all that follows through "of $60,000,000" and inserting ", the Secretary shall allocate funding".

SEC. 1316. DISQUALIFICATION FOR PARTICIPATING IN 2 OR MORE STATES.

Section 6 (7 U.S.C. 2015) (as amended by section 1315) is further amended by adding at the end the following:

"(j) DISQUALIFICATION FOR PARTICIPATING IN 2 OR MORE STATES.—An individual shall be ineligible to participate in the food stamp program as a member of any household during a 10-year period beginning on the date the individual is found by a State to have made, or is convicted in Federal or State court of having made, a fraudulent statement or representation with respect to the place of residence of the individual to receive benefits simultaneously from 2 or more States under—

"(1) the food stamp program;

"(2) a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or under title XIX of the Act (42 U.S.C. 1396 et seq.); or

"(3) the supplemental security income program under title XVI of the Act (42 U.S.C. 1381 et seq.).".

SEC. 1317. DISQUALIFICATION RELATING TO CHILD SUPPORT ARREARS.

Section 6 (7 U.S.C. 2015) (as amended by section 1316) is further amended by adding at the end the following:

"(k) DISQUALIFICATION FOR CHILD SUPPORT ARREARS.—

"(1) IN GENERAL.—At the option of a State agency, except as provided in paragraph (2), no individual shall be eligible to participate in the food stamp program as a member of any household during any month that the individual is delinquent in any payment due under a court order for the support of a child of the individual.

"(2) EXCEPTIONS.—Paragraph (1) shall not apply if—

"(A) a court is allowing the individual to delay payment; or

"(B) the individual is complying with a payment plan approved by a court or the State agency designated under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) to provide support for the child of the individual.".

SEC. 1318. FACILITATE IMPLEMENTATION OF A NATIONAL ELECTRONIC BENEFIT TRANSFER DELIVERY SYSTEM.

(a) IMPLEMENTATION OF NATIONAL ELECTRONIC BENEFITS TRANSFER SYSTEM.—Section 7 (7 U.S.C. 2016) is amended—

(1) in subsection (g)—

(A) by striking "(1)";

(B) by striking paragraph (2); and

(C) by striking "(A)" and "(B)" and inserting "(1)" and "(2)", respectively;

(2) in subsection (i)—

(A) in paragraph (2)—

(i) by striking "issue final regulations effective no later than April 1, 1992, that";

(ii) by striking subparagraph (A); and

(iii) by redesignating subparagraphs (B) through (H) as subparagraphs (A) through (G), respectively;

(B) in paragraph (3)(A), by inserting after "minority language populations" the following: "and those stores a State agency has determined shall be provided the equipment necessary for participation by the store in an electronic benefit transfer delivery system"; and

(D) by striking paragraph (5) and redesignating paragraph (6) as paragraph (5); and

(3) by adding at the end the following:

"(j) ELECTRONIC BENEFIT TRANSFERS.—

"(1) APPLICABLE LAW.—

"(A) IN GENERAL.—Disclosures, protections, responsibilities, and remedies established by the Federal Reserve Board under section 904 of the Electronic Fund Transfer Act (15 U.S.C. 1693b) shall not apply to benefits under this Act delivered through any electronic benefit transfer system.

"(B) DEFINITION OF ELECTRONIC BENEFIT TRANSFER SYSTEM.—In this paragraph, the term 'electronic benefit transfer system' means a system under which a governmental entity distributes benefits under this Act or other benefits or payments by establishing accounts to be accessed by recipients of the benefits electronically, including through the use of an automated teller machine or an intelligent benefit card.

"(2) CHARGING FOR ELECTRONIC BENEFIT TRANSFER CARE REPLACEMENT.—".

"(A) IN GENERAL.—A State agency may charge an individual for the cost of replacing a lost or stolen electronic benefit transfer card.

"(B) REDUCING ALLOTMENT.—A State agency may collect a charge imposed under subparagraph (A) by reducing the monthly allotment of the household of which the individual is a member.

"(3) OPTIONAL PHOTOGRAPHIC IDENTIFICATION.—

"(A) IN GENERAL.—A State agency may require that an electronic benefit card contain a photograph of 1 or more members of a household.

"(B) OTHER AUTHORIZED USERS.—If a State agency requires a photograph on an electronic benefit card under subparagraph (A), the State agency shall establish procedures to ensure that any other appropriate member of the household or any authorized representative of the household may utilize the card.".

(b) CONFORMING AMENDMENTS.—

(1) The first sentence of section 10 (7 U.S.C. 2019) is amended by striking the period at the end and inserting the following: ", unless the center, organization, institution, shelter, group living arrangement, or establishment is equipped with a point-of-sale device for the purpose of participating in the electronic benefit transfer system.".

(2) Section 16(a)(3) (7 U.S.C. 2025(a)(3)) is amended by inserting after "households" the following: ", including the cost of providing equipment necessary for retail food stores to participate in an electronic benefit transfer system".

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective on the date that the Secretary of Agriculture implements a national electronic benefit transfer system in accordance with section 7 of the Food Stamp Act of 1977 (7 U.S.C. 2016) (as amended by subsection (a)).

SEC. 1319. LIMITING ADJUSTMENT OF MINIMUM BENEFIT.

Section 8(a) (7 U.S.C. 2017(a)) is amended by striking "nearest $5" and inserting "nearest $10".

SEC. 1320. BENEFITS ON RECERTIFICATION.

Section 8(c)(2)(B) (7 U.S.C. 2017(c)(2)(B)) is amended by striking "of more than one month".

SEC. 1321. STATE AUTHORIZATION TO SET REQUIREMENTS APPROPRIATE FOR HOUSEHOLDS.

(a) AGGREGATE ALLOTMENT.—Section 8(c)(3) (7 U.S.C. 2017(c)(3)) is amended—

(1) by striking "agency—" and all that follows through "11(e)(9), may" and inserting "agency may"; and

(2) by striking "; and" and all that follows and inserting a period.

(b) STATE PLAN.—Section 11 (7 U.S.C. 2020) is amended—

(1) in subsection (e)—

(A) in paragraph (2)—

(i) by striking "a simplified, uniform national" and all that follows through "such State forms are" and inserting "an application form for participation in the food stamp program that is";

(ii) striking "Each food stamp application form shall contain" and all that follows through "The State agency shall require" and inserting "The State agency shall require"; and

(iii) by striking the semicolon at the end and inserting the following: ". An application shall be considered filed on the date the household submits an application that contains the name, address, and signature of the applicant;";

(B) by striking paragraph (14) and inserting the following:

"(14) that the agency shall evaluate the access needs of special groups, including the elderly, disabled, rural poor, people who do not speak or read English, households that are homeless, and households that reside on an Indian reservation. The State plan of operation required under subsection (d) shall describe the procedures the State agency will follow to address the access needs of the special groups, the actions the State agency will take to provide timely and accurate service to all applicants and recipients, and the means the State agency will use to provide necessary information to applicants and recipients, including the rights and responsibilities of the applicants;";

(C) by striking "; and" at the end of paragraph (24) and inserting a period; and

(D) by striking paragraph (25);

(2) in subsection (i)—

(A) by striking "(1) a single" and all that follows through "; (2)"; and

(B) by striking "; (3) households" and all that follows through "is available in such case file"; and

(3) in subsection (j), by adding at the end the following:

"(3) INDEPENDENT ELIGIBILITY DETERMINATION.—A State agency may not deny an application, nor terminate benefits, under the food stamp program, without a separate determination by the State agency that the household fails to satisfy the eligibility requirements for participation in the food stamp program, on the basis that an application to participate has been denied or benefits have been terminated under a program funded under the Social Security Act (42 U.S.C. 301 et seq.).".

SEC. 1322. COORDINATION OF EMPLOYMENT AND TRAINING PROGRAMS.

Section 8(d) (7 U.S.C. 2019(d)) is amended—

(1) by striking "(d) A household" and inserting the following:

"(d) NONCOMPLIANCE WITH OTHER WELFARE OR WORK PROGRAMS.—

"(1) IN GENERAL.—A household"; and

(2) by inserting "or a work requirement under a welfare or public assistance program" after "assistance program"; and

(3) by adding at the end the following:

"(2) WORK REQUIREMENT.—If a household fails to comply with a work requirement under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), for the duration of the reduction—

"(A) the household may not receive an increased allotment as the result of a decrease in the income of the household to the extent that the decrease is the result of a penalty imposed for the failure to comply; and

"(B) the State agency may reduce the allotment of the household by not more than 25 percent.".

SEC. 1323. SIMPLIFICATION OF APPLICATION PROCEDURES AND STANDARDIZATION OF BENEFITS.

Section 8 (7 U.S.C. 2019) is amended by striking subsection (e) and inserting the following:

"(e) SIMPLIFICATION OF APPLICATION PROCEDURES AND STANDARDIZATION OF BENEFITS.—

"(1) IN GENERAL.—On the request of a State agency, the Secretary may approve Statewide, or for 1 or more project areas, procedures and standards consistent with this Act under which—

"(A) a household in which all members of the household are receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) may be considered to have satisfied the application, interview, and verification requirements under section 11(e);

"(B) the State agency may use income information obtained and used under a State program funded under part A of title IV of the Social Security Act to determine the gross nonexcluded income of the household under this Act;

"(C) the State agency may standardize the amount of the deductions under section 5(e), except that a deduction may not be allowed for dependent care costs or earned income if the State program funded under part A of title IV of the Social Security Act allows an income exclusion for the costs or income; and

"(D) the State agency may elect to apply different shelter standards to a household that receives a housing subsidy and a household that does not receive a housing subsidy.

"(2) INCOME INCLUDES ASSISTANCE.—The gross nonexcluded income of a household determined under paragraph (1)(B) shall include the assistance provided under a State program funded under part A of title IV of the Social Security Act.

"(3) HOUSEHOLD SIZE.—A State agency shall base the value of the allotment provided to a household under this paragraph on household size.

"(4) ALTERNATIVE PLAN.—The Secretary may approve an alternative plan submitted by a State agency that is consistent with this Act for simplifying application procedures or standardizing income or benefit determinations for a household in which all members of the household are receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(5) NO INCREASED FEDERAL COSTS.—

"(A) APPLICATION.—On submission of a request for approval under paragraph (1) or (4), a State agency shall assure the Secretary that approval will not increase Federal costs.

"(B) REDUCTION OF COSTS.—If Federal costs are increased as a result of a State agency carrying out this subsection, the State agency shall take prompt action to reduce costs to the level that existed prior to carrying out this subsection.".

SEC. 1324. AUTHORITY TO ESTABLISH AUTHORIZATION PERIODS.

Section 9(a)(1) (7 U.S.C. 2018(a)(1)) is amended by adding at the end the following: "The Secretary is authorized to issue regulations establishing specific time periods during which authorization to accept and redeem coupons under the food stamp program shall be valid.".

SEC. 1325. SPECIFIC PERIOD FOR PROHIBITING PARTICIPATION OF STORES BASED ON LACK OF BUSINESS INTEGRITY.

Section 9(a)(1) (7 U.S.C. 2018(a)(1)) (as amended by section 1324) is further amended by adding at the end the following: "The Secretary may issue regulations establishing specific time periods of not less than 6 months during which a retail food store or wholesale food concern that has an application for approval to accept and redeem coupons denied or that has an approval withdrawn on the basis of business integrity and reputation cannot submit a new application for approval. The periods shall reflect the severity of business integrity infractions that are the basis of the denials or withdrawals.".

SEC. 1326. INFORMATION FOR VERIFYING ELIGIBILITY FOR AUTHORIZATION.

Section 9(c) (7 U.S.C. 2018(c)) is amended—

(1) in the first sentence, by inserting ", which may include relevant income and sales tax filing documents," after "submit information" ; and

(2) by inserting after the first sentence the following: "The regulations may require retail food stores and wholesale food concerns to provide written authorization for the Secretary to verify all relevant tax filings with appropriate agencies and to obtain corroborating documentation from other sources so that the accuracy of information provided by the stores and concerns may be verified.".

SEC. 1327. WAITING PERIOD FOR STORES THAT INITIALLY FAIL TO MEET AUTHORIZATION CRITERIA.

Section 9(d) (7 U.S.C. 2018(d)) is amended by adding at the end the following: "A retail food store or wholesale food concern that has an application for approval to accept and redeem coupons denied because the store or concern does not meet criteria for approval established by the Secretary by regulation may not submit a new application for 6 months from the date of the denial.".

SEC. 1328. MANDATORY CLAIMS COLLECTION METHODS.

(a) DISCLOSURE OF INFORMATION.—Section 11(e)(8) (7 U.S.C. 2020(e)(8)) is amended by inserting before the semicolon at the end the following: "or from refunds of Federal taxes under section 3720A of title 31, United States Code".

(b) COLLECTION OF OVERISSUANCES.—Section 13 (7 U.S.C. 2022) is amended—

(1) in subsection (b)—

(A) by striking "(b)(1)(A) In" and all that follows through "(2)(A) State agencies" and inserting the following:

"(b) COLLECTION OF OVERISSUANCES.—

"(1) IN GENERAL.—A State agency";

(B) by striking "(B) State agencies" and inserting the following:

"(2) OTHER MEANS OF COLLECTION.—A State agency";

(C) in paragraph (1) (as amended by subparagraph (A))—

(i) by striking ", other than claims" and all that follows through "error of the State agency,";

(ii) by striking ", except that the household shall" and inserting ". At the option of the State, the household may"; and

(iii) by adding at the end the following: "A State agency may waive the use of an allotment reduction as a means of collecting a claim arising from an error of the State agency if the collection would cause a hardship (as defined by the State agency) on the household, except that the State agency shall continue to pursue all other lawful methods of collection of the claim."; and

(D) in paragraph (2) (as amended by subparagraph (A))—

(i) by striking "may collect" and inserting "shall collect"; and

(ii) by striking "or subparagraph (A)"; and

(2) in subsection (d)—

(A) by striking "and except for claims arising from an error of the State agency,";

(B) by striking "may be recovered" and inserting "shall be recovered"; and

(C) by inserting before the period at the end the following: "or a refund of Federal taxes under section 3720A of title 31, United States Code.".

(c) DISCLOSURE OF RETURN INFORMATION.—Section 6103(*l*) of the Internal Revenue Code of 1986 is amended by striking "officers and employees" each place it appears and inserting "officers, employees, or agents, including State agencies,".

(d) STATE AGENCY COLLECTION OF FEDERAL TAX REFUNDS.—Section 6402(d) of the Internal Revenue Code of 1986 is amended—

(1) in paragraph (1), by inserting after "any Federal agency" the following: "(or any State agency that has the responsibility for the administration of the food stamp program operated pursuant to the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.))"; and

(2) in the second sentence of paragraph (2), by inserting after "a Federal agency" the following: "(or a State agency that has the responsibility for the administration of the food stamp program operated pursuant to the Food Stamp Act of 1977)".

SEC. 1329. STATE AUTHORIZATION TO ASSIST LAW ENFORCEMENT OFFICERS IN LOCATING FUGITIVE FELONS.

Section 11(e)(8)(B) (7 U.S.C. 2020(e)(8)(B)) is amended by striking "Act, and" and inserting "Act or of locating a fugitive felon (as defined by a State), and".

SEC. 1330. EXPEDITED SERVICE.

Section 11(e)(9) (7 U.S.C. 2020(e)(9)) is amended—

(1) in subparagraph (A)—

(A) by striking "five days" and inserting "7 days"; and

(B) by inserting "and" at the end;

(2) by striking subparagraphs (B) and (C);

(3) by redesignating subparagraph (D) as subparagraph (B); and

(4) in subparagraph (B) (as redesignated by paragraph (3)), by striking ", (B), or (C)".

SEC. 1331. BASES FOR SUSPENSIONS AND DISQUALIFICATIONS.

Section 12(a) (7 U.S.C. 2021(a)) is amended by adding at the end the following: "Regulations issued pursuant to this Act shall provide criteria for the finding of a violation, and the suspension or disqualification of a retail food store or wholesale food concern, on the basis of evidence that may include facts established through on-site investigations, inconsistent redemption data, or evidence obtained through transaction reports under electronic benefits transfer systems.".

SEC. 1332. AUTHORITY TO SUSPEND STORES VIOLATING PROGRAM REQUIREMENTS PENDING ADMINISTRATIVE AND JUDICIAL REVIEW.

(a) AUTHORITY.—Section 12(a) (7 U.S.C. 2021(a)) (as amended by section 1331) is amended by adding at the end the following: "The regulations may establish criteria under which the authorization of a retail food store or wholesale food concern to accept and redeem coupons may be suspended at the time the store or concern is initially found to have committed a violation of a requirement of the food stamp program. The suspension may coincide with the period of a review under section 14. The Secretary shall not be liable for the value of any sales lost during a suspension or disqualification period.".

(b) REVIEW.—Section 14(a) (7 U.S.C. 2023(a)) is amended—

(1) in the first sentence, by striking "disqualified or subjected" and inserting "suspended, disqualified, or subjected";

(2) in the fifth sentence, by inserting before the period at the end the following: ", except that, in the case of the suspension of a retail food store or wholesale food concern under section 12(a), the suspension shall remain in effect pending any administrative or judicial review of the proposed disqualification action, and the period of suspension shall be deemed a part of any period of disqualification that is imposed"; and

(3) by striking the last sentence.

SEC. 1333. DISQUALIFICATION OF RETAILERS WHO ARE DISQUALIFIED UNDER THE WIC PROGRAM.

Section 12 (7 U.S.C. 2021) is amended by adding at the end the following:

"(g) DISQUALIFICATION OF RETAILERS WHO ARE DISQUALIFIED UNDER THE WIC PROGRAM.—

"(1) IN GENERAL.—The Secretary shall issue regulations providing criteria for the disqualification of an approved retail food store and a wholesale food concern that is disqualified from accepting benefits under the special supplemental nutrition program for women, infants, and children established under section 17 of the Child Nutrition Act of 1966 (7 U.S.C. 1786).

"(2) TERMS.—A disqualification under paragraph (1)—

"(A) shall be for the same period as the disqualification from the program referred to in paragraph (1);

"(B) may begin at a later date than the disqualification from the program referred to in paragraph (1); and

"(C) notwithstanding section 14, shall not be subject to administrative or judicial review.".

SEC. 1334. PERMANENT DEBARMENT OF RETAILERS WHO INTENTIONALLY SUBMIT FALSIFIED APPLICATIONS.

Section 12 (7 U.S.C. 2021) (as amended by section 1333) is further amended by adding at the end the following:

"(h) FALSIFIED APPLICATIONS.—

"(1) IN GENERAL.—The Secretary shall issue regulations providing for the permanent disqualification of a retail food store, or wholesale food concern, that knowingly submits an application for approval to accept and redeem coupons that contains false information about a substantive matter that was a basis for approving the application.

"(2) REVIEW.—A disqualification under paragraph (1) shall be subject to administrative and judicial review under section 14, except that the disqualification shall remain in effect pending the review.".

SEC. 1335. EXPANDED CIVIL AND CRIMINAL FORFEITURE FOR VIOLATIONS.

(a) FORFEITURE OF ITEMS EXCHANGED IN FOOD STAMP TRAFFICKING.—The first sentence of section 15(g) (7 U.S.C. 2024(g)) is amended by striking "or intended to be furnished".

(b) CIVIL AND CRIMINAL FORFEITURE.—Section 15 (7 U.S.C. 2024)) is amended by adding at the end the following:

"(h) CIVIL AND CRIMINAL FORFEITURE.—

"(1) CIVIL FORFEITURE.—

"(A) IN GENERAL.—Any food stamp benefits and any property, real or personal, constituting, derived from, or traceable to any proceeds obtained directly or indirectly from, or used, or intended to be used, to commit, or to facilitate, the commission of a violation of subsection (b) or (c) involving food stamp benefits having an aggregate value of not less than $5,000, shall be subject to forfeiture to the United States.

"(B) PROCEDURES.—Chapter 46 of title 18, United States Code, shall apply to a seizure or forfeiture under this subsection, if not inconsistent with this subsection, except that any duties imposed on the Secretary of the Treasury under chapter 46 may also be performed with respect to a seizure or forfeiture under this section by the Secretary of Agriculture.

"(C) CIVIL AND CRIMINAL.—Forfeitures imposed under this subsection shall be in addition to any criminal sanctions imposed against the owner of the forfeited property.

"(2) CRIMINAL FORFEITURE.—

"(A) IN GENERAL.—Any person convicted of violating subsection (b) or (c) involving food stamp benefits having an aggregate value of not less than $5,000, shall forfeit to the United States, irrespective of any State law—

"(i) any food stamp benefits and any property constituting, or derived from, or traceable to any proceeds the person obtained directly or indirectly as a result of the violation; and

"(ii) any food stamp benefits and any property of the person used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of the violation.

"(B) SENTENCE.—In imposing a sentence on a person under subparagraph (A), the court shall order that the person forfeit to the United States all property described in this subsection.

"(C) PROCEDURES.—Any food stamp benefits or property subject to forfeiture under this subsection, any seizure or disposition of the benefits or property, and any administrative or judicial proceeding relating to the benefits or property, shall be governed by subsections (b), (c), (e), and (g) through (p) of section 413 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 853), if not inconsistent with this subsection.

"(3) EXCLUDED PROPERTY.—This subsection shall not apply to property referred to in subsection (g).

"(4) RESTRAINING ORDER.—A restraining order available under section 413(e) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 853(e)) shall apply to assets otherwise subject to forfeiture under section 413(p) of the Act (21 U.S.C. 853(p)).

"(5) RULES AND REGULATIONS.—The Secretary may prescribe such rules and regulations as are necessary to carry out this subsection.

"(i) RULES RELATING TO FORFEITURES.—With respect to property subject to forfeiture under subsections (g) and (h), the Secretary may allocate a division of such property, or the proceeds of the sale of such property, as the Secretary determines appropriate, between the Secretary of Agriculture under subsection (g) and the Secretary of the Treasury under subsection (h).".

SEC. 1336. EXTENDING CLAIMS RETENTION RATES.

The provisions of the first sentence of section 16(a) (7 U.S.C. 2025(a)) is amended by striking "1995" each place it appears and inserting "2000".

SEC. 1337. NUTRITION ASSISTANCE FOR PUERTO RICO.

The first sentence of section 19(a)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is amended by striking "$974,000,000" and all that follows through "fiscal year 1995" and inserting the following: "$1,143,000,000 for each of fiscal years 1995 and 1996, $1,182,000,000 for fiscal year

1997, $1,223,000,000 for fiscal year 1998, $1,266,000,000 for fiscal year 1999, and $1,310,000,000 for fiscal year 2000"

SEC. 1338. EXPANDED AUTHORITY FOR SHARING INFORMATION PROVIDED BY RETAILERS.

(a) SOCIAL SECURITY ACT.—Section 205(c)(2)(C)(iii) of the Social Security Act (42 U.S.C. 405(c)(2)(C)(iii)) is amended—

(1) in subclause (II)—

(A) in the first sentence, by inserting after "instrumentality of the United States" the following: ", a State government officer or employee with law enforcement or investigative responsibilities, or a State agency that has responsibility for administering the special supplemental nutrition program for women, infants, and children established under section 17 of the Child Nutrition Act of 1966 (7 U.S.C. 1786),"; and

(B) in the last sentence, by inserting "or State" after "other Federal"; and

(2) in subclause (III), by inserting "or a State" after "United States".

(b) INTERNAL REVENUE CODE.—Section 6109(f)(2) of the Internal Revenue Code of 1986 (26 U.S.C. 6109(f)(2)) (as added by section 316(b) of the Social Security Administrative Reform Act of 1994 (Public Law 103-296; 108 Stat. 1464)) is amended—

(1) in subparagraph (A), by inserting after "instrumentality of the United States" the following: ", a State government officer or employee with law enforcement or investigative responsibilities, or a State agency that has responsibility for administering the special supplemental nutrition program for women, infants, and children established under section 17 of the Child Nutrition Act of 1966 (7 U.S.C. 1786),";

(2) in the last sentence of subparagraph (A), by inserting "or State" after "other Federal"; and

(3) in subparagraph (B), by inserting "or a State" after "United States".

SEC. 1339. CHILD AND ADULT CARE FOOD PROGRAM.

(a) PAYMENTS TO SPONSOR EMPLOYEES.—Paragraph (2) of the last sentence of section 17(a) of the National School Lunch Act (42 U.S.C. 1766(a)) is amended—

(1) by striking "and" at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(3) by adding at the end the following:

"(D) in the case of a family or group day care home sponsoring organization that employs more than 1 employee, the organization does not base payments to an employee of the organization on the number of family or group day care homes recruited, managed, or monitored.".

(b) IMPROVED TARGETING OF DAY CARE HOME REIMBURSEMENTS.—

(1) RESTRUCTURED DAY CARE HOME REIMBURSEMENTS.—Section 17(f)(3) of the Act is amended by striking "(3)(A) Institutions" and all that follows through the end of subparagraph (A) and inserting the following:

"(3) REIMBURSEMENT OF FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

"(A) REIMBURSEMENT FACTOR.—

"(i) IN GENERAL.—An institution that participates in the program under this section as a family or group day care home sponsoring organization shall be provided, for payment to a home of the organization, reimbursement factors in accordance with this subparagraph for the cost of obtaining and preparing food and prescribed labor costs involved in providing meals under this section.

"(ii) TIER I FAMILY OR GROUP DAY CARE HOMES.—

"(I) DEFINITION.—In this paragraph, the term 'tier I family or group day care home' means—

"(aa) a family or group day care home that is located in a geographic area, as defined by the Secretary based on census data, in which at least 50 percent of the children residing in the area are members of households whose incomes meet the eligibility standards for free or reduced price meals under section 9;

"(bb) a family or group day care home that is located in an area served by a school enrolling elementary students in which at least 50 percent of the total number of children enrolled are certified eligible to receive free or reduced price school meals under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.); or

"(cc) a family or group day care home that is operated by a provider whose household meets the eligibility standards for free or reduced price meals under section 9 and whose income is verified by a sponsoring organization under regulations established by the Secretary.

"(II) REIMBURSEMENT.—Except as provided in subclause (III), a tier I family or group day care home shall be provided reimbursement factors under this clause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the eligibility standards for free or reduced price meals under section 9.

"(III) FACTORS.—Except as provided in subclause (IV), the reimbursement factors applied to a home referred to in subclause (II) shall be the factors in effect on the date of enactment of this subclause.

"(IV) ADJUSTMENTS.—The reimbursement factors under this subparagraph shall be adjusted on August 1, 1996, July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this subparagraph shall be rounded to the nearest lower cent increment and based on the unrounded adjustment for the preceding 12-month period.

"(iii) TIER II FAMILY OR GROUP DAY CARE HOMES.—

"(I) IN GENERAL.—

"(aa) FACTORS.—Except as provided in subclause (II), with respect to meals or supplements served under this clause by a family or group day care home that does not meet the criteria set forth in clause (ii)(I), the reimbursement factors shall be $1 for lunches and suppers, 40 cents for breakfasts, and 20 cents for supplements.

"(bb) ADJUSTMENTS.—The factors shall be adjusted on July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this item shall be rounded down to the nearest lower cent increment and based on the unrounded adjustment for the preceding 12-month period.

"(cc) REIMBURSEMENT.—A family or group day care home shall be provided reimbursement factors under this subclause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the eligibility standards for free or reduced price meals under section 9.

"(II) OTHER FACTORS.—A family or group day care home that does not meet the criteria set forth in clause (ii)(I) may elect to be provided reimbursement factors determined in accordance with the following requirements:

"(aa) CHILDREN ELIGIBLE FOR FREE OR REDUCED PRICE MEALS.—In the case of meals or supplements served under this subsection to children who are members of households whose incomes meet the eligibility standards for free or reduced price meals under section 9, the family or group day care home shall be provided reimbursement factors set by the Secretary in accordance with clause (ii)(III).

"(bb) INELIGIBLE CHILDREN.—In the case of meals or supplements served under this subsection to children who are members of households whose incomes do not meet the eligibility standards, the family or group day care home shall be provided reimbursement factors in accordance with subclause (I).

"(III) INFORMATION AND DETERMINATIONS.—

"(aa) IN GENERAL.—If a family or group day care home elects to claim the factors described in subclause (II), the family or group day care home sponsoring organization serving the home shall collect the necessary income information, as determined by the Secretary, from any parent or other caretaker to make the determinations specified in subclause (II) and shall make the determinations in accordance with rules prescribed by the Secretary.

"(bb) CATEGORICAL ELIGIBILITY.—In making a determination under item (aa), a family or group day care home sponsoring organization may consider a child participating in or subsidized under, or a child with a parent participating in or subsidized under, a federally or State supported child care or other benefit program with an income eligibility limit that does not exceed the eligibility standard for free or reduced price meals under section 9 to be a child who is a member of a household whose income meets the eligibility standards under section 9.

"(cc) FACTORS FOR CHILDREN ONLY.—A family or group day care home may elect to receive the reimbursement factors prescribed under clause (ii)(III) solely for the children participating in a program referred to in item (bb) if the home elects not to have income statements collected from parents or other caretakers.

"(IV) SIMPLIFIED MEAL COUNTING AND REPORTING PROCEDURES.—The Secretary shall prescribe simplified meal counting and reporting procedures for use by a family or group day care home that elects to claim the factors under subclause (II) and by a family or group day care home sponsoring organization that serves the home. The procedures the Secretary prescribes may include 1 or more of the following:

"(aa) Setting an annual percentage for each home of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under clause (ii)(III) and an annual percentage of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under subclause (I), based on the family income of children enrolled in the home in a specified month or other period.

"(bb) Placing a home into 1 of 2 or more reimbursement categories annually based on the percentage of children in the home whose households have incomes that meet the eligibility standards under section 9, with each such reimbursement category carrying a set of reimbursement factors such as the factors prescribed under clause (ii)(III) or subclause

(I) or factors established within the range of factors prescribed under clause (ii)(III) and subclause (I).

"(cc) Such other simplified procedures as the Secretary may prescribe.

"(V) MINIMUM VERIFICATION REQUIREMENTS.—The Secretary may establish any necessary minimum verification requirements.".

(2) SPONSOR PAYMENTS.—Section 17(f)(3)(B) of the Act is amended—

(A) by striking the period at the end of the second sentence and all that follows through the end of the subparagraph and inserting the following:", except that the adjustment that otherwise would occur on July 1, 1996, shall be made on August 1, 1996. The maximum allowable levels for administrative expense payments shall be rounded to the nearest lower dollar increment and based on the unrounded adjustment for the preceding 12-month period.";

(B) by striking "(B)" and inserting "(B)(i)"; and

(C) by adding at the end the following new clause:

"(ii) The maximum allowable level of administrative expense payments shall be adjusted by the Secretary—

"(I) to increase by 7.5 percent the monthly payment to family or group day care home sponsoring organizations both for tier I family or group day care homes and for those tier II family or group day care homes for which the sponsoring organization administers a means test as provided under subparagraph (A)(iii); and

"(II) to decrease by 7.5 percent the monthly payment to family or group day care home sponsoring organizations for family or group day care homes that do not meet the criteria for tier I homes and for which a means test is not administered.".

(3) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—Section 17(f)(3) of the Act is amended by adding at the end the following:

"(D) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—

"(i) IN GENERAL.—

"(I) RESERVATION.—From amounts made available to carry out this section, the Secretary shall reserve $5,000,000 of the amount made available for fiscal year 1996.

"(II) PURPOSE.—The Secretary shall use the funds made available under subclause (I) to provide grants to States for the purpose of providing—

"(aa) assistance, including grants, to family and day care home sponsoring organizations and other appropriate organizations, in securing and providing training, materials, automated data processing assistance, and other assistance for the staff of the sponsoring organizations; and

"(bb) training and other assistance to family and group day care homes.

"(ii) ALLOCATION.—The Secretary shall allocate from the funds reserved under clause (i)(II)—

"(I) $30,000 in base funding to each State; and

"(II) any remaining amount among the States, based on the number of family day care homes participating in the program in a State in 1994 as a percentage of the number of all family day care homes participating in the program in 1994.

"(iii) RETENTION OF FUNDS.—Of the amount of funds made available to a State for a fiscal year under clause (i), the State may retain not to exceed 30 percent of the amount to carry out this subparagraph.

"(iv) ADDITIONAL PAYMENTS.—Any payments received under this subparagraph shall be in addition to payments that a State receives under subparagraph (A).".

(4) PROVISION OF DATA.—Section 17(f)(3) of the Act (as amended by paragraph (3)) is further amended by adding at the end the following:

"(E) PROVISION OF DATA TO FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

"(i) CENSUS DATA.—The Secretary shall provide to each State agency administering a child and adult care food program under this section data from the most recent decennial census survey or other appropriate census survey for which the data are available showing which areas in the State meet the requirements of subparagraph (A)(ii)(I)(aa). The State agency shall provide the data to family or group day care home sponsoring organizations located in the State.

"(ii) SCHOOL DATA.—

"(I) IN GENERAL.—A State agency administering the program under this section shall annually provide to a family or group day care home sponsoring organizations that request the data, a list of schools serving elementary school children in the State in which at least 50 percent of the children enrolled are certified to receive free or reduced price meals. State agencies administering the school lunch program under this Act or the school breakfast program under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) shall collect such data annually and provide such data on a timely basis to the State agency administering the program under this section.

"(II) USE OF DATA FROM PRECEDING SCHOOL YEAR.—In determining for a fiscal year or other annual period whether a home qualifies as a tier I family or group day care home under subparagraph (A)(ii)(I), the State agency administering the program under this section, and a family or group day care home sponsoring organization, shall use the most current available data at the time of the determination.

"(iii) DURATION OF DETERMINATION.—For purposes of this section, a determination that a family or group day care home is located in an area that qualifies the home as a tier I family or group day care home (as the term is defined in subparagraph (A)(ii)(I)), shall be in effect for 3 years (unless the determination is made on the basis of census data, in which case the determination shall remain in effect until more recent census data are available) unless the State agency determines that the area in which the home is located no longer qualifies the home as a tier I family or group day care home.".

(5) CONFORMING AMENDMENTS.—Section 17(c) of the Act is amended by inserting "except as provided in subsection (f)(3)," after "For purposes of this section," each place it appears in paragraphs (1), (2), and (3).

(c) DISALLOWING MEAL CLAIMS.—The fourth sentence of section 17(f)(4) of the Act is amended by inserting "(including institutions that are not family or group day care home sponsoring organizations)" after "institutions".

(d) ELIMINATION OF STATE PAPERWORK AND OUTREACH BURDEN.—Section 17 of the Act is amended by striking subsection (k) and inserting the following:

"(k) TRAINING AND TECHNICAL ASSISTANCE.—A State participating in the program established under this section shall provide sufficient training, technical assistance, and monitoring to facilitate effective operation of the program. The Secretary shall assist the State in developing plans to fulfill the requirements of this subsection.".

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall become effective on the date of enactment of this Act.

(2) IMPROVED TARGETING OF DAY CARE HOME REIMBURSEMENTS.—The amendments made by paragraphs (1), (3), and (4) of subsection (b) shall become effective on August 1, 1996.

(3) IMPLEMENTATION.—The Secretary of Agriculture shall issue regulations to implement the amendments made by paragraphs (1), (2), (3), and (4) of subsection (b) and the provisions of section 17(f)(3)(C) of the National School Lunch Act (42 U.S.C. 1766(f)(3)(C)) not later than February 1, 1996. If such regulations are issued in interim form, final regulations shall be issued not later than August 1, 1996.

Subtitle D—Agricultural Promotion and Export Programs

SEC. 1401. EXPORT ENHANCEMENT PROGRAM.

Effective October 1, 1995, section 301(e)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5651(e)(1)) is amended to read as follows:

"(1) IN GENERAL.—The Commodity Credit Corporation shall make available to carry out the program established under this section not more than $800,000,000 for fiscal year 1996.".

HARKIN AMENDMENTS NOS. 3280–3282

(Ordered to lie on the table.)

Mr. HARKIN submitted three amendments intended to be proposed by him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3280

Section 105(b)(3) is amended by striking (A) and inserting the following:

"(A) by striking subsection (a) and inserting the following:

"(a) DIRECT ATTRIBUTION.—The Secretary shall attribute payments specified in section 1001 to persons who receive the payments directly and attribute payments received by entities to the individuals who own such entities in proportion to their ownership interest in the entity."

AMENDMENT NO. 3281

Section 104(b) is amended by adding at the end the following:

"(7) LOCAL LOAN RATES.—The Secretary may not reduce the national loan for a crop in a county by an amount in excess of 5 percent the national loan rate.

AMENDMENT NO. 3282

Section 103(h)(1) is amended by striking "during the period of the violation,".

HARKIN AMENDMENTS NOS. 3283–3288

(Ordered to lie on the table.)

Mr. HARKIN submitted six amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3283

On page 1–26, strike line 16 and all that follows through line 25 and insert the following:

(6) OILSEEDS.—

(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be—

(i) 90 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5

crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not less than $4.92 per bushel.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rates for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, individually, shall be—

(i) 90 percent of the simple average price received by producers of each such oilseed, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of the 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

(ii) not less than $0.087 per pound.

AMENDMENT NO. 3284

Beginning on page 1–21, strike line 5, and all that follows through page 1–26, line 25, and insert the following:

(1) WHEAT.—

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for wheat shall be 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 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) 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—

(i) 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;

(ii) 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

(iii) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for wheat under subparagraph (B) shall not be considered in determining the loan rate for wheat for subsequent years.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for corn shall be not less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of corn to total use for the marketing year will be—

(i) equal to or greater than 25 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 10 percent in any year;

(ii) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 12.5 percent the Secretary may not reduce the loan rate for corn for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for corn under subparagraph (B) shall not be considered in determining the loan rate for corn for subsequent years.

(D) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

(3) UPLAND COTTON.—

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan 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—

(i) 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 in the year in which the loan rate is announced, 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

(ii) 90 percent of the average, for the 15-week period beginning July 1 of the year in which the loan rate is announced, of the 5 lowest-priced growths of the growths quoted for Middling 1⅜2-inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced 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.

(B) 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.

(4) EXTRA LONG STAPLE COTTON.—The loan rate for a marketing assistance loan for extra long staple cotton shall be—

(A) not less than 85 percent of the simple average price received by producers of extra long staple cotton, as determined by the Secretary, during 3 years of the 5 previous marketing years, 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 $0.7965 per pound.

(5) RICE.—The loan rate for a marketing assistance loan for rice shall be $6.50 per hundredweight.

(6) OILSEEDS.—

(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be—

(i) 90 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not less than $4.92 per bushel.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rates for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, individually, shall be—

(i) 90 percent of the simple average price received by producers of each such oilseed, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of the 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

(ii) not less than $0.087 per pound.

AMENDMENT NO. 3285

Beginning on page 1–21, strike line 5 and all that follows through page 1–23, line 3, and insert the following:

(1) WHEAT.—

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for wheat shall be 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 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) 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—

(i) 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;

(ii) 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

(iii) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for wheat under subparagraph (B) shall not be considered in determining the loan rate for wheat for subsequent years.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for corn shall be not less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

AMENDMENT NO. 3286

Beginning on page 1–21, strike line 5 and all that follows through page 1–26, line 25, and insert the following:

(1) WHEAT.—

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for wheat shall be not less than 90 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) 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—

(i) 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;

(ii) 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

(iii) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for wheat under subparagraph (B) shall not be considered in determining the loan rate for wheat for subsequent years.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for corn shall be not less than 90 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of corn to total use for the marketing year will be—

(i) equal to or greater than 25 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 10 percent in any year;

(ii) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 12.5 percent the Secretary may not reduce the loan rate for corn for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for corn under subparagraph (B) shall not be considered in determining the loan rate for corn for subsequent years.

(D) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

(3) UPLAND COTTON.—

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan 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—

(i) 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 in the year in which the loan rate is announced, 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

(ii) 90 percent of the average, for the 15-week period beginning July 1 of the year in which the loan rate is announced, of the 5 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 in which the loan is announced 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.

(B) 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.

(4) EXTRA LONG STAPLE COTTON.—The loan rate for a marketing assistance loan for extra long staple cotton shall be—

(A) not less than 85 percent of the simple average price received by producers of extra long staple cotton, as determined by the Secretary, during 3 years of the 5 previous marketing years, 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 $0.7965 per pound.

(5) RICE.—The loan rate for a marketing assistance loan for rice shall be $6.50 per hundredweight.

(6) OILSEEDS.—

(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be—

(i) 90 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not less than $4.92 per bushel.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rates for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, individually, shall be—

(i) 90 percent of the simple average price received by producers of each such oilseed, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of the 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

(ii) not less than $0.087 per pound.

AMENDMENT NO. 3287

On page 5-10, strike line 8 and all that follows through line 15.

AMENDMENT NO. 3288

On page 1-77, strike lines 5 through 24 and insert the following:

(B) by transferring sections 110, 111, 201(c), and 204 (7 U.S.C. 1445e, 1445f, 1446(c), and 1446(e) to appear after section 304 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1304) and redesignating the transferred sections as sections 305, 306, 307, and 308, respectively; and

(C) by transferring sections 404 and 416 (7 U.S.C. 1424 and 1431) to appear after section 390 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1390) and redesignating the transferred sections as sections 390A and 390B, respectively.

(2) REPEAL.—The Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) (as amended by paragraph (1)) is repealed.

(c) CONFORMING AMENDMENTS.—

(1) Section 307 of the Agricultural Adjustment Act of 1938 (as transferred and redesignated by subsection (b)(1)(B)) is amended by striking "204" and inserting "308".

GREGG (AND OTHERS) AMENDMENT NO. 3289

(Ordered to lie on the table.)

Mr. GREGG (for himself, Mr. REID, Mr. SANTORUM, and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by them to the bill S. 1541, supra; as follows:

Notwithstanding any other provision of this Act, none of the provisions dealing with or extending the Sugar program shall be enforced.

THOMAS AMENDMENT NO. 3290

(Ordered to lie on the table.)

Mr. THOMAS submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike Section and insert in lieu thereof the following:

SEC. . SUGAR PROGRAM.

(a) SUGARCANE.—The Secretary shall make loans available to processors of domestically grown sugarcane at a rate equal to 18 cents per pound of raw cane sugar.

(b) SUGAR BEETS.—The Secretary shall make loans available to processors of domestically grown sugar beets at a rate equal to 22.9 cents per pound for refined beet sugar.

(c) REDUCTION IN LOAN RATES.—

(1) REDUCTION REQUIRED.—The Secretary shall reduce the loan rate specified in subsection (a) for domestically grown sugarcane and subsection (b) for domestically grown sugar beets if the Secretary determines that negotiated reductions in export subsidies and domestic subsidies provided for sugar of the European Union and other major sugar growing, producing, and exporting countries in the aggregate exceed the commitments made as part of the Agreement on Agriculture.

(2) EXTENT OF REDUCTION.—The Secretary shall not reduce the loan rate under subsection (a) or (b) below a rate that provides an equal measure of support to that provided by the European Union and other major sugar growing, producing, and exporting countries, based on an examination of both domestic and export subsidies subject to reduction in the Agreement on Agriculture.

(3) ANNOUNCEMENT OF REDUCTION.—The Secretary shall announce any loan rate reduction to be made under this subsection no less than 36 months prior to the effective date of such reduction.

(4) MAJOR SUGAR COUNTRIES DEFINED.—For purposes of this subsection, the term "major sugar growing, producing, and exporting countries" means—

(A) the countries of the European union; and

(B) the ten foreign countries not covered by subparagraph (A) that the Secretary determines produce the greatest amount of sugar.

(5) AGREEMENT ON AGRICULTURE DEFINED.—For purposes of this subsection, the term "Agreement on Agriculture" means the Agreement on Agriculture referred to in section 101(d)(2) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(2).

BUMPERS AMENDMENT NO. 3291

(Ordered to lie on the table.)

Mr. BUMPERS submitted an amendment intended to be proposed by him to an amendment submitted by Mr.

CONRAD to the bill S. 1541, supra; as follows:

In the section relating to the Deficiency Payment Account and the Conservation and Rural America Account, strike subsection (a) and insert the following:

(a) ACCOUNTS.—

(1) ESTABLISHMENT.—There are established in the Treasury of the United States a Deficiency Payment Account and a Conservation and Rural America Account, which shall be used to carry out this section, to remain available until expended.

(2) ESTIMATE.—During each of fiscal years 1996 through 2002, the Director of the Office of Management and Budget, in consultation with the Director of the Congressional Budget Office, shall determine whether—

(A) the total amount that the Director of the Congressional Budget Office estimated, as of the day before the date of enactment of this Act, would be expended under this title during the period consisting of fiscal years 1996 through 2002; exceeds

(B) the total amount that the Director of the Congressional Budget Office estimates, as of the date of the determination, will be expended under this title during the period consisting of fiscal years 1996 through 2002.

(3) ANNUAL ROLLER OF SURPLUS.—At the end of each of fiscal years 1996 through 2002, an amount equal to—

(A) the total amount that the Director of the Congressional Budget Office estimated, as of the day before the date of enactment of this Act, would be expended under this title during the fiscal year; exceeds

(B) the total amount that was expended under this title during the fiscal year;

shall be available for obligation in the succeeding fiscal year.

(4) SURPLUS.—If the Director of the Office of Management and Budget determines that the current estimate exceeds the prior estimate as described in paragraph (2), the Secretary of the Treasury shall—

(A) as soon as practicable after the determination, transfer—

(i) an amount equal to 25 percent of the surplus to the Deficiency Payment Account; and

(ii) an amount equal to 25 percent of the surplus to the Conservation and Rural America Account; and

(B) on October 1, 2002, transfer the remaining amount of any surplus to the Accounts.

BURNS (AND OTHERS) AMENDMENT NO. 3292

(Ordered to lie on the table.)

Mr. BURNS (for himself, Mr. GORTON, and Mr. CRAIG) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the end of title II, insert the following:

SEC. 206. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

The Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) is amended by adding at the end the following:

"TITLE VII—FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM

"SEC. 701. DEFINITION OF ELIGIBLE TRADE ORGANIZATION.

"In this title, the term 'eligible trade organization' means a United States trade organization that—

"(1) promotes the export of 1 or more United States agricultural commodities or products; and

"(2) does not have a business interest in or receive remuneration from specific sales of agricultural commodities or products.

"SEC. 702. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

"(a) IN GENERAL.—The Secretary shall establish and, in cooperation with eligible trade organizations, carry out a foreign market development cooperator program to maintain and develop foreign markets for United States agricultural commodities and products.

"(b) ADMINISTRATION.—Funds made available to carry out this title shall be used only to provide—

"(1) cost-share assistance to an eligible trade organization under a contract or agreement with the organization; and

"(2) assistance for costs that are necessary or appropriate to carry out the foreign market development cooperator program, including contingent liabilities that are not otherwise funded.

"SEC. 703. AUTHORIZATION APPROPRIATIONS.

"There are authorized to be appropriated to carry out this title such sums as may be necessary for each of fiscal years 1996 through 2002.".

CRAIG (AND OTHERS) AMENDMENT NO. 3293

(Ordered to lie on the table.)

Mr. CRAIG (for himself, Mr. MACK, and Mr. GRAHAM) submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike subsection (d) of sec. 506 of the Craig/Leahy substitute.

CRAIG AMENDMENT NO. 3294

(Ordered to lie on the table.)

Mr. CRAIG submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

At the appropriate place, insert the following:

SEC. 507. NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER.

(a) IN GENERAL.—The Consolidated Farm and Rural Development Act is amended by inserting after section 363 (17 U.S.C. 2006e) the following:

"SEC. 364. NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER.

"(a) DEFINITIONS.—In this section:

"(1) BOARD.—The term 'Board' means the Board of Directors established under subsection (f).

"(2) CENTER.—The term 'Center' means the National Sheep Industry Improvement Center established under subsection (b).

"(3) ELIGIBLE ENTITY.—The term 'eligible entity' means an entity that promotes the betterment of the United States lamb or wool industry and that is—

"(A) a public, private, or cooperative organization;

"(B) an association, including a corporation not operated for profit;

"(C) a federally recognized Indian Tribe; or

"(D) a public or quasi-public agency.

"(4) FUND.—The term 'Fund' means the Natural Sheep Improvement Center Revolving Fund established under subsection (e).

"(b) ESTABLISHMENT OF CENTER.—The Secretary shall establish a National Sheep Industry Improvement Center.

"(c) PURPOSES.—The purposes of the Center shall be to—

"(1) promote strategic development activities and collaborative efforts by private and State entities to maximize the impact of Federal assistance to strengthen and enhance the production and marketing of lamb and wool in the United States;

"(2) optimize the use of available human capital and resources within the sheep industry;

"(3) provide assistance to meet the needs of the sheep industry for infrastructure development, business development, production, resource development, and market and environmental research;

"(4) advance activities that empower and build the capacity of the United States sheep industry to design unique responses to the special needs of the lamb and wool industries on both a regional and national basis; and

"(5) adopt flexible and innovative approaches to solving the long-term needs of the United States sheep industry.

"(d) STRATEGIC PLAN.—

"(1) IN GENERAL.—The Center shall submit to the Secretary an annual strategic plan for the delivery of financial assistance provided by the Center.

"(2) REQUIREMENTS.—A strategic plan shall identify—

"(A) goals, methods, and a benchmark for measuring the success of carrying out the plan and how the plan relates to the national and regional goals of the Center;

"(B) the amount and sources of Federal and non-Federal funds that are available for carrying out the plan;

"(C) funding priorities;

"(D) selection criteria for funding; and

"(E) a method of distributing funding.

"(e) REVOLVING FUND.—

"(1) ESTABLISHMENT.—There is established in the Treasury the Natural Sheep Improvement Center Revolving Fund. The Fund shall be available to the Center, without fiscal year limitation, to carry out the authorized programs and activities of the Center under this section.

"(2) CONTENTS OF FUND.—There shall be deposited in the Fund—

"(A) such amounts as may be appropriated, transferred, or otherwise made available to support programs and activities of the Center;

"(B) payments received from any source for products, services, or property furnished in connection with the activities of the Center;

"(C) fees and royalties collected by the Center from licensing or other arrangements relating to commercialization of products developed through projects funded, in whole or part, by grants, contracts, or cooperative agreements executed by the Center;

"(D) proceeds from the sale of assets, loans, and equity interests made in furtherance of the purposes of the Center;;

"(E) donations or contributions accepted by the Center to support authorized programs and activities; and

"(F) any other funds acquired by the Center.

"(3) USE OF FUND.—

"(A) IN GENERAL.—The Center may use amounts in the Fund to make grants and loans to eligible entities in accordance with a strategic plan submitted under subsection (d).

"(B) CONTINUED EXISTENCE.—The Center shall manage the Fund in a manner that ensures that sufficient amounts are available in the Fund to carry out subsection (c).

"(C) DIVERSE AREA.—The Center shall, to the maximum extent practicable, use the Fund to serve broad geographic areas and regions of diverse production.

"(D) VARIETY OF LOANS AND GRANTS.—The Center shall, to the maximum extent practicable, use the Fund to provide a variety of intermediate- and long-term grants and loans.

"(E) ADMINISTRATION.—The Center may not use more than 3 percent of the amounts in the Fund for a fiscal year for the administration of the Center.

"(F) INFLUENCING LEGISLATION.—None of the amounts in the Fund may be used to influence legislation.

"(G) ACCOUNTING.—To be eligible to receive amounts from the Fund, an entity must agree to account for the amounts using generally accepted accounting principles.

"(H) USES OF FUND.—The Center may use amounts in the Fund to—

"(i) participate with Federal and State agencies in financing activities that are in accordance with a strategic plan submitted under subsection (d), including participation with several States in a regional effort;

"(ii) participate with other public and private funding sources in financing activities that are in accordance with the strategic plan, including participation in a regional effort;

"(iii) provide security for, or make principle or interest payments on, revenue or general obligation bonds issued by a State, if the proceeds from the sale of the bonds are deposited in the Fund;

"(iv) accrue interest;

"(v) guarantee or purchase insurance for local obligations to improve credit market access or reduce interest rates for a project that is in accordance with the strategic plan; or

"(vi) sell assets, loans, and equity interests acquired in connection with the financing of projects funded by the Center.

"(4) LOANS.—

"(A) RATE.—A loan from the Fund may be made at an interest rate that is below the market rate or may be interest free.

"(B) TERM.—The term of a loan may not exceed the shorter of—

"(i) the useful life of the activity financed; or

"(ii) 40 years.

"(C) SOURCE OF REPAYMENT.—The Center may not make a loan from the Fund unless the recipient establishes an assured source of repayment.

"(D) PROCEEDS.—All payments of principal and interest on a loan made from the Fund shall be deposited into the Fund.

"(5) MAINTENANCE OF EFFORT.—The Center shall use the Fund only to supplement and not to supplant Federal, State, and private funds expended for rural development.

"(6) FUNDING.—

"(A) DEPOSIT OF FUNDS.—All Federal and non-Federal amounts received by the Center to carry out this section shall be deposited in the Fund.

"(B) MANDATORY FUNDS.—Out of any moneys in the Treasury not otherwise appropriated, the Secretary of the Treasury shall provide to the Center not to exceed $20,000,000 to carry out this section.

"(C) ADDITIONAL FUNDS.—In addition to any funds provided under subparagraph (B), there is authorized to be appropriated to carry out this section $30,000,000 to carry out this section.

"(D) PRIVATIZATION.—Federal funds shall not be used to carry out this section beginning on the earlier of—

"(i) the date that is 10 years after the effective date of this section; or

"(ii) the day after a total of $50,000,000 is made available under subparagraphs (B) and (C) to carry out this section.

"(f) BOARD OF DIRECTORS.—

"(1) IN GENERAL.—The management of the Center shall be vested in a Board of Directors.

"(2) POWERS.—The Board shall—

"(A) be responsible for the general supervision of the Center;

"(B) review any grant, loan, contract, or cooperative agreement to be made or entered into by the Center and any financial assistance provided to the Center;

"(C) make the final decision, by majority vote, on whether and how to provide assistance to an applicant; and

"(D) develop and establish a budget plan and a long-term operating plan to carry out the goals of the Center.

"(3) COMPOSITION.—The Board shall be composed of—

"(A) 7 voting members, of whom—

"(i) 4 members shall be active producers of sheep in the United States;

"(ii) 2 members shall have expertise in finance and management; and

"(iii) 1 member shall have expertise in lamb and wool marketing; and

"(B) 2 nonvoting members, of whom—

"(i) 1 member shall be the Under Secretary of Agriculture for Rural Economic and Community Development; and

"(ii) 1 member shall be the Under Secretary of Agriculture for Research, Education, and Economics.

"(4) ELECTION.—A voting member of the Board shall be chosen in an election of the members of a national organization selected by the Secretary that—

"(A) consists only of sheep producers in the United States; and

"(B) has as the primary interest of the organization the production of lamb and wool in the United States.

"(5) TERM OF OFFICE.—

"(A) IN GENERAL.—Subject to subparagraph (B), the term of office of a voting member of the Board shall be 3 years.

"(B) STAGGERED INITIAL TERMS.—The initial voting members of the Board (other than the chairperson of the initially established Board) shall serve for staggered terms of 1, 2, and 3 years, as determined by the Secretary.

"(C) REELECTION.—A voting member may be reelected for not more than 1 additional term.

"(6) VACANCY.—

"(A) IN GENERAL.—A vacancy on the Board shall be filled in the same manner as the original Board.

"(B) REELECTION.—A member elected to fill a vacancy for an unexpired term may be reelected for 1 full term.

"(7) CHAIRPERSON.—

"(A) IN GENERAL.—The Board shall select a chairperson from among the voting members of the Board.

"(B) TERM.—The term of office of the chairperson shall be 2 years.

"(8) ANNUAL MEETING.—

"(A) IN GENERAL.—The Board shall meet not less than once each fiscal year at the call of the chairperson or at the request of the executive director appointed under subsection (g)(1).

"(B) LOCATION.—The location of a meeting of the Board shall be established by the Board.

"(9) VOTING.—

"(A) QUORUM.—A quorum of the Board shall consist of a majority of the voting members.

"(B) MAJORITY VOTE.—A decision of the Board shall be made by a majority of the voting members of the Board.

"(10) CONFLICTS OF INTEREST.—

"(A) IN GENERAL.—A member of the Board shall not vote on any matter respecting any application, contract, claim, or other particular matter pending before the Board in which, to the knowledge of the member, an interest is held by—

"(i) the member;

"(ii) any spouse of the member;

"(iii) any child of the member;

"(iv) any partner of the member;

"(v) any organization in which the member is serving as an officer, director, trustee, partner, or employee; or

"(vi) any person with whom the member is negotiating or has any arrangement concerning prospective employment or with whom the member has a financial interest.

"(B) REMOVAL.—Any action by a member of the Board that violates subparagraph (A) shall be cause for removal from the Board.

"(C) VALIDITY OF ACTION.—An action by a member of the Board that violates subparagraph (A) shall not impair or otherwise affect the validity of any otherwise lawful action by the Board.

"(D) DISCLOSURE.—

"(i) IN GENERAL.—If a member of the Board makes a full disclosure of an interest and, prior to any participation by the member, the Board determines, by majority vote, that the interest is too remote or too inconsequential to affect the integrity of any participation by the member, the member may participate in the matter relating to the interest.

"(ii) VOTE.—A member that discloses an interest under clause (i) shall not vote on a determination of whether the member may participate in the matter relating to the interest.

"(E) REMANDS.—

"(i) IN GENERAL.—The Secretary may vacate and remand to the Board for reconsideration any decision made pursuant to subsection (e)(3)(H) if the Secretary determines that there has been a violation of this paragraph or any conflict of interest provision of the bylaws of the Board with respect to the decision.

"(ii) REASONS.—In the case of any violation and remand of a funding decision to the Board under clause (i), the Secretary shall inform the Board of the reasons for the remand.

"(11) COMPENSATION.—

"(A) IN GENERAL.—A member of the Board shall not receive any compensation by reason of service on the Board.

"(B) EXPENSES.—A member of the Board shall be reimbursed for travel, subsistence, and other necessary expenses incurred by the member in the performance of a duty of the member.

"(12) BYLAWS.—The Board shall adopt, and may from time to time amend, any bylaw that is necessary for the proper management and functioning of the Center.

"(13) PUBLIC HEARINGS.—Not later than 1 year after the effective date of this section, the Board shall hold public hearings on policy objectives of the program established under this section.

"(14) ORGANIZATIONAL SYSTEM.—The Board shall provide a system of organization to fix responsibility and promote efficiency in carrying out the functions of the Board.

"(15) USE OF DEPARTMENT OF AGRICULTURE.—The Board may, with the consent of the Secretary, utilize the facilities of and the services of employees of the Department of Agriculture, without cost to the Center.

"(g) OFFICERS AND EMPLOYEES.—

"(1) EXECUTIVE DIRECTOR.—

"(A) IN GENERAL.—The Board shall appoint an executive director to be the chief executive officer of the Center.

"(B) TENURE.—The executive director shall serve at the pleasure of the Board.

"(C) COMPENSATION.—Compensation for the executive director shall be established by the Board.

"(2) OTHER OFFICERS AND EMPLOYEES.—The Board may select and appoint officers, attorneys, employees, and agents who shall be vested with such powers and duties as the Board may determine.

"(3) DELEGATION.—The Board may, by resolution, delegate to the chairperson, the executive director, or any other officer or employee any function, power, or duty of the Board other than voting on a grant, loan, contract, agreement, budget, or annual strategic plan.

"(h) CONSULTATION.—To carry out this section, the Board may consult with—

"(1) State departments of agriculture;

"(2) Federal departments and agencies;

"(3) nonprofit development corporations;

"(4) colleges and universities;

"(5) banking and other credit-related agencies;

"(6) agriculture and agribusiness organizations; and

"(7) regional planning and development organizations.

"(i) OVERSIGHT.—

"(1) IN GENERAL.—The Secretary shall review and monitor compliance by the Board and the Center with this section.

"(2) SANCTIONS.—If, following notice and opportunity for a hearing, the Secretary finds that the Board or the Center is not in compliance with this section, the Secretary may—

"(A) cease making deposits to the Fund;

"(B) suspend the authority of the Center to withdraw funds from the Fund; or

"(C) impose other appropriate sanctions, including recoupment of money improperly expended for purposes prohibited or not authorized by this Act and disqualification from receipt of financial assistance under this section.

"(3) REMOVING SANCTIONS.—The Secretary shall remove sanctions imposed under paragraph (2) on a finding that there is no longer any failure by the Board or the Center to comply with this section or that the noncompliance shall be promptly corrected.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on the date of enactment of this Act.

McCAIN AMENDMENT NO. 3295

(Ordered to lie on the table.)

Mr. McCAIN submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

At an appropriate place in the bill, insert:

(a) Section 1677, the Indian Reservation Extension Agent Program, of P.L. 101-624, is reauthorized through 2002; further, once an Indian Reservation Extension Program has been determined by the Secretary of Agriculture to have been satisfactorily administered for two years, the Secretary shall implement a reduced re-application process for the continued operation of such programs, in order to reduce regulatory burdens on the participating university and tribal entities.

(b) Before January 6, 1997, the Secretary shall develop and implement a formal Memorandum of Agreement with the 29 tribally controlled colleges eligible under federal law to receive funds from the Department as partial Land Grant institutions; the Memorandum of Agreement shall establish programs to ensure that tribally-controlled colleges and Native American communities equitably participate in USDA employment, programs, services, and resources.

MOSELEY-BRAUN AMENDMENT NO. 3296

(Order to lie on the table.)

Ms. MOSELEY-BRAUN submitted an amendment intended to be proposed by her to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Amend language on oilseed loan rates as follows:

(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be—

(i) 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 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not less than $4.92 or more than $5.26 per bushel.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rate for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, individually, shall be—

(i) not less than 85 percent of the simple average price received by producers of these oilseeds, individually, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of these oilseeds, individually, excluding the year in which the average price was the highest and the year in which the average prices was the lowest in the period; but

(ii) not less than $0.087 or more than $0.093 per pound.

(c) OTHER OILSEEDS.—The loan rates for a marketing assistance loan for other oilseeds shall be established at such level as the Secretary determines is fair and reasonable in relation to the loan rate available for soybeans, except in no event shall the rate for the oilseeds (other than cottonseed) be less than the rate established for soybeans on a per-pound basis for the same crop.

KERREY AMENDMENT NO. 3297

(Ordered to lie on the table.)

Mr. KERREY submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place, insert the following:

(c) REPAYMENT OF COST SHARING AND OTHER PAYMENTS.—Section 1235(d)(1) of the Food Security Act of 1985 (16 U.S.C. 3835(d)(1)) is amended—

(1) in subparagraph (A), by striking "and" at the end;

(2) in subparagraph (B), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

"(C) in the case of a contract with respect to which 5 years of less or the contract term have elapsed, the owner or operator agrees to repay all cost sharing, rental, and other payments made by the Secretary under the contract and section 1234; and

"(D) in the case of a contract with respect to which more than 5 years but less than 8 years of the contract term have elapsed, the owner or operator agrees to repay all cost sharing payments made by the Secretary under the contract and section 1234(b).".

KERREY (AND EXON) AMENDMENT NO. 3298

(Ordered to lie on the table.)

Mr. KERREY (for himself and Mr. EXON) submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. Leahy to the bill S. 1541, supra; as follows:

At the appropriate place, insert the following:

SEC. 353. STATE TECHNICAL COMMITTEES.

Subtitle G of title XII of the Food Security Act of 1985 (16 U.S.C. 2861 et seq.) is amended to read as follows:

"Subtitle G—State Technical Committees

"SEC. 1261. ESTABLISHMENT.

"(a) IN GENERAL.—The Secretary shall establish in each State a State technical committee to assist the Secretary in the technical considerations relating to implementation of the conservation provisions under this title.

"(b) COORDINATION.—Each State technical committee shall be coordinated by the State Conservationist of the Natural Resources Conservation Service.

"(c) COMPOSITION.—Each technical committee shall be composed of persons with relevant expertise that represent a variety of disciplines in the soil, water, wetland, and wildlife and social sciences, including representatives of—

"(1) the Natural Resources Conservation Service;

"(2) the Farm Service Agency;

"(3) the Forest Service;

"(4) the Cooperative State Research, Education and Extension Service;

"(5) the United States Fish and Wildlife Service;

"(6) the Environmental Protection Agency;

"(7) the United States Geological Service;

"(8) State departments and agencies that the Secretary considers appropriate, including—

"(A) the State fish and wildlife agency;

"(B) the State forester or equivalent State official;

"(C) the State water resources agency;

"(D) the State department of agriculture; and

"(E) the State association of soil and water conservation districts, or natural resources districts;

"(9) agricultural producers utilizing a range of conservation farming systems and practices;

"(10) other nonprofit organizations with demonstrable expertise;

"(11) persons knowledgeable about the economic and environmental impact of conservation techniques and programs; and

"(12) agribusiness.

"SEC. 1262. RESPONSIBILITIES.

"(a) IN GENERAL.—

"(1) MEETINGS.—Each State technical committee shall meet regularly to provide information, analysis, and recommendations to the Secretary regarding implementation of conservation provisions and programs.

"(2) MANNER.—The information, analysis, and recommendations shall be provided in a manner that will assist the Department of

Agriculture in determining conservation priorities for the State and matters of fact, technical merit, or scientific question.

"(3) BEST INFORMATION AND JUDGMENT.—Information, analysis, and recommendations shall be provided in writing and shall reflect the best information and judgment of the committee.

"(b) OTHER DUTIES.—Each State technical committee shall provide assistance and offer recommendations with respect to the technical aspects of—

"(1) wetland protection, restoration and mitigation requirements;

"(2) criteria to be used in evaluating bids for enrollment of environmentally sensitive lands in the conservation reserve program;

"(3) guidelines for haying or grazing and the control of weeds to protect nesting wildlife on setaside acreage;

"(4) addressing common weed and pest problems and programs to control weeds and pests found on acreage enrolled in the conservation reserve program;

"(5) guidelines for planting perennial cover for water quality and wildlife habitat improvement on set-aside lands;

"(6) criteria and guidelines to be used in evaluating petitions by farmers to test conservation practices and systems not currently covered in Field Office Technical Guides;

"(7) identification, prioritization, and coordination of Water Quality Incentives Program initiatives in the State; and

"(8) other matters determined appropriate by the Secretary.

"(c) AUTHORITY.—

"(1) NO ENFORCEMENT AUTHORITY.—Each State technical committee is advisory and shall have no implementation or enforcement authority.

"(2) CONSIDERATION.—The Secretary shall give strong consideration to the recommendations of State technical committees in administering the program under this title, and to any factual, technical, or scientific finding of a committee.".

FORD (AND OTHERS) AMENDMENTS NOS. 3299–3302

(Ordered to lie on the table.)

Mr. FORD (for himself, Mr. HELMS, Mr. FAIRCLOTH, Mr. WARNER, Mr. ROBB, and Mr. MCCONNELL) submitted by Mr. BROWN to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3299

In lieu of the matter proposed to be inserted, insert the following:

SEC. . ELIMINATION OF FEDERAL BUDGETARY OUT-LAYS FOR TOBACCO PROGRAMS.

Section 315(g)(1) of the Agricultural Adjustment Act of 1938 (as transferred and redesignated by section 110(b)(1)(A) is amended—

(1) by striking "1998" and inserting "2002"; and

(2) by inserting after "equal to" the following "a pro rata share of the total amount of the costs of other Department of Agriculture programs related to tobacco production or processing that are not required to be covered by user fees or by contributions or assessments under section 315A(d)(1) or 315B(d)(1), but in no event less than".

AMENDMENT NO. 3300

In lieu of the matter proposed to be inserted, insert the following.

SEC. . ELIMINATION OF FEDERAL BUDGETARY OUT-LAYS FOR TOBACCO PROGRAMS.

Section 315(g)(1) of the Agricultural Adjustment Act of 1938 (as transferred and redesignated by section 110(b)(1)(A)) is amended—

(1) by striking "1998" and inserting "2002"; and

(2) by inserting after "equal to" the following: "a pro rata share of the total amount of the costs of other Department of Agriculture programs related to tobacco production or processing that are not required to be covered by user fees or by contributions or assessments under section 315A(d)(1) or 315B(d)(1), but in no event less than".

AMENDMENT NO. 3301

In lieu of the matter proposed to be inserted, insert the following:

SEC. . ELIMINATION OF FEDERAL BUDGETARY OUT-LAYS FOR TOBACCO PROGRAMS.

Section 315(g)(1) of the Agricultural Adjustment Act of 1938 (as transferred and redesignated by section 110(b)(1)(A)) is amended—

(1) by striking "1998" and inserting "2002"; and

(2) by inserting after "equal" to the following: "a pro rata share of the total amount of the costs of other Department of Agriculture programs related to tobacco production or processing that are not required to be covered by user fees or by contributions or assessments under section 315A(d)(1) or 315B(d)(1), but in no event less than".

AMENDMENT NO. 3302

In lieu of the matter proposed to be inserted, insert the following:

SEC. . ELIMINATION OF FEDERAL BUDGETARY OUT-LAYS FOR TOBACCO PROGRAMS.

Section 315(g)(1) of the Agricultural Adjustment Act of 1938 (as transferred and redesignated by section 110(b)(1)(A)) is amended—

(1) by striking "1998" and inserting "2002"; and

(2) by inserting after "equal" to the following: "a pro rata share of the total amount of the costs of other Department of Agriculture programs related to tobacco production or processing that are not required to be covered by user fees or by contributions or assessments under section 315A(d)(1) or 315B(d)(1), but in no event less than".

COCHRAN AMENDMENT NO. 3303

(Ordered to lie on the table.)

Mr. COCHRAN submitted an amendment to amendment No. 3138 submitted by Mr. CONRAD to the bill S. 1541, supra; as follows:

At the end insert the following:

SEC. . WILDLIFE HABITAT INCENTIVES PROGRAM.

The Secretary of Agriculture, in consultation with the State Technical Committee, shall establish a program within the Natural Resources Conservation Service to be known as the Wildlife Habitat Incentives Program. The program shall make cost-share payments to landowners to develop upland wildlife, wetland wildlife, threatened and endangered species, fisheries, and other types of wildlife habitat approved by the Secretary. To carry out this section, $10,000,000 for each of the fiscal years 1996 through 2002, shall be made available from the program authorized by subchapter B of Chapter 1 of Subtitle D of title XII of the Food Security Act of 1985.

COCHRAN AMENDMENT NO. 3304

(Ordered to lie on the table.)

Mr. COCHRAN submitted an amendment to amendment No. 3135 submitted by Mr. CONRAD to the bill S. 1541, supra; as follows:

At the end insert the following:

SEC. . WILDLIFE HABITAT INCENTIVES PROGRAM.

The Secretary of Agriculture, in consultation with the State Technical Committee, shall establish a program within the Natural Resources Conservation Service to be known as the Wildlife Habitat Incentives Program. The program shall make cost-share payments to landowners to develop upland wildlife, wetland wildlife, threatened and endangered species, fisheries, and other types of wildlife habitat approved by the Secretary. To carry out this section, $10,000,000 for each of the fiscal years 1996 through 2002, shall be made available from the program authorized by subchapter B of Chapter 1 of Subtitle D of title XII of the Food Security Act of 1985.

COCHRAN AMENDMENT NO. 3305

(Ordered to lie on the table.)

Mr. COCHRAN submitted an amendment to amendment No. 3136 submitted by Mr. CONRAD to the bill S. 1541, supra; as follows:

At the end insert the following:

SEC. . WILDLIFE HABITAT INCENTIVE PROGRAM.

The Secretary of Agriculture, in consultation with the State Technical Committee, shall establish a program within the Natural Resources Conservation Service to be known as the Wildlife Habitat Incentives Program. The program shall make cost-share payments to landowners to develop upland wildlife, wetland wildlife, threatened and endangered species, fisheries, and other types of wildlife habitat approved by the Secretary. To carry out this section, $10,000,000 for each of the fiscal years 1996 through 2002, shall be made available from the program authorized by subchapter B of Chapter 1 of Subtitle D of title VII of the Food Security Act of 1985.

HELMS AMENDMENTS NOS. 3306–3308

(Ordered to lie on the table.)

Mr. HELMS submitted three amendments intended to be proposed by him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3306

In lieu of the matter proposed to be inserted, insert:

SEC. . CHANGES TO ELIMINATE FEDERAL BUDGETARY OUTLAYS FOR TOBACCO PROGRAMS.

(a) AMENDMENT TO SECTION 106A OF THE AGRICULTURAL ACT OF 1949.—Section 106A of the Agricultural Act of 1949 (7 U.S.C. 1445–1) is amended by—

(1) in subsection (a)—

(A) striking out "and" at the end of paragraph (6)

(B) striking out the period at the end of paragraph (7) and inserting in lieu thereof "; and"; and

(C) adding at the end the following new paragraph:

"(8) the term 'programs related to tobacco production or processing' means extension

pest management projects, economic forecasting and projections, market news services, and crop insurance payments and activities as they are implemented with respect to tobacco production or processing; administrative expenses of the Consolidated Farm Services Agency in administering the tobacco programs operated under the Agricultural Adjustment Act of 1938 and this Act; and any other program of the Department of Agriculture so designated by the Secretary.";

(2) inserting immediately before the semicolon at the end of subsection (d)(1) the following: "and (effective beginning with fiscal year 1996) to cover the costs of programs related to tobacco production or processing"; and

(3) in subsection (d)(5), inserting "and (effective beginning with fiscal year 1996) to cover the costs of programs related to tobacco production or processing" immediately after "under paragraph (5)".

(b) AMENDMENT TO SECTION 106B OF THE AGRICULTURAL ACT OF 1949.—Section 106B of the Agricultural Act of 1949 (7 U.S.C. 1445-2) is amended by—

(1) in subsection (a)—

(A) striking out "and" at the end of paragraph (7);

(B) striking out the period at the end of paragraph (8) and inserting in lieu thereof "; and"; and

(C) adding at the end the following new paragraph:

"(9) the term 'programs related to tobacco production or processing' means extension pest management projects, economic forecasting and projections, market news services, and crop insurance payments and activities as they are implemented with respect to tobacco production or processing; administrative expenses of the Consolidated Farm Services Agency in administering the tobacco programs operated under the Agricultural Adjustment Act of 1938 and this Act; and any other program of the Department of Agriculture so designated by the Secretary.";

(2) in subsection (d)(2)(A), inserting immediately before the period at the end of the fourth sentence the following: "and (effective beginning with fiscal year 1996) to cover the costs of programs related to tobacco production or processing"; and

(3) in subsection (e), inserting "and (effective beginning with fiscal year 1996) to cover the costs of programs related to tobacco production or processing" immediately before the period at the end.

AMENDMENT NO. 3307

Strike all after the first word and insert the following:

SEC. . REDUCTION FOR CERTAIN OFFERS FROM HANDLERS.

The Secretary of Agriculture shall reduce the loan rate for quota peanuts by 5 percent for any producer who had an offer from a handler, at the time and place of delivery, to purchase quota peanuts from the farm on which the peanuts were produced at a price equal to or greater than the applicable loan rate for quota peanuts.

AMENDMENT NO. 3308

Strike all after the first word and insert the following:

SEC. . LOSSES IN PEANUT QUOTA LOAN POOLS.

(a) OFFSET WITHIN AREA.—After transfers from additional loan pools and reducing the gain of any producer by the amount of pool gains attributed to the producer from the sale of additional peanuts, further losses in an area quota pool for peanuts shall be offset by any gains or profits from additional peanuts (other than separate type pools established for Valencia peanuts produced in New Mexico) owned or controlled by the Commodity Credit Corporation in that area and sold for domestic edible use, in accordance with regulations issued by the Secretary of Agriculture.

(b) OFFSET GENERALLY.—If losses in an area quota pool have not been entirely offset under subsection (a), further losses shall be offset by any gains or profits from additional peanuts (other than separate type pools established for Valencia peanuts produced in New Mexico) owned or controlled by the Commodity Credit Corporation and sold for domestic edible use, in accordance with regulations issued by the Secretary.

KERREY AMENDMENT NO. 3309

(Ordered to lie on the table.)

Mr. KERREY submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place, insert: "in consultation with the State Technical Committee" after "Secretary".

CONRAD AMENDMENTS NOS. 3310–3311

(Ordered to lie on the table.)

Mr. CONRAD submitted two amendments intended to be proposed by him to amendments submitted by him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3310

Beginning on page 1, strike line 4 and all that follows through page 2, line 25, and insert the following:

(1) WHEAT.—The loan rate for a marketing assistance loan for wheat shall be 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 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—The loan rate for a marketing assistance loan for corn shall be not less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

AMENDMENT NO. 3311

Beginning on page 1, strike line 4 and all that follows through page 2, line 25, and insert the following:

(1) WHEAT.—The loan rate for a marketing assistance loan for wheat shall be 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 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—The loan rate for a marketing assistant loan for corn shall be not less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

HELMS AMENDMENT NO. 3312

(Ordered to lie on the table.)

Mr. HELMS submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 1-50, between lines 21 and 22, insert the following:

(5) REDUCTION FOR CERTAIN OFFERS FROM HANDLERS.—The Secretary shall reduce the loan rate for quota peanuts by 5 percent for any producer who had an offer from a handler, at the time and place of delivery, to purchase quota peanuts from the farm on which the peanuts were produced at a price equal to or greater than the applicable loan rate for quota peanuts.

On page 1-55, strike lines 4 through 23 and insert the following:

(3) OFFSET WITHIN AREA.—Further losses in an area quota pool shall be offset by any gains or profits from additional peanuts (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) owned or controlled by the Commodity Credit Corporation in that area and sold for domestic edible use, in accordance with regulations issued by the Secretary.

(4) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under subsection (g) (except funds attributable to handlers) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under subsection (g) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(5) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358-1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358-1(b)(8)), shall be offset by any gains or profits from quota pools in other production areas (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(6) OFFSET GENERALLY.—If losses in an area quota pool have not been entirely offset under paragraph (3), further losses shall be offset by any gains or profits from additional

peanuts (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) owned or controlled by the Commodity Credit Corporation and sold for domestic edible use, in accordance with regulations issued by the Secretary. The authorities provided in the preceeding paragraphs is not sufficient to cover losses in an area quota pool. The Secretary shall increase the marketing assessment established under subsection (g) by such an amount as the Secretary considers necessary to cover the losses. The increased assessment shall apply to quota peanuts in the production area covered by the pool.

SEC. 106. PEANUT PROGRAM.

(a) QUOTA PEANUTS.—

(1) AVAILABILITY OF LOANS.—The Secretary shall make nonrecourse loans available to producers of quota peanuts.

(2) LOAN RATE.—The national average quota loan rate for quota peanuts shall be $610 per ton.

(3) INSPECTION, HANDLING, OR STORAGE.—The loan amount may not be reduced by the Secretary by any deductions for inspection, handling, or storage.

(4) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments in the loan rate for quota peanuts for location of peanuts and such other factors as are authorized by section 411 of the Agricultural Adjustment Act of 1938.

(b) ADDITIONAL PEANUTS.—

(1) IN GENERAL.—The Secretary shall make nonrecourse loans available to producers of additional peanuts at such rates as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets.

(2) ANNOUNCEMENT.—The Secretary shall announce the loan rate for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the loan rate is being determined.

(c) AREA MARKETING ASSOCIATIONS.—

(1) WAREHOUSE STORAGE LOANS.—

(A) IN GENERAL.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the producing areas (described in section 1446.95 of title 7 of the Code of Federal Regulations (January 1, 1989)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(B) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—An area marketing association shall be used in administrative and supervisory activities relating to loans and marketing activities under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(C) ASSOCIATION COSTS.—Loans made to the association under this paragraph shall include such costs as the area marketing association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(2) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico.

(B) ELIGIBILITY TO PARTICIPATE.—

(i) IN GENERAL.—Except as provided in clause (ii), in the case of the 1996 and subsequent crops, Valencia peanuts not physically produced in the State of New Mexico shall not be eligible to participate in the pools of the State.

(ii) EXCEPTION.—A resident of the State of New Mexico may enter Valencia peanuts that are produced outside of the State into the pools of the State in a quantity that is not greater than the 1995 crop of the resident.

(C) TYPES OF PEANUTS.—Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(D) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(i) QUOTA PEANUTS.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool.

(ii) ADDITIONAL PEANUTS.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts.

(d) LOSSES.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

(1) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)).

(2) OTHER PRODUCERS IN SAME POOL.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and export edible use.

(4) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under subsection (g) (except funds attributable to handlers) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under subsection (g) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(6) INCREASED ASSESSMENTS.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under subsection (g) by such an amount as the Secretary considers necessary to cover the losses. The increased assessment shall apply only to quota peanuts in the production area covered by the pool. Amounts collected under subsection (g) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

(e) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no loan for quota peanuts may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(d)).

(f) QUALITY IMPROVEMENT.—

(1) IN GENERAL.—With respect to peanuts under loan, the Secretary shall—

(A) promote the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration;

(B) ensure that all Commodity Credit Corporation inventories of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(C) continue to endeavor to operate the peanut program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

(D) ensure that any changes made in the peanut program as a result of this subsection requiring additional production or handling at the farm level shall be reflected as an upward adjustment in the Department loan schedule.

(2) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts in the domestic and export markets fully comply with all quality standards under Marketing Agreement No. 146.

(g) MARKETING ASSESSMENT.—

(1) IN GENERAL.—The Secretary shall provide for a nonrefundable marketing assessment. The assessment shall be made on a per pound basis in an amount equal to 1.1 percent for each of the 1994 and 1995 crops, 1.15 percent for the 1996 crop, and 1.2 percent for each of the 1997 through 2002 crops, of the national average quota or additional peanut loan rate for the applicable crop.

(2) FIRST PURCHASERS.—

(A) IN GENERAL.—Except as provided under paragraphs (3) and (4), the first purchaser of peanuts shall—

(i) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by—

(I) in the case of each of the 1994 and 1995 crops, .55 percent of the applicable national average loan rate;

(II) in the case of the 1996 crop, .6 percent of the applicable national average loan rate; and

(III) in the case of each of the 1997 through 2002 crops, .65 percent of the applicable national average loan rate;

(ii) pay, in addition to the amount collected under clause (i), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average loan rate; and

(iii) remit the amounts required under clauses (i) and (ii) to the Commodity Credit Corporation in a manner specified by the Secretary.

(B) DEFINITION OF FIRST PURCHASER.—In this subsection, the term "first purchaser" means a person acquiring peanuts from a producer except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(3) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(4) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a loan made under this section, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

(5) PENALTIES.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with the requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(A) the quantity of peanuts involved in the violation; by

(B) the national average quota peanut rate for the applicable crop year.

(6) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

(h) CROPS.—Subsections (a) through (f) shall be effective only for the 1996 through 2002 crops of peanuts.

(i) MARKETING QUOTAS.—

(1) IN GENERAL.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended—

(A) in section 358–1 (7 U.S.C. 1358–1)—

(i) in the section heading, by striking "**1991 THROUGH 1997 CROPS OF**";

(ii) in subsections (a)(1), (b)(1)(B), (b)(2)(A), (b)(2)(C), and (b)(3)(A), by striking "of the 1991 through 1997 marketing years" each place it appears and inserting "marketing year";

(iii) in subsection (a)(3), by striking "1990" and inserting "1990, for the 1991 through 1995 marketing years, and 1995, for the 1996 through 2002 marketing years";

(iv) in subsection (b)(1)(A)—

(I) by striking "each of the 1991 through 1997 marketing years" and inserting "each marketing year"; and

(II) in clause (i), by inserting before the semicolon the following: ", in the case of the 1991 through 1995 marketing years, and the 1995 marketing year, in the case of the 1996 through 2002 marketing years"; and

(v) in subsection (f), by striking "1997" and inserting "2002";

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking "**1991 THROUGH 1995 CROPS OF**"; and

(ii) in subsection (c), by striking "1995" and inserting "2002";

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking "1995" and inserting "2002"; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking "**FOR 1991 THROUGH 1997 CROPS OF PEANUTS**"; and

(ii) in subsection (i), by striking "1997" and inserting "2002".

(2) ELIMINATION OF QUOTA FLOOR.—Section 358–1(a)(1) of the Act (7 U.S.C. 1358–1(a)(1)) is amended by striking the second sentence.

(3) TEMPORARY QUOTA ALLOCATION.—Section 358–1 of the Act (7 U.S.C. 1358–1) is amended—

(A) in subsection (a)(1), by striking "domestic edible, seed," and inserting "domestic edible use";

(B) in subsection (b)(2)—

(i) in subparagraph (A), by striking "subparagraph (B) and subject to"; and

(ii) by striking subparagraph (B) and inserting the following:

"(B) TEMPORARY QUOTA ALLOCATION.—

"(i) ALLOCATION RELATED TO SEED PEANUTS.—Temporary allocation of quota pounds for the marketing year only in which the crop is planted shall be made to producers for each of the 1996 through 2002 marketing years as provided in this subparagraph.

"(ii) QUANTITY.—The temporary quota allocation shall be equal to the pounds of seed peanuts planted on the farm, as may be adjusted under regulations prescribed by the Secretary.

"(iii) ADDITIONAL QUOTA.—The temporary allocation of quota pounds under this paragraph shall be in addition to the farm poundage quota otherwise established under this subsection and shall be credited, for the applicable marketing year only, in total to the producer of the peanuts on the farm in a manner prescribed by the Secretary.

"(iv) EFFECT OF OTHER REQUIREMENTS.—Nothing in this section alters or changes the requirements regarding the use of quota and additional peanuts established by section 358e(b)."; and

(C) in subsection (e)(3), strike "and seed and use on a farm".

(4) UNDERMARKETINGS.—Part VI of subtitle B of title III of the Act is amended—

(A) in section 358–1(b) (7 U.S.C. 1358–1(b))—

(i) in paragraph (1)(B), by striking "including—" and clauses (i) and (ii) and inserting "including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).";

(ii) in paragraph (3)(B), by striking "include—" and clauses (i) and (ii) and inserting "include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).."; and

(iii) by striking paragraphs (8) and (9); and

(B) in section 358b(a) (7 U.S.C. 1358b(a))—

(i) in paragraph (1), by striking "(including any applicable under marketings)" both places it appears;

(ii) in paragraph (1)(A), by striking "of undermarketings and";

(iii) in paragraph (2), by striking "(including any applicable under marketings)"; and

(iv) in paragraph (3), by striking "(including any applicable undermarketings)".

(5) DISASTER TRANSFERS.—Section 358–1(b) of the Act (7 U.S.C. 1358–1(b)), as amended by paragraph (4)(A)(iii), is further amended by adding at the end the following:

"(8) DISASTER TRANSFERS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), additional peanuts produced on a farm from which the quota poundage was not harvested and marketed because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall by regulation provide.

"(B) LIMITATION.—The poundage of peanuts transferred under subparagraph (A) shall not exceed the difference between—

"(i) the total quantity of peanuts meeting quality requirements for domestic edible use, as determined by the Secretary, marketed from the farm; and

"(ii) the total farm poundage quota, excluding quota pounds transferred to the farm in the fall.

"(C) SUPPORT RATE.—Peanuts transferred under this paragraph shall be supported at not more than 70 percent of the quota support rate for the marketing years in which the transfers occur. The transfers for a farm shall not exceed 25 percent of the total farm quota pounds, excluding pounds transferred in the fall.".

McCONNELL AMENDMENT NO. 3313

(Ordered to lie on the table.)

Mr. McCONNELL submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

At the appropriate place, insert the following: "Notwithstanding any other provision of law, tobacco marketing assessments required to be collected for budget deficit reduction purposes shall be used first to offset any administrative expenses that are incurred in carrying out the tobacco price support and production adjustment program to the extent that such costs are not otherwise subject to reimbursement under other assessments specific to tobacco."

GRAHAM AMENDMENT NO. 3314

(Ordered to lie on the table.)

Mr. GRAHAM submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

At the appropriate place insert the following:

SECTION 1. SUBJECTION OF IMPORTED TOMATOES TO PACKING REQUIREMENTS.

Section 8e(a) of the Agricultural Adjustment Act (7 U.S.C. 608e–1(a)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) in the first sentence—

(A) by striking "or maturity" and inserting ", maturity, or (with respect to tomatoes) packing"; and

(B) by striking "and maturity" and inserting "maturity, and (with respect to tomatoes) packing"; and

(2) in the second sentence by striking "and maturity" and inserting "maturity, and (with respect to tomatoes) packing".

CONGRESSIONAL GOLD MEDAL LEGISLATION

FAIRCLOTH AMENDMENT NO. 3315

Mr. DOLE (for Mr. FAIRCLOTH) proposed an amendment to the bill (H.R. 2657) to award a congressional gold medal to Ruth and Billy Graham; as follows:

On page 4, following the period on line 7, strike all that follows:

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet at 10:30 a.m. on Thursday, February 1, 1996, to consider the nomination of Gen. Henry H. Shelton, USA for appointment to the grade of general and to be commander in chief, U.S.

Special Operations Command and Lt. Gen. Eugene E. Habiger, USAF for appointment to the grade of general and to be commander in chief, U.S. Strategic Command.

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

COMMITTEE ON RULES AND ADMINISTRATION

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Thursday, February 1, 1996, beginning at 9 a.m. until business is completed, to hold a hearing on campaign finance reform.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, February 1, 1996, at 2 p.m. to hold a closed hearing on intelligence matters.

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

ADDITIONAL STATEMENTS

LIMITING STATE TAXATION OF CERTAIN PENSION INCOME—H.R. 394

• Mr. D'AMATO. Mr. President, I am pleased to support this bill and would like to clarify that the language contained in the proposed legislation adds to the types of retirement income eligible for exemption. This language clearly intends to exempt from tax nonqualified deferred compensation that constitutes legitimate retirement income. Because it affects retirement income, only income form qualified retirement plans and nonqualified retirement plans that are paid out over at least 10 years, or from a mirror-type nonqualified plan after termination of employment, is exempt from State taxation.

The language does not prohibit states from imposing an income tax on nonresidents' regular wages or compensation. Cash bonuses or other compensation arrangements that defer the receipt of salary, bonuses, and other types of wage-related compensation that are not paid out over at least 10 years or from a mirror-type nonqualified retirement plan are not exempt from State taxation. One example would be if a salary is earned in a State by an individual, whether a resident or nonresident, but is voluntarily deferred for a few years until the individual exits the State, and then is paid over in a lump-sum, even while the individual is still employed by the company, that kind of payment should not qualify for exemption from nonresident taxation of pensions. It is the intent of this bill to permit the States to continue to tax this income, while protecting from taxation those deferred payments that are for retirement income, paid from plans designed for that purpose.•

CAMPAIGN FINANCE REFORM

• Mrs. MURRAY. Mr. President, I rise today to speak once again on the need to address an issue that continues to haunt the inner core of our political system: campaign financing laws.

Mr. President, we debate many issues in the U.S. Senate. We debate everything from national security to local roads and bridges. We spent a lot of time the past 12 months debating the need to balance the Federal budget and maintain access to health care services.

During these times, it always strikes me as I sit in the Senate Chamber that we do not debate these issues by ourselves. In fact, far more than just 100 Senators participate in these debates. We are joined by the thoughts and opinions of people representing special interests—some good, some not so good, in my opinion—who far too often today make large financial contributions in hopes of tilting the scales of Senate deliberations in their favor.

Mr. President, this is big a problem, and I'll tell you why. I urge my colleagues to look around their States and listen to the people. Voters in this country are angry, frustrated, and in general less than confident about the future. A series of articles has run in the Washington Post the past few days documenting this angst. But we don't need to read about it in the Post; we can see it and hear it in every town meeting, editorial board, and public event we attend.

I believe a lack of faith in Government lays at the root of peoples' concerns about the future. If people don't trust the politicians, how can they have faith in congressional decisions? When the agencies are forced to shut down, with absolutely no meaningful result, how can people have any other reaction than greater disaffection?

I firmly believe the Senate is filled with honorable, dedicated public servants. This Senate has been as passionate and principled as any in memory. But we could have 100 Jimmy Stewarts here in 1996, and the public would still question their character. Until we do something dramatic to address public confidence, we can expect the gap between the people and their government to widen.

There is nothing I can think of that would be worse for this country; for alienation breeds apathy, and apathy erodes accountability. America is the greatest democracy the world has ever known, and it was built on the principle of accountability: government of the people, by the people, for the people. We simply must restore peoples' faith in their government.

At the core of the problem is money in politics. Right now the system is designed to favor the rich, at the expense of the middle class. It benefits the incumbents, at the expense of challengers. And most of all, it fuels Washington, DC, Inc., at the expense of the average person on Main Street, U.S.A.

The average person feels like they can no longer make a difference in this system. Just the other day my campaign received a $15 donation from a woman in Washington State. She included a note to me that said, "Senator MURRAY, please make sure my $15 has as much impact as people who give thousands." She knows what she is up against, but she is still willing to make the effort. Unfortunately people like her are fewer and farther between, and less able than ever to make that difference.

We see her problem when people like Malcolm Forbes, Jr., are able to use inherited personal wealth to buy their way into the national spotlight. Ninety-nine percent of the people in America could never even imagine making that kind of splash in politics. Are we to rely solely on the benevolence of the wealthy to ensure strong democracy in this country? I don't think that is what the Founding Fathers had in mind.

All of this occurs against the backdrop of a campaign finance system that hasn't been reformed since Watergate, over 20 years ago. I would even say public faith in Government today has sunk below what it was in 1974. I should know; this lack of faith is what inspired me to seek this office in 1992. If I've learned anything in my brief career, it's this: If you give any good set of political lawyers 20 years, they will find a way to exploit even the best system to maximum personal advantage. We have to reform the campaign financing laws, and we have to do it soon.

Given the voters' unambiguous message in the 1992 election, we tried to enact significant reform in the 103d Congress. The Senate overwhelmingly passed a bipartisan bill in 1993, and the House followed suit later. As a newly elected Senator at the time, I was proud to support that bill. Unfortunately, this effort fell prey to partisan rancor in 1994, and ultimately died in a Republican filibuster in the Senate.

So here we are again, considering various reform proposals in the 104th Congress. There are two bills currently pending in the Senate that reflect my concerns about campaign reform: S. 1219, introduced by Senators MCCAIN and FEINGOLD, and S. 1389, introduced by Senator FEINSTEIN.

The McCain-Feingold bill is very broad, and treats nearly every aspect of the system. It restricts Political Action Committee contributions; it imposes voluntary spending limits; it provides discounted access to broadcast media for advertising; it provides reduced rates for postage; it prohibits

taxpayer-financed mass mailings on behalf of incumbents during an election year; it discourages negative advertising; it requires full disclosure of independent expenditures; and it reforms the process of soft money contributions made through political parties.

Mr. President, these are very strong, positive steps. If enacted as a package, they would make our system of electing Federal officials more open, competitive, and fair. I feel strongly that we must take such steps to reinvigorate peoples' interest in the electoral process, and in turn to restore their confidence in the system.

There are some provisions in S. 1219 that could be problematic, however. For example, the bill would require a candidate to raise 60 percent of his or her funds within the State. This might work fine for someone from New York or California. However, it could put small State candidates at a real disadvantage, particularly if their opponent is independently wealthy. The fact remains that modern Federal elections are very expensive. Therefore, I think we should review this provision of S. 1219 very carefully before making a final decision.

Mr. President, the Feinstein bill, S. 1389 is slightly different. It proposes some similar reforms, such as voluntary spending limits, free broadcast access under specified conditions, discounted media in general, and reduced postage rates. The bill also discourages the use of personal wealth for election campaigns, and takes a hard line against negative advertising. Like the McCain-Feingold bill, these are positive steps which, as a package, could significantly improve the quality of our elections.

S. 1239 differs from S. 1219 in one respect: It does not restrict Political Action Committees. In taking this approach, the bill suggests that PAC's have a legitimate role in the process, and I am inclined to agree for two reasons. First, PAC's are fully disclosed, and subject to strict contribution limits. That means we have a very detailed paper trail from donor to candidate for everyone to see. Second, they give a voice to individual citizens like women and workers and teacher who, if not organized as a group, might not be able to make a difference in the process.

A serious question about PAC's remains, however: Do they unfairly benefit incumbents at the expense of challengers? This is a legitimate question, and one I think we should address in any final reform legislation.

Mr. President, these are not the only two bills on campaign reform pending in the Senate, but they are the two that most closely reflect my thinking. We need to reduce, or at a minimum control, the amount of campaign spending. We need to make campaigns more civil. Most of all, we need to make campaigns more fair, more competitive, and more inclusive of all citizens. I think these two bills would move us substantially in that direction.

Therefore, I am happy to announce today that I have become a cosponsor of both S. 1219 and S. 1389. S. 1219 in particular is the product of the strongest bipartisan reform effort in many years, and I commend senators MCCAIN and FEINGOLD for moving the issue forward. I also commend Senator FEINSTEIN for bringing her personal experience and ideas to this issue. After two California campaigns in 2 years, she knows the flaws in the current system as well as anyone.

Mr. President, I hope real reform is enacted in 1996. The President of the United States made it very clear in his State of the Union Address the other night: This is a high personal priority for him, and he will sign a bill if we send him one. It may not be exactly these two bills, and I know there are several others on this issue currently pending. For example, the Democratic leader, Senator DASCHLE, has a bill that is very similar to the one filibustered in 1994. It will be our responsibility as legislators to find the best elements among these bills and refine them into a workable reform package.

The people in this country want to feel ownership over their elections; they want to feel like they, as individuals, have a role to play that can make a positive difference. Right now, for better or worse, not many people feel that way, and the trend is in the wrong direction. Campaign reform isn't the silver bullet; but it is very important. I believe real campaign reform efforts by Congress would be one of the strongest, easiest steps we could take to begin restoring peoples' faith in the process.•

FEDERAL ENERGY REGULATORY COMMISSION

• Mr. MURKOWSKI. Mr. President, as part of its strategic realignment and downsizing proposal, the Department of Energy has transmitted proposed legislation to transfer the Federal Energy Regulatory Commission outside of the Department of Energy. Presently, although FERC is part of DOE, it functions as a hybrid agency, neither truly independent, nor quite a part of the executive branch.

In 1977, President Carter, in response to continuing repercussions from the 1973–74 Arab oil embargo and wintertime shortages of natural gas, proposed a reorganization of the disjointed Federal energy establishment. The purpose of the reorganization was the creation of a single agency that would possess the responsibility for coordinating all national energy matters and policy. To this end, the Carter administration proposed legislation that was to assign all of the Government's energy regulatory and policy functions to one cabinet-level Department of Energy.

Although the Carter administration's goal of creating a unitary energy agency was, to a certain extent, shared by Congress, Congress also wished to preclude executive branch control of various regulatory functions formerly performed by the Federal Power Commission, including the establishment of rates for the transportation and sale of wholesale natural gas and electricity. These two conflicting objectives resulted in the anomaly of an independent agency being established within an executive department.

Thus, although FERC is part of the Department of Energy, the power of the Secretary of Energy to influence the policies of the FERC is circumscribed. Specifically, the Department of Energy Organization Act gives the Secretary the authority to propose rules, regulations, and statements of policy of general applicability with respect to any function under the jurisdiction of the Commission. The Secretary may set reasonable time limits for action by the Commission, but the Commission has exclusive jurisdiction over, and takes final action, if any, upon, such proposals. Although limited, this authority has proven to be valuable to past administrations as they attempt to implement a coherent energy policy.

Thus, although DOE claims that its proposed legislation would make the FERC a fully independent agency, the proposed legislation retains the special authority given to the President by existing law. As a result, the proposed legislation has no practical effect. By taking the FERC off of DOE's books, the bill would make the DOE budget appear to be smaller, but would not change the substantive relationship between DOE and FERC or save the Government money.

Because I believe the proposed legislation achieves no substantive purpose, I will not introduce this legislation. However, I acknowledge receipt of the proposed legislation and ask that its text be printed in the RECORD as part of this statement.

The text follows:

PROPOSED BILL

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 "Federal Energy Regulatory Commission Act of 1995".

SEC. 2. TRANSFER OF THE FEDERAL ENERGY REGULATORY COMMISSION.

The Federal Energy Regulatory Commission established by section 204 and title IV of the Department of Energy Organization Act (42 U.S.C. 7134, 7171–7177) is transferred outside the Department of Energy. The Commission shall continue to be an independent regulatory commission with the same organization, functions, and jurisdiction as it had prior to the effective date of this Act, except as is otherwise provided in this Act.

SEC. 3. AUTHORITY OF COMMISSION.

(a) Except as is provided in subsection (b), there are transferred to and vested in the Federal Energy Regulatory Commission all functions and authority of the Secretary of Energy and the Department of Energy under the—

(1) Federal Power Act (16 U.S.C. 791a–825r),

(2) Interstate Commerce Act (title 49, United States Code, App.) related to transportation of oil by pipeline,

(3) title IV of the Natural Gas Policy Act of 1978 (15 U.S.C. 3391–3394), and

(4) Natural Gas Act (15 U.S.C. 717–717w).

(b) The Secretary of Energy shall retain the authority—

(1) under section 402(f) of the Department of Energy Organization Act (42 U.S.C. 7172(f));

(2) to initiate rulemaking proceedings before the Federal Energy Regulatory Commission under section 403 of the Department of Energy Organization Act (42 U.S.C. 7173); and

(3) to intervene as a matter of right in Federal Energy Regulatory Commission proceedings under section 405 of the Department of Energy Organization Act (42 U.S.C. 7175).

(c) After the effective date of this Act, the Federal Energy Regulatory Commission shall not exercise authority or jurisdiction under—

(1) section 503(c) of the Department of Energy Organization Act (42 U.S.C. 7193(c)), except for a remedial order or a proposed remedial order pending before the Department or the Commission on the effective date of this Act;

(2) subsection 402 (d) and (e) of the Department of Energy Organization Act (42 U.S.C. 7172 (d) and (e)), except for a matter pending before the Commission on the effective date of this Act, or which by that date has been assigned to the Commission with its consent under section 402(e);

(3) section 504(b) of the Department of Energy Organization Act (42 U.S.C. 7194(b)), except for a review pending before the Commission on the effective date of this Act; or

(4) section 404 of the Department of Energy Organization Act (42 U.S.C. 7174).

(d) Section 3(c) of the Natural Gas Act (15 U.S.C. 717b(c)) is amended by—

(1) striking "For purposes of subsection (a)," and inserting "Subsection (a) shall not apply to" and

(2) striking all that follows "trade in natural gas," and inserting "except to the extent provided by the President by Executive Order.".

(e) Notwithstanding section 401(j) of the Department of Energy Organization Act (42 U.S.C. 7171(j)), the Federal Energy Regulatory Commission shall submit budget requests and legislative recommendations directly to the Office of Management and Budget.

(f) The Inspector General for the Department of Energy shall serve as the Inspector General for the Federal Energy Regulatory Commission. The Federal Energy Regulatory Commission shall reimburse the Department of Energy Inspector General for the cost of annual audits of Commission financial statements that the Department Inspector General performs or contracts with another person to perform in the course of fulfilling the duties as Inspector General of the Commission.

SEC. 4. EFFECTIVE DATE.

This Act takes effect on October 1, 1996.•

PARAMOUNT CHIEF LETULI TOLOA, PRESIDENT OF THE SENATE OF AMERICAN SAMOA

• Mr. INOUYE. Mr. President, it is my sad duty to advise my distinguished colleagues of the passing of a great friend of our Nation and a great leader of the people of American Samoa. On January 30, 1996, Paramount Chief Punefu-ole-motu Letuli Toloa peacefully passed away at his home after over four decades of public service.

Since 1989 until his untimely death, Chief Letuli Toloa served as president of the senate of American Samoa. He was a retired U.S. Coast Guardsman, after more than 20 years of service. He served as governor of his district from 1974 to 1977 and was appointed commissioner of public safety for American Samoa in 1978. In 1981, Chief Letuli Toloa became a senator from his district and 8 years later was elected by his peers to be senate president.

As a cultural and government leader, Chief Letuli Toloa did his utmost to protect the culture of American Samoa from the negative aspects of western influence and culture. This difficult task was carried out with great diplomacy. The fa'aSamoa continues to survive because of great leaders like Chief Letuli Toloa.

In addition to his distinguished government service, Chief Letuli served for many years as deacon elder for his church. He will be remembered as a kind and gentle man who was noted for his great skill as a peacemaker in his extended family, in government, in his village and in his district. Though endowed with great power, he was always humble, and never succumbed to arrogance or vanity.

I have had the pleasure of working with the son of Chief Letuli, who mirrors the many virtues and strengths of his great father.

Paramount Chief Letuli Toloa is survived by his wife, Saolotoga Savali Letuli, 6 children, and 10 grandchildren. American Samoa has lost a great leader, and America has lost a good friend.•

RURAL MANAGED CARE COOPERATIVES

• Mr. HATFIELD. Mr. President, real health care reform has eluded us the past several years and there are sectors of our population that are suffering. Today I speak of a particular segment of our society that, at least in discussions of health care, is too often overlooked—rural America. Rural communities face the unique challenge of obtaining health care in isolated areas. Economic depression, geographic isolation, an inability to retain qualified providers, and a lack of primary care facilities are a few of the barriers to quality health care in our rural and agricultural sectors. To meet this challenge, I have filed an amendment to support the development of rural managed care cooperatives—a small investment in the health of our farmers, their families and all those who make up the communities we call rural America.

There is no dispute that the economic base and the economic vitality of a given community is directly correlated to the health of the individuals who serve it. As we discuss the farm bill, under whatever guise it may be considered, we must not forget this important fact. The health of our farm industry is of the utmost importance, but it must not be separated from the health of the men and women who support it.

Cooperatives, in one form or another, have been second nature to farming communities for over a century. Whether farmers join together to form a purchasing cooperative, one of the most common types, or a marketing cooperative, the style of business has proven itself fair, efficient, and effective. Furthermore, its laws of operation translate remarkably well to sectors such as housing, service, and even rural health care.

Make no mistake. This idea of a rural health care cooperative is not new. In 1929, Elk City, OK, became home to the first health maintenance organization run by the farmers cooperative. Since then, several attempts to create rural health cooperatives have failed as a result of being unable to meet the necessary startup costs. My amendment provides this startup support.

It would allow the Secretary of Health and Human Services, acting through the Health Resources and Services Administration and the Secretary of Agriculture, acting through the Rural Business and Cooperative Development Service, to award competitive grants to those communities which wish to form a rural managed care cooperative. The purpose of the cooperative is to establish a structure and approach that will keep rural hospitals and health care systems financially sound and competitive with urban health care systems.

Especially in recent years, rural areas have found it increasingly difficult to attract the physicians and other health care providers necessary to meet even minimum community health standards. This shortage of providers results from the inability of rural communities to compete with comparatively rich urban markets. The resources of these larger markets are alluring incentives for health care providers to avoid or stray away from their rural practices. By establishing a systematic case management and reimbursement system designed to support the communities' needs, a cooperative will provide an effective framework for negotiating contracts with payers and a framework for assuring a defined level of quality.

Through the combination of medical resources, streamlined managerial and reimbursement responsibilities, and shared liability, rural managed care cooperatives have proven themselves able to attract health care providers, thus improving access to and quality of rural care and enhancing the economic vitality of rural health care systems and, commensurately, the economic vitality of surrounding rural industries.

Of concern to participants in such cooperatives is the threat of antitrust lawsuits. Such a threat serves to undermine the goal of rural managed care cooperatives. While the Capper-Volstead Act of 1922 recognized farmers' rights to form cooperatives without violating antitrust laws, these rights have not transferred to rural health care providers. Therefore, language in my amendment would protect those providers who participate in cooperatives from antitrust laws. This antitrust law exemption is necessary to facilitate the development of rural networks and developments.

More than once, I have expressed my concern for the crisis in rural health care. Between 1989 and 1993, 141 rural community hospitals have closed. In my State alone, five rural hospitals have closed since 1986 and several others face the threat of closure. Rural health care cooperatives are not the panacea to this crisis, but it is a dose potent enough to make a difference. As we consider the health of our Nations' farm industry, I would urge us to remember the health of the rural communities which house it.•

HONORING MILWAUKEE'S SESQUICENTENNIAL

• Mr. FEINGOLD. Mr. President, I rise to pay tribute to a great American city, Milwaukee, WI, on its birthday.

Yesterday, Milwaukee celebrated the 150th anniversary of its incorporation.

The residents of that small trading center of 1846 would be astonished if they walked the streets of the lively, diverse city of more than 625,000 people today.

Milwaukee was born as a city during a very important year in Wisconsin history. Congress passed enabling legislation admitting Wisconsin to the Union in 1846, and delegates gathered that year in Madison for the State's constitutional convention.

Milwaukee sits astride the Milwaukee, Menomonee, and Kinnickinnic Rivers on Lake Michigan at the site of three former settlements—Juneautown, Kilbourntown and Walker's Point—that themselves grew up in the area that had been camping grounds of the indigenous Native American population, including members of the Potawatomi, Ottawa, Chippewa, and Menomonee nations. French explorers, including, notably, Father Jacques Marquette, began visiting the area in the late 1600's, and by the mid-1700's, a trading post had been established.

Mr. President, vigorous commerce has been central to Milwaukee's existence from its beginning. What was to become Milwaukee began as three competing commercial ventures by Byron Kilbourn, a surveyor; George Walker, a trader and land speculator; and a fur trader, Solomon Juneau, who brought along a partner, Morgan Martin. By the late 1830's, each venture had spawned individually incorporated settlements whose inhabitants competed fiercely, even coming to blows during local hostilities that flared up into the Great Bridge War of 1845.

Realizing that conflict was not the handmaiden to progress, all three settlements eventually agreed to form one city, Milwaukee.

Mr. President, Milwaukee, once incorporated, grew quickly; its population soaring from about 20,000 in 1850 to more than 285,000 by the turn of the century and to more than 575,000 by 1930.

Immigrants came in several waves, each group establishing its unique imprimatur on the city. In the early 1800's, they were mostly New Englanders and New Yorkers whose roots reached back to England. The first African-American settler, a man named Joe Oliver, arrived in 1835 and worked for Solomon Juneau. By the middle of the 1840's, German immigrants were arriving at the rate of more than 1,000 per week. Irish immigrants arrived, too, settling largely in the city's third ward, on the southeast side of the downtown. The Polish community grew quickly in the late 19th century, giving the South Side its character. The city was eventually populated with settlers from Italy, Hungary, the Balkans, Mexico, nearly every point on the compass. In terms of the diversity of ethnic backgrounds of its residents, Milwaukee is as cosmopolitan a city as one can find.

By the arrival of the Civil War, Milwaukee had become a busy center for the quintessential Midwestern hog and wheat industries. In 1868, an iron and steel mill was built south of the Milwaukee River, kicking off a vigorous industrialization. By 1890, the leading industry was the one for which Milwaukee is probably best-known throughout the world—brewing.

Nowadays, the city is the home to companies like Harley-Davidson, Miller Brewing, Master Lock and Northwestern Mutual Life Insurance. Area firms annually create goods with an aggregate value of approximately $19 billion.

Mr. President, Milwaukee also has had a lively political history, not just limited to Democrats and Republicans. Israeli Prime Minister Golda Meier grew up and was educated in Milwaukee before leaving to later make her mark in history. From 1910 through 1960, several socialists were elected mayor, running the city for 38 of those 50 years. One of them, Frank Zeidler, was the city's chief executive from 1948 until 1960. Elected to office on a public enterprise program, he doubled the city's size from about 48 square miles to about 96 square miles with an energetic annexation program.

Stability has been one hallmark of Milwaukee government, earning the city a reputation for efficiency, honesty and fiscal responsibility, traits that would serve any government well. Three men—Daniel Webster Hoan, Frank Zeidler, and Henry Maier—served as mayor for a total of 64 years.

Milwaukee is the home of some wonderful architecture, from some of the impressive homes along Lake Drive to city hall. The city boasts an array of cultural opportunities, including its symphony, a zoological park, the Pabst Theatre and big-league basketball and baseball franchises, as well as other sports teams.

Like all modern cities, Milwaukee faces challenges in a rapidly-changing, ever-more-complex world, but, given what I know of the character of the people who live there, I am confident Milwaukee will rise to those challenges.

So, Mr. President, let me say, happy anniversary, Milwaukee, and my best wishes for many more.•

GRACE SOOTHES MOTHER NATURE

• Mr. MOYNIHAN. Mr. President, last month the people of the Catskills region suffered some of the worst floods of their history. The waters swept away homes and property, roadways and bridges, schools, and businesses. There was injury and death. But the people endured with grace and courage and, as a recent editorial by Paul Smart in the Mountain Eagle attests, they have harnessed that same spirit to begin rebuilding their dreams.

Mr. President, I ask that this editorial be printed in the RECORD following my remarks.

The editorial follows:

[From the Mountain Eagle, Tannersville, NY]

THE FORCE OF NATURE

The past week has been a wearying one for us here in the Catskills. Friday saw us all battling against floodwaters. Saturday morning was a time of assessment and reassessment. By Sunday, clean-up had begun.

Driving around our coverage region, which enfolds most of the damaged areas, the largeness of real disaster crept up on us. Snapping photos and gathering stories, we went from an unconscious comparison of one township's horrors to others to an almost overbearing sense of tragedy.

The damage is everywhere. The most visible cataclysms of Margaretville, Walton and the Schoharie Valley are the tip to a sad iceberg. Roads and bridges were damaged in

nearly every township. Basements and yards and driveways, not to mention whole first floors and entire homes, have been trashed by the oft-forgotten force of nature. The damage totals, still being added up as we go to press, are staggering.

In the midst of all this, though, were incredible moments that defined man's hope, that characterized people's resilience better than any example we've encountered. Everyone chipped in to help each other. Battered business people and homeowners laughed at their fate, then vowed recovery. Outside help started pouring in. Bitterness was given no toehold amongst the destruction.

Of course, much of this can be chalked up to the closeness between invigoration and enervation. There are times when one has no alternative but to look up. The call of the moment has been deafening; we've had no choice but to focus on the now, on the jobs at hand. It will only be later that the real pain of what we've been through will hit. We must prepare for then.

We must remember that the recent floods have proven our region's cohesion, at least in nature's eyes. And we must remember that it has only been through our shared efforts that we've come through all this. The outside world has not forsaken us, just as we have not forsaken each other.

Nature is a cruel mistress. We sometimes scoff at the ideas of 100-year flood plains that rule our planning documents, sometimes think that we've reached an age where our human efforts can thwart all. But then matters fall out of our hands. We are forced to realize where we live, what we must deal with for our choices. And when we rebuild our dreams, we must do so cogniscent of the tragedies that have preceded our actions.

Good times still lie ahead of us, just as they occupy our memories. As humans, we know how to persevere, how to rebuild and fortify. The future is always ours.

Please let us know what we can do to help. We care for this region. We know its days of glory have yet to come.

And we bless all our angels for helping us through this past week: our local officials, our emergency volunteers, our neighbors and saviors. We even thank dear Mother Nature for having dropped our temperatures below freezing last Friday night so the waters would abate and we could get on with the hard business of life.•

TRIBUTE TO MARY M. STEFON

• Mr. DODD. Mr. President, it was once said: "Leadership is not bestowed. It is only yours for as long as it is continually earned." Today, I rise to pay tribute to Mary M. Stefon, a leader and public servant who truly personifies this adage.

Mary recently retired from her post as town clerk of the Town of Sprague, CT—the town she served in various elective capacities for 34 years. Those of us in political life know it is rare to be continually returned to office by one's fellow citizens for so many years, and for Mary Stefon to be so honored by her constituents is a testament to the great respect and faith she has earned from them.

Mary's service to her hometown grew out of her firmly planted roots there. She has lived in Sprague since 1927, graduating from school and raising her family there. She took an active role in many community affairs, serving in official positions on the Board of Education of St. Joseph School, the Sprague Housing Authority, and the Sprague Grist Mill Committee. She was active in Democratic politics, serving as chairman, vice-chairman, secretary and treasurer of the Democratic Town Committee. And in elective office, Mary served not only as town clerk until last year, but also as town treasurer until 1977 and agent of town deposit fund until 1982. As if serving in all three elected posts is not impressive enough, consider that for 16 years, she occupied them simultaneously.

But Mary Stefon's schedule was apparently not busy enough, and she participated in many volunteer activities in addition to her other duties. After serving in the U.S. Navy Waves during World War II, her later volunteer activities included speaking to elementary school children as part of the Northeast Utilities Career Motivation Program, working as a volunteer bookkeeper for a Youth Employment Program, and volunteering at St. Mary's Church in Baltic.

Fine people like Mary M. Stefon—wife, mother, grandmother, volunteer, mentor, leader, and public official—are indeed the people who create the sense of community in Connecticut's and America's towns. And it is people like her, who always find time to give of themselves to others, who are role models for us all.

Mr. President, this year, sadly, many of the best public servants this country has ever known have made the decision to retire from public life. Mary M. Stefon is without question among them. I wish her well, and join the citizens of Connecticut and the Town of Sprague in thanking her for her dedicated and outstanding public service.•

AUTHOR WILLIAM MAXWELL HONORED WITH PEN-MALAMUD AWARD

• Mr. MOYNIHAN. Mr. President, just over a half century ago, as a young sailor, Harry Hall, also in the Navy at that time, sent me a copy of "The Folded Leaf," a novel by William Maxwell. It may have been the first novel I ever read seriously, or at least the first that seemed seriously addressed to my own experience as a young man. Whatever, it has remained with me ever since, not least the lines from Tennyson,

Lo! In the middle of the wood,
The folded leaf is woo'd from out the bud

I am happy to report that William Maxwell has just received the PEN-Malamud Award. It was given to him at the Folger Shakespeare Library, a mere two blocks from the Capitol, and I know the Senate would wish to join in congratulations.

William Maxwell spent nearly 40 years as a staff writer and fiction editor at the New Yorker. "Talk of the Town" celebrated his award. Mr. President, I ask that this article be printed in the RECORD following my remarks.

The article follows:

[From the New Yorker, Dec. 25, 1995 and Jan. 1, 1996]

MAXWELL'S SMARTS

"The lights are so bright I can't see your faces," William Maxwell said, stepping up to the podium at the Folger Shakespeare Library, in Washington, D.C. "Being here makes me think of ghosts," he went on. "I had a dear friend who spent many days and weeks here, researching to write a book on Shakespeare. And I had another who worked in the library for a time. I hope they are both present tonight." He was standing on the stage of the Folger theatre, an antique-feeling space with high galleries, square columns, and a wood-and-plaster Elizabethan stage house, all of which give it a ponderous elegance. The occasion was the eighth annual PEN/Malamud Award reading, and Maxwell was being honored, along with Stuart Dybek, for excellence in the practice of the short story. A large, warmly appreciative audience was present, including Maxwell's wife, Emily; members of Bernard Malamud's family, and the writers Charles Baxter, Nicholas Delbanco, Alan Cheuse, Maxine Clair, Michael Collier, Patricia Browning Griffith, Howard Norman, Susan Richards Shreve, William Warner, and Mary Helen Washington.

A few minutes earlier, Dybek had spoken of how privileged he felt to be on the same stage with William Maxwell. He then honored the elder writer in the best way one writer can honor another: by being terribly good. He read a densely lyrical and dramatic story called "We Didn't." It charmed the house and made everyone glad of the short story, this superior form of entertainment.

And now Maxwell was standing on the podium. Well into his eighties, with the slightest hesitation in his movements, he still seemed wonderfully calm, a man spending a little time with friends. He wore a dark suit and looked very trim; his dark eyes were animated with the same humor and interest one finds in his stories. As a staff writer and fiction editor at The New Yorker for nearly forty years, Maxwell worked with such writers as John Cheever, Eudora Welty, and Mavis Gallant. Meanwhile, he wrote stories and novels that are as good as or better than those of just about anyone else: "Over by the River," for instance, and the short novel "So Long, See You Tomorrow," which is set in his native Illinois and, like so much of his work, evokes the simple grandeur of life in a small Midwestern community in the recent past.

Now, opening the bound galleys of his recently published collected stories, "All the Days and Nights," Maxwell looked into the brightness again and said, "I'm going to read a story called 'The French Scarecrow.'" There was a murmur of recognition from the crowd. Very gracefully and somehow confidingly, he began to read. He read softly, pausing—without seeming to monitor the sound—for the laughs. His precise, elegant, and quietly humorous study of unease was a perfect complement of the electricity of the Dybek story.

When Maxwell finished and the applause died down, Janna Malamud Smith was introduced. In the name of her father, she presented the award to both writers, and then everyone adjourned to the Great Hall for wine and finger food. The wine tasted as

though it had been aged in a stone jar, but nobody seemed to mind. Maxwell and Dybek signed their books and answered questions amid a general feeling of well-being and affection. If the ghosts of Maxwell's friends were somewhere in the sculptured brown lines of the Folger theatre and Great Hall, then they must certainly have been travelling in the company of Bernard Malamud, for the spirit of that marvelous writer of stories was invoked by every facet of the evening.•

FRENCH NUCLEAR TESTING

• Mr. FEINGOLD. Mr. President, I rise today to join my colleagues in welcoming to the United States, the President of France, Jacques Chirac, who will address a joint session of the Congress this morning. I look forward to his remarks and observations, not only on historically close French-American bilateral relations, but on developments on the international scene. The political, economic, and cultural ties which link the French and American people go beyond mere trade of goods and ideas, however important those may be. Our relations with the French are almost as with brothers and sisters; more often than not, France and the United States have stood as allies in the struggle for freedom. The debt we owed France for its assistance during our Revolution, for example, was repaid on the beaches of Normandy.

Though we may be friends, Mr. President, it is a strength and beauty of the relationship that permits us to air our differences over some fundamental questions. One of those issues has been the French program of testing nuclear devices in the South Pacific, a regrettable series of tests which, literally and figuratively, have served only to poison the environment and endangered U.S.-led efforts to conclude a Comprehensive Test Ban Treaty this year.

Since September 5, 1995, Mr. President, the Government of France has exploded six nuclear devices at underground testing sites in the South Pacific. The most recent explosion was made only 4 days ago and came despite French acknowledgement that there had been some leakage of radioactive material into the seabed around the Mururoa Atoll. The French Government ignored, as well, the vociferous protests of various governments of Pacific Rim nations, whose people would be affected by the potentially dangerous effects of leaked radiation.

France justified this somewhat colonial action by claiming that its sovereign interest in assuring its security overrode the health and safety of those affected by these tests. These should never have happened.

But I do believe, Mr. President, that we can take some satisfaction in President Chirac's January 28 announcement that the testing is now finally and forevermore at end. I salute, too, his claim that France will now seek a lead role in working for a comprehensive test ban. I also applaud President Clinton's leadership in seeking a true "zero yield" CTBT. On October 10, 1995, I wrote to the President expressing my concerns about U.S. involvement in the French nuclear weapons program. President Clinton responded with a statement of regret about France's decision on testing, and a pledge to continue to press for a CTBT. I ask that these letters be printed in the RECORD.

The letters follow:

U.S. SENATE,
Washington, DC, October 10, 1995.

President BILL CLINTON,
The White House, Washington, DC.

DEAR MR. PRESIDENT: We want to draw your attention to recent reports concerning close cooperation between the U.S. and France in developing the French nuclear weapons program.

An article in the Washington Post September 19 suggests that a decades-long period of U.S. support for technical assistance to the French program not only continues, but may soon reach new, unprecedented levels of cooperation. Particularly disturbing are the reports that the U.S. and France are currently negotiating a pact by which the two sides will begin to share sensitive computer codes that describe how nuclear weapons behave when exploded. Further, it is reported that a senior-level American scientist will also help the French government in building and designating a new facility for weapons-related research.

These reports are deeply troubling. They serve to undermine the strong political leadership you consistently exhibited in successfully urging the nations of the world to extend the Nuclear Non-Proliferation treaty (NPT) and in your continuing efforts to secure a comprehensive test ban treaty. It also seems to contradict the Administration's very public criticisms of recent French nuclear testing in the Pacific.

Moreover, we can speculate that once the French government has access to computer code data generated by the U.S., and designs weapons with technical assistance provided by the U.S., it will seek to test the weapons in the Pacific which, it could be said, will have been god-fathered by the U.S. More troubling still is the possibility that the U.S. itself will share in the data generated by French tests.

Cooperation with the French government on matters of mutual security is important. But in order to continue to lead with moral authority on the question of deterring nuclear non-proliferation and on ending unnecessary and harmful nuclear weapons testing, we urge you to carefully review these policies. We believe that taking measures which discourage—rather than facilitate—nuclear weapons testing should remain the lodestar which guides Administration policy.

We thank you for your efforts to date and look forward to hearing from you.

Sincerely,

RUSSELL D. FEINGOLD.
DANIEL K. AKAKA.
TOM HARKIN.
BYRON DORGAN.

THE WHITE HOUSE
Washington, November 7, 1995.

Hon. RUSSELL FEINGOLD,
U.S. Senate, Washington, DC.

DEAR RUSS: Thank you for your recent letter regarding nuclear cooperation with France.

The United States has had an ongoing cooperative program with France in the nuclear area. My Administration recently conducted a review of this program and I have concluded that such a program of cooperation with France remains in the U.S. national interest. I have also directed that this program focus on stockpile stewardship (i.e., maintenance of existing nuclear stockpiles without nuclear testing) and that it not include activities that would materially aid the development of new nuclear weapons.

Of course, such a program of cooperation can only take place in the overall context of positive United States-French relations. While I regret France's decision to resume nuclear testing, we must also take note of France's strong commitment to sign a Comprehensive Test Ban Treaty (CTBT) banning all nuclear tests, "regardless of level," no later than the fall of 1996. This position is consistent with my own decision to seek a true "zero yield" CTBT. We will continue to work with France and all other states participating in the CTBT negotiations to ensure that a Treaty is ready for signature as early as possible next year.

Sincerely,

BILL.

Mr. FEINGOLD. Mr. President, only last week the Senate ratified the START II Treaty, putting us firmly back on the road to ending the threat of nuclear annihilation. The next step is to bring to reality the Comprehensive Nuclear Test Ban Treaty, which would serve to put an end to the practice of testing weaponry which—we pray and can increasingly say with confidence—will never be put to use. This effort was seriously undermined by the French tests, and it has caused other nations to question the point and sincerity of the CTBT. While I harbor deep regrets about the effect of France's unwarranted tests, I want to say now to President Chirac, "welcome aboard." We look forward to close cooperation with France in reaching the goal of ridding the world of nuclear weapons, and will work to ensure that its series of tests will be the last ever conducted on the globe.•

ROBERT A. BUDUSKY

• Mr. LIEBERMAN. Mr. President, I rise today to pay my respects to Robert A. Budusky of Meriden, CT, who was the victim of a senseless murder on Tuesday. Mr. Budusky, a letter carrier for the U.S. Postal Service, was delivering mail along his route in Hartford when he was suddenly and fatally shot in the back of his head. His alleged murderer is a man on parole for an earlier weapons conviction.

I did not have the honor of knowing Robert Budusky, but from what I have learned, he was a dedicated public servant and a wonderful human being. "Everybody on his route loved him. They're all telling me so," said Martin Torres, according to an article in today's Hartford Courant. Torres, also a letter carrier, volunteered to take over Mr. Budusky's route "to make sure they get the service today that Bob gave them every day."

Robert Budusky is the first letter carrier to be killed on the job in New England in more than thirty years. But his death is a reminder that all letter carriers brave much more than the elements every day as they deliver our mail. Too often we take for granted their service, and fail to provide them the respect they all richly deserve.

Mr. Budusky reportedly had enough seniority to request mail routes in other communities, but he chose to remain on the job in Hartford, where he "loved the people on his route," said his supervisor, Dwight Davies, according to an Associated Press report. That report also quotes Mary Asberry, a resident along Robert Budusky's route, saying, "He was a friend, to me and to a lot of other people around here."

Flags are at half staff in front of post offices across Connecticut today, and thousands of black ribbons are being worn by postal employees in honor of their fallen colleague. At the young age of 35, Robert Budusky will be buried this Saturday. My prayers go out to his family and his many friends.•

REPEAL MANDATORY DISCHARGE FOR HIV-POSITIVE MILITARY PERSONNEL

• Mrs. BOXER. Mr. President, a very important article appeared in today's Washington Post that I commend to all my colleagues. Its title is "Army Sergeant with HIV Feels Deserted by Policy." This article tells the story of a woman—a sergeant in the Army—who faces discharge because of a horrible provision in the Department of Defense authorization bill that mandates the release of HIV positive personnel.

This provision is not supported by the military. It has been forced upon them by this Congress. In my view, it is nothing less than shameful.

The sergeant, who used the pseudonym "Marie" for this article, is a good soldier. She exhibits no signs of illness. Were it not for this provision in the DOD authorization bill, Marie would likely get a promotion this year.

Marie may not get that promotion. Instead she may get shown the door. I want to share with my colleagues what Marie thinks about this provision, mandating the discharge of HIV positive personnel like herself. She says, "no one is looking at the work I've done. No one is looking at the commitment I made—I defend the Constitution. It feels like the United States has turned its back on me."

Mr. President, I have been in Congress for nearly 15 years. During that time, I have seen a lot. But I never thought that I would see the day that the United States would turn its back on a soldier. The United States military has a proud tradition of standing by those courageous enough to dedicate their lives to the defense of our Nation. And if this provision becomes law, that proud tradition will end. That would be a sad day for this country.

Supporters of this provision argue that it is needed because non-worldwide deployable personnel degrade the readiness of our forces.

But I hope all Members realize that the substance of this new policy contradicts the rhetoric of its backers. They say that nonworldwide deployable personnel degrade readiness, but they only target a small fraction of that group.

Military personnel are placed on nondeployable status if they have severe asthma, or diabetes, or cancer. But this provision doesn't affect them. It targets only HIV positive personnel—only about 20 percent of all nondeployable personnel.

It is therefore perfectly clear: This provision is not about readiness or about deployable status, it is about targeting people with HIV. It is about discrimination.

Mr. President, on Tuesday I was proud to stand with all Californians—and indeed all Americans—to cheer the return of "Magic" Johnson to the Los Angeles Lakers. The Lakers wanted Magic back neither because he was HIV positive nor in spite of it. They wanted Magic back because he makes their team better.

The Army needs sergeants like Marie because she makes their team better. She can do the job. And for as long as she can do the job, Congress should not intervene to mandate her discharge.

Mr. President, this forced discharge policy is worse than wrong; it is immoral.

As soon as the President signs the DOD authorization bill, bipartisan legislation will be introduced to repeal this outrageous policy. I will be an original cosponsor and I urge my colleagues to cosponsor.

I believe the military's existing policy is adequate. As Asst. Secretary of Defense Fred Pang has said:

> As long as these members can perform their required duties, we see no prudent reason to separate and replace them because of their antibody status. However, as with any Service member, if their condition affects their performance of duty, then the Department initiates separation action . . . the proposed provision would not improve military readiness or the personnel policies of the Department.

We must repeal this provision within 6 months, or else people like Marie will feel the consequences for a lifetime. I ask that the article be printed in the RECORD.

The article follows:

[From the Washington Post, Feb. 1, 1996]

ARMY SERGEANT WITH HIV FEELS DESERTED BY POLICY

(By Dana Priest)

Marie, a staff sergeant who has been in the Army 10 years, figures she has done what has been expected of her, and more. She has worked hard, spent months away from her family on assignments, "given 110 percent" to her job and is in line for an important promotion.

Except now she expects to be forced out of the Army.

That is because last week Congress passed and President Clinton agreed to sign a defense bill that includes a provision to discharge service members with the AIDS virus, regardless of whether they are sick or can still perform their jobs.

Marie, who is 34 and has a daughter in elementary school, was infected by her late husband before he knew he had the disease.

"I'm widowed from it, I have a child and now I'm going to lose my job," she said in a three-hour interview yesterday at a friend's home in Northern Virginia. "No one's looking at the work I've done. No one's looking at the commitment I made. . . . I signed a contract to uphold freedom of speech, freedom of religion, I defend the Constitution. It feels like the United States has turned its back on me."

Marie noted that she was being forced from her profession for having HIV, the virus that causes AIDS, just when many people this week applauded basketball star Earvin "Magic" Johnson's return to professional play despite having the virus.

Afraid of being stigmatized, she will not allow her full name to be used in this article—Marie is her middle name. She has not told her daughter or most of her co-workers she is HIV-positive and only informed her mother last month, although the virus was diagnosed five years ago and she informed her Army supervisors.

"It's my family I'm concerned about," she said.

The HIV measure in the defense bill was introduced by Rep. Robert K. Dornan (R-Calif.), a conservative presidential aspirant and former combat pilot who has become a lightning rod for anger among AIDS activists and others, including Marie.

Dornan has attracted their criticism for comments such as one he made on the House floor in November, when he defended the provision by saying that AIDS "is spread by human God-given free will" and then listing what he described as the three ways service members get AIDS: "Rolling up your white, khaki or blue uniform sleeve and sticking a contaminated, filthy needle in your arm . . . heterosexual sex with prostitutes . . . and having unprotected [homosexual] sex with strangers in some hideaway or men's room somewhere."

"I feel outraged" at Dornan, said Marie. "I can't go out into the public and talk about my disease because the American people don't understand this disease. How can I feel safe if I have a leader on Capitol Hill who says things like this?

"Everything I worked for he's taking away from me, everything I know," she said. "I've left my family to go to school, I've left my family to go overseas. I did it because that was what the military expected of me. If I didn't want to make it my career, I wouldn't have done it. I love my family."

There are 1,049 male and female service members who have the AIDS virus. They have been allowed to continue to work and to reenlist as long as they are able to perform their jobs. But the military tests personnel for HIV about every two years, and those with the virus are prohibited from being sent to overseas posts or into combat. Marie went abroad before being infected.

"It sounds like a tragic case," Dornan said of Marie in an interview yesterday. But, he added, AIDS sufferers put an undue burden

on other service members who have to fill in for them overseas. "She can't go to Bosnia. She can't go to Haiti. She can't go to Somalia. She can't go anywhere in this world . . . and she obviously had unprotected sex with someone whose entire background she didn't know. . . . She should be a good patriot and take her honorable discharge."

Defense Department statistics show that half of the service members with the AIDS virus are married.

Several high-ranking military officials and military organizations have supported Dornan's provision because they believe HIV-positive service members are a drain on military readiness. In 1993, Adm. Frank B. Kelso II, then chief of naval operations, wrote Dornan to say that retaining HIV-positive service members "imposes significant problems for all services, especially the Navy. Assignment limitations cause significant disruption in the sea/shore rotation for all our personnel."

Clinton is set to sign the defense bill early next week. After he does, Marie, who works on personnel issues at the Pentagon, will be discharged within six months. She will retain her medical benefits but will not be entitled to retirement benefits or the kind of substantial disability pay she could have gotten had she remained in the Army until she became too sick to work. She will also lose the health insurance she has for her daughter.

White House officials said they hope to have some alternative to the provision ready when Clinton signs the bill. Among the options under consideration is to have Clinton sign an executive order that would allow service members to retain health insurance for their dependents or to support legislation to repeal the provision.

AUTHORIZING TESTIMONY BY FORMER SENATE EMPLOYEE

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 221, a resolution submitted earlier today by Senators DOLE and DASCHLE; further, that the resolution be agreed to, the preamble agreed to, and the motion to reconsider be laid upon the table, and that any statements relating to the resolution appear at the appropriate place in the RECORD.

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

So the resolution (S. Res. 221) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 221

Whereas, the plaintiff in *Margaret C. Carlson* v. *Mike Eassa, et al.*, No. MDA 7203, a civil action pending in the Superior Court of California, County of Monterey, is seeking testimony through submission of a declaration by Amy L. Silvestri, a former employee of the Senate on the staff of Senator William V. Roth, Jr.;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That Amy L. Silvestri is authorized to submit a declaration in the case of *Margaret C. Carlson* v. *Mike Eassa, et al.*, except concerning matters for which a privilege should be asserted.

Mr. DOLE. President, the plaintiff in a child support controversy pending in California Superior Court has requested that a former caseworker for Senator WILLIAM V. ROTH, Jr., submit a declaration for use in that proceeding. The plaintiff, who resides in Delaware, obtained assistance from Senator ROTH'S office in aid of her efforts to obtain child support.

The substance of telephone conversations between Senator ROTH'S caseworker and the Monterey County District Attorney's office, which has responsibility in child support matters in California, has become an issue in the case, as a contention has been made that Senator ROTH'S caseworker had authority to speak for the constituent regarding proposed settlement of the case. Senator ROTH'S former caseworker has informed the plaintiff's attorney to the contrary that she never sought to convey to the District Attorney instructions about settling the case or represented herself as authorized to speak for the constituent in approving a settlement.

Senator ROTH believes that it is appropriate for his former caseworker to submit a declaration describing her conversations with the District Attorney's office to ensure that the Court is accurately informed about the limited role played by his office.

Mr. President, this resolution would authorize Senator ROTH'S former caseworker to submit a declaration in this matter.

AUTHORIZING THE PRODUCTION OF DOCUMENTS BY THE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 222, a resolution submitted earlier today by Senators DOLE and DASCHLE; further, that the resolution be agreed to, the preamble agreed to, and the motion to reconsider be laid upon the table, and that any statements relating to the resolution appear at the appropriate place in the RECORD.

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

So the resolution (S. Res. 222) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 222

Whereas, the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs conducted an investigation into allegations concerning the Department of Justice's handling of a computer software contract with INSLAW, Inc.;

Whereas, in the case of *INSLAW, Inc., et al.* v. *United States of America*, Cong. Ref. No. 95-338X, pending in the United States Court of Federal Claims, counsel for the plaintiffs have requested that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs provide copies of records from its investigation;

Wheeas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That the chairman and ranking minority member of the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, acting jointly, are authorized to provide records to all parties in the case of *INSLAW, INC., et al.* v. *United States of America*, except concerning matters for which a privilege should be asserted.

Mr. DOLE. Mr. President, earlier this year, the Senate agreed to Senate Resolution 114, referring to the Court of Federal Claims S. 740, a private bill for the relief of a computer software firm, INSLAW, Inc., and its owners, William A. and Nancy Burke Hamilton. The purpose of the referral was to obtain a report from the court about allegations that the Department of Justice appropriated computer software developed by the INSLAW firm without paying for it and whether INSLAW has legitimate legal or equitable claims against the government arising out of its contractual relations with the government.

Some of the matters at issue in this congressional referral case were earlier the subject of an inquiry by the Senate Permanent Subcommittee on Investigations. As part of the civil discovery plan that the parties are undertaking under the court's supervision in this case, the plaintiffs' counsel has written to the leadership of the Permanent Subcommittee on Investigations seeking access to evidence obtained by the subcommittee in the course of its inquiry on subjects covered by the congressional referral.

In Senate Resolution 302 of the 102d Congress, the Senate authorized the Investigations Subcommittee to provide evidence from its inquiry to a Justice Department special counsel conducting an earlier investigation into these matters.

The leadership of the Subcommittee would like to assist the court by responding to the plaintiffs' request for

relevant evidence from its investigation. Such assistance appears particularly warranted in this matter inasmuch as this litigation results from a referral initiated by the Senate.

Mr. President, this resolution would authorize the Investigations Subcommittee, acting through its chairman and ranking member, to provide copies of relevant investigative records to the plaintiffs, with copies to the Justice Department, in response to this request.

Mrs. KASSEBAUM. 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.

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

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

COMMEMORATING THE SESQUICENTENNIAL OF TEXAS STATEHOOD

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 223, submitted earlier by Senators HUTCHISON and GRAMM.

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

The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 223) to commemorate the sesquicentennial of Texas statehood.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mrs. HUTCHISON. Mr. President, I rise today to offer a resolution commemorating a very special event in the history of my State. This resolution is almost identical to one passed by the Texas State Legislature on March 7, 1995.

Just last month, on December 29, 1995, Texans celebrated the sesquicentennial of their statehood. Unlike all other states ever admitted, we gave up the sovereignty of an independent republic to join the Union.

On March 1, 1845, Congress passed a resolution inviting the Republic of Texas to join the Union, and a special convention of Texans met to consider it, under the leadership of Thomas Jefferson Rusk. The convention accepted the offer on July 4, and its decision was ratified by the people in October. We submitted a constitution, which Congress accepted on December 29.

Rusk went on to become the first United States Senator from Texas, and I, the great granddaughter of his law partner, now hold his seat. Taylor and Rush had signed the Texas Declaration of Independence from Mexico in 1836.

Texans mark the 29th, quietly, as the commencement of our statehood, although we didn't lower the Lone Star and post the Stars and Stripes until February 19, 1846. We must have been happy with statehood in 1955, because we expressly renounced the right to fly the flag of our old Republic at the same level as that of our Union. Our legislature mandated that it fly in a subordinate position, in a manner followed by all other states.

Although independence remains the signal day in Texas history, Texans look upon their statehood with pride, as a means of "conferring blessings upon the people of all the States." When Old Glory was raised for the first time in Austin, Anson Jones, the last President of the Republic of Texas, stated with eloquence:

The lone star of Texas, which ten years since arose amid cloud, over fields of carnage, and obscurely shone for a while, and following an inscrutable destiny has passed on and become fixed forever in that glorious constellation which all . . . lovers of freedom in the world must . . . adore—the American Union. Blending its rays with its sister stars, long may it continue to shine, and may a gracious heaven smile upon this consummation with the wishes of the two republics, now joined together in one.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the resolution be considered and agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution appear at appropriate place in the RECORD.

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

The resolution (S. Res. 223) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 223

Whereas 1995 marks 150 years since the United States of America admitted Texas as the 28th State in the Union;

Whereas the sesquicentennial of Texas statehood is a truly momentous occasion that allows all Texans to reflect on their State's proud heritage and bright future;

Whereas acting on the advice of President John Tyler, the United States Congress adopted a joint resolution on February 28, 1845, inviting the Republic of Texas to enter the Union as a State with full retention of its public lands; today, a century and a half later, Texas enjoys the distinction of being the only State admitted with such extensive rights;

Whereas the citizens of the Republic of Texas were deeply committed to the goals and ideals embodied in the United States Constitution, and, on June 16, 1845, the Congress of the Republic of Texas was convened by President Anson Jones to consider the proposal of statehood;

Whereas Texas took advantage of the offer, choosing to unite with a large and prosperous Nation that could more effectively defend the borders of Texas and expand its flourishing trade with European countries; by October 1845, the Congress of the Republic of Texas had approved a State constitution, charting a bold new destiny for the Lone Star State;

Whereas the proposed State constitution was sent to Washington, D.C., and on December 29, 1845, the United States of America formally welcomed Texas as a new State; the transfer of governmental authority, however, was not complete until February 19, 1846, when Anson Jones lowered the flag that had flown above the Capitol for nearly 10 years and stepped down from his position as president of the Republic of Texas; and

Whereas with the poignant retirement of the flag of the Republic, Texas emerged as a blazing Lone Star in America's firmament, taking its place as the 28th State admitted into the Union: Now, therefore, be it

Resolved, That the Senate—

(1) commemorate the sesquicentennial of Texas statehood; and

(2) encourage all Texans to observe such day with appropriate ceremonies and activities on this historic occasion.

The Secretary of the Senate shall transmit a copy of this resolution to the Texas Congressional Delegation, to the Governor of Texas, to the National Archives, and to the Texas Archives.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider Executive Calendar No. 330, and all military nominations reported out of the Armed Services Committee today.

I further ask unanimous consent that the nominations be confirmed en bloc, the motions to reconsider be laid upon the table en bloc, and any statements relating to the nominations appear at the appropriate place in the RECORD, the President be immediately notified of the Senate's action and that the Senate then return to legislative session.

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

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF ENERGY

Derrick L. Forrister, of Tennessee, to be an Assistant Secretary of Energy (Congressional and Intergovernmental Affairs).

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE AIR FORCE

The following named officer for appointment to the grade of general while assigned to a position of importance and responsibility under title 10, United States Code, Section 601:

To be general

Lt. Gen. Eugene E. Habiger, 556-50-5234, United States Air Force.

The following named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of Title 10, United States Code, Section 1370:

To be lieutenant general

Lt. Gen. Stephen B. Croker, 483-50-2040, United States Air Force.

The following named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of Title 10, United States Code, Section 1370:

To be lieutenant general

Lt. Gen. Arlen D. Jameson, 538-36-5959, United States Air Force.

The following named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601:

To be lieutenant general

Maj. Gen. Michael D. McGinty, 472-44-7356, United States Air Force.

The following named officers for appointment in the Regular Air Force of the United States to the positions and grade indicated under title 10, U.S.C., section 8037:

THE JUDGE ADVOCATE GENERAL OF THE UNITED STATES AIR FORCE

To be major general

Brig. Gen. Bryan G. Hawley, 501-38-2138.

THE DEPUTY JUDGE ADVOCATE GENERAL OF THE UNITED STATES AIR FORCE

To be major general

Brig. Gen. Andrew M. Egeland, Jr., 231-56-1475.

The following named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601:

To be lieutenant general

Maj. Gen. Phillip J. Ford, 466-64-8359, United States Air Force.

The following named officer for reappointment to the grade of lieutenant general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601:

To be lieutenant general

Lt. Gen. Kenneth A. Minihan, 266-68-0860, United States Air Force.

IN THE ARMY

The following named officer for appointment to the grade of general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601(a):

To be general

Lt. Gen. Henry H. Shelton, 240-68-4698, United States army.

The following named officer for appointment to the grade of lieutenant general in the United States Army while assigned to a position of importance and responsibility under title 10, U.S.C., section 601(a):

To be lieutenant general

Maj. Gen. John M. Keane, 063-34-9856, United States Army.

The following named officer for appointment to the grade of lieutenant general in the United States Army while assigned to a position of importance and responsibility under title 10, U.S.C., section 601(a):

To be lieutenant general

Maj. Gen. Patrick M. Hughes, 516-48-4649, United States Army.

NAVY

The following named officer to be placed on the retired list of the United States Navy in the grade indicated under section 1370 of title 10, U.S.C.

To be vice admiral

Vice Adm. David B. Robinson, 450-64-1881.

The following named officer to be placed on the retired list of the United States Navy in the grade indicated under section 1370 of title 10, U.S.C.

To be vice admiral

Vice Adm. John B. LaPlante, 309-42-1544.

The following named officer to be placed on the retired list of the United States Navy in the grade indicated under section 1370 of title 10, U.S.C.

To be Vice admiral

Vice Adm. John M. McConnell, 249-66-0508.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now return to legislative session.

UNANIMOUS-CONSENT REQUEST—S. 1028

Mrs. KASSEBAUM. Mr. President, I present a unanimous-consent agreement which we have been working on all day. It is my understanding that there is still one objection to this agreement, and the majority leader is hoping this will be solved by next Tuesday when we are back in session.

I will read this agreement. It has, as I said, been worked on all day. I am very appreciative of the majority leader's efforts to bring this to an agreement. I ask unanimous consent that prior to Friday, May 3, the majority leader, after consultation with the Democratic leader, turn to the consideration of calendar No. 205, S. 1028, the Health Insurance Reform Act of 1995; it would further be a unanimous consent that it not be in order to offer any amendment relative to health insurance to any legislation not including matters relating to health care prior to the execution of this agreement.

I am very appreciative of efforts that have gone into this today. It would certainly be my hope, given the consideration of everyone, that we can agree to this next Tuesday.

ORDERS FOR MONDAY, FEBRUARY 5 AND TUESDAY, FEBRUARY 6, 1996

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 a.m. on Monday, February 5, for a pro forma session only, and that the Senate immediately stand in adjournment until 12 noon on Tuesday, February 6, 1996; that following the prayer, the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day, and there then be a period for morning business until the hour of 12:30 p.m., with Senators permitted to speak for up to 5 minutes each.

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

CLOTURE VOTE

Mrs. KASSEBAUM. I ask unanimous consent that the pending cloture vote be postponed to occur on Tuesday, February 6, with the time to be determined by the majority leader after consultation with the Democratic leader, and that first-degree and second-degree amendments be allowed to be filed until 12:30 p.m. on Tuesday, notwithstanding rule XXII.

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

Mrs. KASSEBAUM. It is the hope of this Senator, and I know others, that negotiations will continue with respect to a compromise amendment to the farm bill.

However, if no agreement can be reached, then the cloture vote on the Craig-Leahy substitute would occur on Tuesday. In the event an agreement can be reached, votes can be expected with respect to the farm bill on Tuesday.

ORDER FOR ADJOURNMENT

Mrs. KASSEBAUM. 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 following the remarks of Senator DASCHLE, the Democratic leader.

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

ACCOLADES TO CHAIR OF THE EDUCATION AND LABOR COMMITTEE

Mr. DASCHLE. Mr. President, let me just say how gratified we are that the distinguished Chair of the Senate Labor and Human Resources Committee has made such a remarkable effort to resolve the outstanding reservations that some may have with regard to the bill that she and Senator KENNEDY have worked on now for some time. She has been persistent, and I believe that ultimately she will be successful. I am very hopeful that we can continue to work to pass this important health reform legislation in a timely way. I believe she has demonstrated remarkable patience in her effort.

I feel confident that at some point in the future when we are able to bring this piece of legislation to the floor, it will not take long. I think there is broad recognition of the need to do much of what she has proposed in the legislation. I think it would be significant movement forward, and I think it could be one of the most consequential of our accomplishments in the 104th Congress. I commend her for her effort and look forward to working with her.

THE FARM BILL

Mr. DASCHLE. Mr. President, I just briefly want to make a couple of final remarks with regard to the debate on the farm legislation. I do not want to

belabor what has already been said. I know that there are many who want to retire.

Let me say three things. First, I do not think there is a person in the Senate Chamber who does not want to get farm legislation passed at the earliest possible date. Frankly, many of us hoped we would not have had to see the delays that we have already experienced, for a lot of different reasons. There have been scheduling delays. I do not believe we have put the efforts in at the committee level that we should have.

Others have noted this bill has never been reported out of committee. For a piece of legislation of this magnitude not to be reported out of committee, not to come to the floor in the entire first session of the 104th Congress, is some indication, in my view, of the priority the majority has placed on farm legislation. Certainly we could have found time somewhere during the summer months or at some time during the fall or perhaps during the winter during many of these long breaks we have taken to take up this legislation, to recognize how pressing a problem it is, to deal with it, as complex as it is, in a meaningful way—over a long period of time, if necessary, to accommodate the many different decisions that any farm legislation reflects.

That is the first point, Mr. President. We really have to recognize that there have been delays, unnecessary ones, in our view, that have brought us to this point.

This legislation was never subject to a vote on the Senate floor. It was buried in a budget resolution that the President, for a lot of reasons, was required to veto. So it is not accurate to say that the farm bill was vetoed. The budget resolution was vetoed; buried within that budget resolution we found farm legislation which had not been considered prior to that time.

The second issue over which there ought not be any concern or confusion is our mutual desire to provide the maximum degree of flexibility to farmers. Let there be no mistake: Recognizing as late as it is, we simply cannot constrain farmers in any way as they begin to put their management plans together. Farmers have to be given flexibility. Farmers have to be given the assurance that they can make their decisions, unencumbered by farm policy at this late date.

It is our desire every bit as much as it is the desire of many Republicans to ensure that farmers are given flexibility, that they have the latitude to go farm as we want them to farm. Flexibility is not the issue. No one ought to be using that argument as a reason for the fact that we have not reached an agreement today. We want flexibility. We want simplicity. We want to give farmers the chance to farm.

The third issue, and the one that I think will divide us perhaps in perpetuity—the reason we have not yet come to a resolution—is that in the name of some change, in the name of bringing about this so-called flexibility, what many on the other side are prepared to say is, "We will be so flexible that we will give you the payment whether you farm or not. We do not care whether you farm. We do not care what you farm. We do not care what the prices are. We are going to give you a huge lump-sum payment upfront, regardless of price, regardless of your management, regardless of your circumstances, regardless of how big you are, regardless of whether or not you are even on the farm. You will have an opportunity to get this huge payment."

Mr. President, as others have said today, I do not think it will take long for this army of investigative journalists we have in Washington and elsewhere to call attention to the fact that while we are cutting every single aspect of the Federal budget, there will be people out there getting not $100,000, not $200,000, but perhaps $300,000 in lump-sum payments for doing absolutely nothing at all. That is how some would view this so-called concept of "freedom to farm." It is the freedom not to farm. It is the freedom not to do anything. It is the freedom not to be responsible.

So that is the fundamental disagreement we have today. We have had it for a long time. We will have it tomorrow. The question is, can we bridge that difference? Can we say we are not adverse to providing the advance deficiency payments or the advance payments that we provided agriculture in the past, but you have to farm to get a farm payment; you have to be responsible if you expect us to be responsive?

So, let us hope that over the course of the next couple of days we can bridge that. We know we want simplicity and flexibility. We know we want a decision as quickly as we can get it. What I hope we can also agree upon is that we also must recognize the need for farmers to be responsible—to have the freedom to farm, but to be responsible with taxpayer dollars. If we can do that, then, indeed, I am optimistic that we will reach an agreement. We will be able to send the farm community a clear message that, indeed, we have done what we should have done a long time ago—pass a farm bill that will take us well into the future.

With that, I yield the floor.

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

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

Mr. WARNER. Mr. President, I ask unanimous consent to be permitted to speak for not in excess of 5 minutes.

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

THE 44TH ANNUAL NATIONAL PRAYER BREAKFAST

Mr. WARNER. Mr. President, the Nation's Capital today hosted the 44th Annual National Prayer Breakfast, and I take note that the Presiding Officer was likewise the presiding officer at this historic moment, attended by the President and the First Lady, the Vice President and his lady and a number of Members of the House of Representatives and the U.S. Senate.

I say to my good friend, the Presiding Officer, the distinguished Senator from Utah, that he mastered a unique and challenging situation, given the number of speakers and knowing that the President would conclude, as he did, with very moving remarks.

I think the Presiding Officer would agree with me that above all, the remarks of the principal speaker, that of the distinguished senior Senator from Georgia, SAM NUNN, were of such merit that they deserve preservation for posterity for future generations. Likewise, our other colleague, Senator SIMPSON, made a very valued contribution. Of course, the Scripture was read by a third distinguished Senator, the Senator from Illinois, CAROL MOSELEY-BRAUN. I had the privilege earlier today to place into the RECORD the remarks of the distinguished Senator from Wyoming [Mr. SIMPSON] and the distinguished Senator from Georgia [Mr. NUNN].

But as I watched the proceedings of the Senate tonight, it occurred to me that the hour is late, and knowing that the Presiding Officer, in preparation to meet today's challenge, probably arose at around 5 in the morning, I think it most appropriate that he be relieved of his official duties, and I propose to do so at this time.

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

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

HOUSE CONCURRENT RESOLUTION 141

Mr. DOLE. Mr. President, I regret that we were not able to accommodate the House of Representatives with reference to House Concurrent Resolution 141. I am not certain what action the House will take. It will be up to them.

We have tried it for an hour and a half. My view is that it should not be our concern what the House does. They are a separate body and they wish to adjourn until the 26th of February. We are not able to get the Democratic leader to agree.

RECESS UNTIL 10 A.M., MONDAY, FEBRUARY 5, 1996

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until Monday 10 a.m., February 5.

Thereupon, the Senate, at 9:28 p.m., recessed until Monday, February 5, 1996, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate February 1, 1996:

NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD

TONI G. FAY, OF NEW JERSEY, TO BE A MEMBER OF THE NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD FOR A TERM EXPIRING OCTOBER 12, 1998, VICE RONALD M. GILLUM, TERM EXPIRED.

AUDREY TAYSE HAYNES, OF KENTUCKY, TO BE A MEMBER OF THE NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD FOR A TERM EXPIRING OCTOBER 13, 1998, VICE BADI G. FOSTER, TERM EXPIRED.

MARCIENE S. MATTLEMAN, PENNSYLVANIA, TO BE A MEMBER OF THE NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD, FOR A TERM EXPIRING OCTOBER 12, 1998. (REAPPOINTMENT)

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. KENNETH E. EICKMANN [redacted] U.S. AIR FORCE

IN THE ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL IN THE U.S. ARMY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be general

LT. GEN. JOHNNIE E. WILSON [redacted] U.S. ARMY

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST OF THE UNITED STATES ARMY IN THE GRADE INDICATED UNDER SECTION 1370 OF TITLE 10, UNITED STATES CODE:

To be general

GEN. LEON E. SALOMON [redacted] U.S. ARMY

IN THE NAVY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTIONS 601 AND 5035:

VICE CHIEF OF NAVAL OPERATIONS

To be admiral

VICE ADM. JAY L. JOHNSON [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. VERNON E. CLARK [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. (SELECTEE) RICHARD W. MIES [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. DENNIS A. JONES [redacted]

IN THE AIR FORCE

THE FOLLOWING-NAMED AIR NATIONAL GUARD OFFICERS FOR APPOINTMENT AS RESERVE OF THE AIR FORCE IN THE GRADE INDICATED UNDER THE PROVISIONS OF SECTIONS 12203 AND 12212, TITLE 10, UNITED STATES CODE, TO PERFORM DUTIES AS INDICATED.

JUDGE ADVOCATE GENERALS DEPARTMENT

To be lieutenant colonel

JEFFREY K. SMITH [redacted]

BIO-MEDICAL SERVICES CORPS

To be lieutenant colonel

STANLEY A. STRAUSS [redacted]

MEDICAL CORPS

To be lieutenant colonel

LOWRY C. SHROPSHIRE [redacted]

THE FOLLOWING OFFICERS, U.S. AIR FORCE OFFICER TRAINING SCHOOL, FOR APPOINTMENT AS SECOND LIEUTENANTS IN THE REGULAR AIR FORCE, UNDER THE PROVISIONS OF SECTION 531 OF TITLE 10, UNITED STATES CODE, WITH DATES OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE.

LINE

MATTHEW D. ATKINS [redacted]
SARAH W. BLOODWORTH [redacted]
PATRICK J. BOWAR [redacted]
WILLIAM D. BOWER [redacted]
KENNETH B. BRATLAND [redacted]
STEVEN R. BUCKWALTER [redacted]
BRITT M. BURBRIDGE [redacted]
GERALD B. BURKE [redacted]
DANIEL C. CHAMBERS [redacted]
NORMAN E. CHUCHUL [redacted]
MICHAEL A. COOLEY [redacted]
CEIR CORAL [redacted]
GEORGE T.M. DIETRICH III [redacted]
MARK R. DOMINGUEZ [redacted]
JAMES S. DOUGLAS [redacted]
CHARLES B. ERICSON [redacted]
JOHN M. FITZHUGH [redacted]
JEFFREY L. FRYE [redacted]
DONALD L. GILLES [redacted]
EDWARD C. GOETZ [redacted]
BRENT R. HATCH [redacted]
ROBERT L. HENDERSON [redacted]
JEFFREY D. HEYSE [redacted]
SCOTT A. HOFFMAN [redacted]
DANIEL W. HOLT [redacted]
SCOTT S. JOHNSON [redacted]
GREGORY KREUDER [redacted]
TRACY A. LINDGREN [redacted]
TONY S. LOMBARDO [redacted]
ZANE G. MARSHALL, JR [redacted]
CHRISTOPHER E. MAZZEO [redacted]
WHITNEY P. MCCLOUD [redacted]
REGAN E. MCCLURKIN [redacted]
JAMES G. MEAD [redacted]
RAY V. ONDREJECH [redacted]
NATHAN A. PALMER [redacted]
CHRISTOPHER L. PARSONS [redacted]
MICHAEL C. SCHOENBEIN [redacted]
ROBERT J. SHERWOOD [redacted]
CHRISTINA L. SIMPERS [redacted]
ERIC A. SMITH [redacted]
DANIEL W. STONE [redacted]
KERRY L. STRAIT [redacted]
MICHAEL D. STRICKLER [redacted]
MERL A. STRODER [redacted]
JEFFREY A. STYERS [redacted]
BERT G. WINSLOW [redacted]
TAMARA L. WISE [redacted]
STEPHEN R. WOOD [redacted]
STEVEN J. YOUD [redacted]

IN THE ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE RESERVE OF THE ARMY, UNDER THE PROVISIONS OF TITLE 10 UNITED STATES CODE, SECTIONS 12203, 12204 AND 12320.

DENTAL CORPS

To be lieutenant colonel

RICKY J. ROGERS [redacted]

THE FOLLOWING-NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE U.S. ARMY IN ACCORDANCE WITH SECTION 624 OF TITLE 10, UNITED STATES CODE:

CHAPLAIN

To be colonel

RALPH G. BENSON [redacted]
MICHAEL R. DURHAM [redacted]
WILLARD D. GOLDMAN [redacted]
CHARLES E. GUNTI [redacted]
JEROME A. HABEREK [redacted]
PHILIP D. KALYANAPU [redacted]
ROGER D. KAPPEL [redacted]
JERRY L. ROBINSON [redacted]
JESSE L. THORNTON [redacted]

THE FOLLOWING-NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR PROMOTION IN THE RESERVE OF THE ARMY OF THE UNITED STATES, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 12203 AND 3385:

ARMY PROMOTION LIST

To be colonel

JAMES C. FERGUSON [redacted]
JACOB C. HUFFMAN, JR [redacted]
CLYDE H. JOHNSON [redacted]
MICHAEL C. JOHNSEN [redacted]
STEPHEN S. KAPPA [redacted]
CLEAVE A. MCBEAN [redacted]
BRIAN J. MCCRODDEN [redacted]
DAVID D. MCDOUGALL [redacted]
TIMOTHY J. SANKEN [redacted]
RONALD M. SPANIOL [redacted]
CLAUDE A. WILLIAMS [redacted]

CHAPLAIN CORPS

To be colonel

EUGENE P. BRENNAN [redacted]

THE JUDGE ADVOCATE GENERAL'S CORPS

To be colonel

GEORGE A. BUSKIRK, JR. [redacted]
ROBERT P. COYNE [redacted]
WILLIAM P. DUBORD [redacted]

MEDICAL CORPS

To be colonel

DOUGLAS A. DUNHAM [redacted]

ARMY PROMOTION LIST

To be lieutenant colonel

EDDY L. ANTHONY [redacted]
PETER D. ANZULEWICZ [redacted]
JAMES D.H. BACON [redacted]
JOHN I. BARNES III [redacted]
BRUCE E. BECK [redacted]
ALLEN E. BREWER [redacted]
GREGORY D. CHRISTENSEN [redacted]
DONALD L. CHU [redacted]
MAURO A. COOPER [redacted]
CHARLES P. ECK [redacted]
GARY C. EVANS [redacted]
CLARENCE L. FAUBUS [redacted]
JOHN L. GRAHAM [redacted]
JOHNNIE W. HARPER [redacted]
FREDERICK E. HENDRICKS [redacted]
ALAN R. LANCASTER [redacted]
GLENN M. LEACH [redacted]
WILLIAM C. MARTIN [redacted]
HENRY C. MCCANN [redacted]
RODNEY D. MONTANO [redacted]
OLIVER L. NORRELL III [redacted]
WALTER S. O'REILLY [redacted]
JAMES M. STEWART [redacted]
JOHN M. STOEN [redacted]
RICHARD E. SWAN [redacted]
LAYNE J. WALKER [redacted]
JAMES M. WELLS [redacted]
IVA E. WILSON-BURKE [redacted]

THE JUDGE ADVOCATE GENERAL'S CORPS

To be lieutenant colonel

JAMES B. BRIMLEY [redacted]
JOSEPH A. WANNEMACHER [redacted]

MEDICAL CORPS

To be lieutenant colonel

RONALD A. LARSEN [redacted]

MEDICAL SERVICE CORPS

To be lieutenant colonel

DENNIS R. MILLER [redacted]
MICHAEL M. WERTZ [redacted]

THE FOLLOWING-NAMED OFFICERS FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES, IN THE GRADE OF CAPTAIN, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 531, 532, AND 533:

ROMNEY C. ANDERSEN [redacted]
ERIN L. BALDEN [redacted]
MARY J. BARNES [redacted]
JOHN A. BOJESCUL [redacted]
BENJAMIN B. CABLE [redacted]
YONG U. CHOI [redacted]
BRYAN L. CHRISTENSEN [redacted]
JIMMY L. COOPER [redacted]
WILLIAM P. CRUM [redacted]
LOUIS A. DAINTY [redacted]
ALAN W. DAVIS [redacted]
THOMAS E. DYKES [redacted]
JOHN T. EANES [redacted]
JOHN A EDWARDS [redacted]
MINELA FERNANDEZ [redacted]
JASON A. FRIEDMAN [redacted]
GEORGE D. GARCIA [redacted]

DANIEL G. GATES [redacted]
GEORGE R. GOODWIN [redacted]
GEOFFREY G. GRAMMER [redacted]
MARIA L. GRAPILON [redacted]
SHARETTE K. GRAY [redacted]
MICHAEL A. HELWIG [redacted]
DANIEL P. HSU [redacted]
SHANNON A. KANE [redacted]
BERNARD J. KOPCHINSKI [redacted]
RUSS S. KOTWAL [redacted]
DAVID T. KRAMER [redacted]
CHRISTINE M. MACENCZAK [redacted]
CHRISTOPHER B. MAHNKE [redacted]
RICHARD G. MALISH [redacted]
JAMES S. MC CELLAN [redacted]
CURT A. MISKO [redacted]
DAN S. MOSELY [redacted]
CLINTON K. MURRAY [redacted]
ANGELA G. MYSLIWIEC [redacted]
VENCENT MYSLIWIEC [redacted]
CHRIS G. PAPPAS [redacted]
SHEAN E. PHELPS [redacted]
AARON C. PITNEY [redacted]
THOMAS L. POULTON [redacted]
MICHAEL W. QUINN [redacted]
JOHN C. RAYFIELD [redacted]
MARK T. REED [redacted]
STUART A. ROOP [redacted]
ALEX ROSIN [redacted]
EARLE G. SANFORD [redacted]
SAMUEL W. SAUER [redacted]
MICHAEL J. SEBESTA [redacted]
EDWARD J. SWANTON [redacted]
JOEL T. TANAKA [redacted]
KENNETH F. TAYLOR [redacted]
LAURA B. VARNADO [redacted]
MICHAEL A. WEBER [redacted]
PETER J. WEINA [redacted]

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES, FROM THE TEMPORARY DISABILITY RETIRED LIST, IN HIS ACTIVE DUTY GRADE OF CAPTAIN, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1211:

MARK P. HADA [redacted]

THE FOLLOWING-NAMED HONOR GRADUATE FROM THE OFFICER CANDIDATE SCHOOL FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES, IN THE GRADE OF SECOND LIEUTENANT, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 531, 532, AND 533:

MICHAEL N. PERRY [redacted]

THE FOLLOWING-NAMED RESERVE OFFICERS' TRAINING CORPS CADET FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES, IN THE GRADE OF SECOND LIEUTENANT, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 531, 532, AND 533 AND 2106.

DAVID F. TASHEA [redacted]

IN THE NAVY

THE FOLLOWING-NAMED U.S. NAVAL ACADEMY GRADUATES TO BE APPOINTED PERMANENT ENSIGN IN THE LINE OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

MAURICE J. CURRAN [redacted]
GREGGORY A. GRAY [redacted]
MATTHEW T. KIRBY [redacted]
JAMES D. MORGAN [redacted]
PAUL E. PEVERLY [redacted]
TODD D. WILSON [redacted]

THE FOLLOWING-NAMED NAVAL RESERVE OFFICER TRAINING CORPS GRADUATES TO BE APPOINTED PERMANENT ENSIGN IN THE LINE OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

BRIAN C. DAVISON [redacted]
JONATHAN M GREEN [redacted]
MATTHEW T. POTTENBURG [redacted]
KIM M. VOLK [redacted]

CONFIRMATIONS

Executive nominations confirmed by the Senate February 1, 1996:

DEPARTMENT OF ENERGY

DERRICK L. FORRISTER, OF TENNESSEE, TO BE AN ASSISTANT SECRETARY OF ENERGY (CONGRESSIONAL AND INTERGOVERNMENTAL AFFAIRS).

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES, CODE SECTION 601:

To be general

LT. GEN. EUGENE E. HABIGER [redacted] U.S. AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. STEPHEN B. CROKER [redacted] U.S. AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. ARLEN D. JAMESON [redacted] U.S. AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. MICHAEL D. MCGINTY [redacted] U.S. AIR FORCE

THE FOLLOWING-NAMED OFFICERS FOR APPOINTMENT IN THE REGULAR AIR FORCE OF THE UNITED STATES TO THE POSITIONS AND GRADE INDICATED UNDER TITLE 10, UNITED STATES CODE, SECTION 8037:

THE JUDGE ADVOCATE GENERAL OF THE U.S. AIR FORCE

To be major general

BRIG. GEN. BRYAN G. HAWLEY [redacted]

THE DEPUTY JUDGE ADVOCATE GENERAL OF THE U.S. AIR FORCE

To be major general

BRIG. GEN. ANDREW M. EGELAND, JR. [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. PHILLIP J. FORD [redacted] U.S. AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

LT. GEN. KENNETH A. MINIHAN, [redacted] U.S. AIR FORCE

IN THE ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be general

LT. GEN. HENRY H. SHELTON, [redacted] U.S. ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. ARMY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. JOHN M. KEANE [redacted] U.S. ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL IN THE U.S. ARMY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. PATRICK M. HUGHES [redacted] U.S. ARMY

IN THE NAVY

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST OF THE U.S. NAVY IN THE GRADE INDICATED UNDER SECTION 1370 OF TITLE 10, UNITED STATES CODE:

To be vice admiral

VICE ADM. DAVID B. ROBINSON, [redacted]

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST OF THE U.S. NAVY IN THE GRADE INDICATED UNDER SECTION 1370 OF TITLE 10, UNITED STATES CODE:

To be vice admiral

VICE ADM. JOHN B. LA PLANTE [redacted]

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST OF THE U.S. NAVY IN THE GRADE INDICATED UNDER SECTION 1370 OF TITLE 10, UNITED STATES CODE:

To be vice admiral

VICE ADM. JOHN M. MC CONNELL [redacted]

HOUSE OF REPRESENTATIVES—*Thursday, February 1, 1996*

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Ms. PRYCE].

DESIGNATION OF THE SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
February 1, 1996.

I hereby designate the Honorable DEBORAH PRYCE to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Of all the many gifts that You have given, O God, we offer our gratitude for Your free gifts of prayer, praise, and thanksgiving. You have invited us to speak to You with our supplications and petitions, our hopes and fears, our joys and concerns. When we face the challenges of the hour and the anxieties of every day, encourage us, O gracious God, to communicate with You in prayer and realize the abounding grace that You give to every person and know the overflowing love that is available to all. In Your name, we pray. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. The Chair will lead the House in the Pledge of Allegiance.

The SPEAKER pro tempore led the House in the Pledge of Allegiance, as follows:

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

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to make an announcement.

After consultation with the majority and minority leaders, and with their consent and approval, the Chair announces that during the joint meeting to hear an address by His Excellency Jacques Chirac, only the doors immediately opposite the Speaker and those on his right and left will be open.

No one will be allowed on the floor of the House who does not have the privilege of the floor of the House.

Due to the large attendance which is anticipated, the Chair feels that the rule regarding the privilege of the floor must be strictly adhered to.

Children of Members will not be permitted on the floor, and the cooperation of all Members is requested.

RECESS

The SPEAKER pro tempore. Pursuant to the order of the House of Friday, January 26, 1996, the House will stand in recess subject to the call of the Chair.

Accordingly (at 10 o'clock and 3 minutes a.m.), the House stood in recess subject to the call of the Chair.

During the recess, beginning at about 11:40 a.m., the following proceedings were had:

□ 1140

JOINT MEETING OF THE HOUSE AND SENATE TO HEAR AN ADDRESS BY HIS EXCELLENCY JACQUES CHIRAC, PRESIDENT OF THE FRENCH REPUBLIC

The SPEAKER of the House presided.

The Assistant to the Sergeant at Arms, Bill Sims, announced the Vice President and Members of the U.S. Senate who entered the Hall of the House of Representatives, the Vice President taking the chair at the right of the Speaker, and the Members of the Senate the seats reserved for them.

The SPEAKER. On the part of the House, the Chair appoints as members of the committee on the part of the House to escort His Excellency Jacques Chirac into the Chamber:

The gentleman from Texas [Mr. ARMEY];

The gentleman from California [Mr. COX];

The gentleman from New York [Mr. GILMAN];

The gentleman from Nebraska [Mr. BEREUTER];

The gentleman from Missouri [Mr. GEPHARDT];

The gentlewoman from Connecticut [Mrs. KENNELLY];

The gentleman from Maryland [Mr. HOYER]; and

The gentleman from Indiana [Mr. HAMILTON].

The VICE PRESIDENT. The President of the Senate, at the direction of that body, appoints the following Senators as a committee on the part of the Senate to escort His Excellency Jacques Chirac, the President of the French Republic, into the House Chamber:

The Senator from Mississippi [Mr. LOTT];

The Senator from Mississippi [Mr. COCHRAN];

The Senator from Florida [Mr. MACK];

The Senator from South Carolina [Mr. THURMOND];

The Senator from Georgia [Mr. COVERDELL];

The Senator from Louisiana [Mr. BREAUX];

The Senator from Rhode Island [Mr. PELL];

The Senator from Hawaii [Mr. INOUYE]; and

The Senator from Nevada [Mr. REID].

The Assistant to the Sergeant at Arms announced the Acting Dean of the Diplomatic Corps, His Royal Highness, Prince Bandar bin Sultan, Ambassador of Saudi Arabia.

The Acting Dean of the Diplomatic Corps entered the Hall of the House of Representatives and took the seat reserved for him.

The Assistant to the Sergeant at Arms announced the Associate Justices of the Supreme Court of the United States.

The Associate Justices of the Supreme Court of the United States entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

The Assistant to the Sergeant at Arms announced the Cabinet of the President of the United States.

The members of the Cabinet of the President of the United States entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

At 11 o'clock and 57 minutes a.m., the Assistant to the Sergeant at Arms announced the President of the French Republic, His Excellency Jacques Chirac.

The President of the French Republic, escorted by the committee of Senators and Representatives, entered the Hall of the House of Representatives, and stood at the Clerk's desk.

[Applause, the Members rising.]

The SPEAKER. Members of the Congress, it is my great privilege and I deem it a high honor and a personal pleasure to present to you the President of the French Republic, His Excellency Jacques Chirac.

[Applause, the Members rising.]

ADDRESS BY HIS EXCELLENCY JACQUES CHIRAC, PRESIDENT OF THE FRENCH REPUBLIC

(The following address was delivered in French, with a simultaneous translation in English.)

President CHIRAC. Mr. Speaker, Mr. President, ladies and gentlemen, Members of the Congress, first, I want to thank you very warmly for your welcome, and I am deeply touched by it.

"In America, I saw more than America; I was seeking a vision of democracy itself." Thus spoke Alexis de Tocqueville, one of our greatest thinkers. And because in the eyes of the world for more than 200 years you have been the symbol of such an ideal, I am indeed glad and proud of the opportunity of saluting today your very distinguished assembly.

Loyalty and friendship are the keynotes of my visit to the United States. It is a personal friendship, born during the liberation of France, when at the age of 12, I saw the American troops land in Provence. This friendship was still further strengthened when I came here to your country as a student, and I worked here, too, because one needs money to live, as a driver and as a soda jerk. It is a true and sincere friendship that grew from strength to strength each time I came to the United States, which was often.

But especially I wish to bear witness today to the friendship between our two peoples. We have all learned in our history books how France helped your country to establish itself as a free, sovereign, and independent nation and likewise, in return, how your political ideals had inspired our own revolution and contributed to the foundation of our Republic.

This friendship, sealed in blood, has never faltered. Twice during the present century, when Europe was engulfed in the darkness of war and barbarity, America rose up and threw in her might in the defense of democracy. Your soldiers paid with their lives or their wounds the price of that fight against evil.

Some of you here belong to that generation of heroes and your bodies carry the scars of war. Through you it is to the whole American people that I wish today to express our gratitude. The French will never forget the sacrifices you made for the freedom and the rebirth of Europe and France.

This exceptional relationship between the United States and France is based on a common vision of the world, the same faith in democracy, liberty, human rights, and the rule of law. Naturally, our interests do not always coincide, but since the very beginning France has always been and will always be, on the basis of equal rights and obligations, an ally of the United States, a firm ally, an ally you can count on.

Whenever essential values were at stake, each time France was by your side. In Berlin, and then during the Cuban missile crisis, and 20 years later, when the euromissiles were being deployed in Europe, and again in the gulf war.

"True friendship," said George Washington, "is a plant of slow growth and must undergo and withstand the shocks of adversity before it is entitled to the appellation." The friendship between our two peoples has stood the test.

The agreement that is to restore peace in Bosnia was signed 6 weeks ago in Paris in the presence of President Clinton. A few days later NATO was given the necessary authority to implement that peace.

This enterprise is the culmination of long, joint efforts. In 1994, France proposed to the Europeans, the United States, and Russia to set up an original structure, the contact group, in order to work out a peace plan. For this to succeed, we first had to ensure respect for our soldiers on the ground. That is why as soon as I took office I suggested to our British partners that we set up the rapid reaction force, and we discussed this together, Mr. Speaker, to use the strength of NATO in a decisive manner. It is in this new environment that the United States took the excellent initiative to organize the Dayton talks. I wish to pay tribute to the tenacity, the talent of those who crafted the accord.

Our joint action in Bosnia, the first large-scale military operation ever carried out by the alliance, illustrates the profoundly novel nature of the missions NATO can be called upon to accomplish. In this case the task is to give a country devastated by 4 years of war a unique opportunity to attain peace at long last. The alliance would not evade such a mission. France, with the United States and Great Britain, is responsible for one of the three zones of operations, and we will do all in our power to make the operation a success.

By accepting to throw in the balance the full weight of the political and military power of the United States, President Clinton and your Congress have shown a sense of political responsibility, the high moral standards that are so deeply embedded in American tradition. My wish would be that this commitment be pursued in the form of a lasting and balanced participation in the necessary reconstruction of the region.

Your presence in Bosnia sends a clear message to the world: As in the past, the United States considers that Europe is vital for its own security. I wish to pay tribute to the continuity and the strength of this commitment.

As I stand before you, I wish to reaffirm the position of France: The political commitment of the United States in Europe in its military presence on European soil are still an essential element of the stability and the security of the continent and also of the world.

Our common action in Bosnia emphasizes the need for the Atlantic Alliance to adapt itself to a universe that is no longer that in which it was born. The reform must first define the modes of action that will enable it to meet effectively the unpredictable situations that can arise in the post-cold-war period.

But the reform must also enable the European allies to assume fully their responsibilities, with the support of NATO facilities, wherever the United States does not wish to engage its ground forces. In accordance with what was said at the 1994 summit, we must work on the European pillar within the alliance, which President Kennedy referred to and which must progressively become a reality with the Western European Union.

In this new situation, France is ready to take its full share of this renovation process. And this was demonstrated a few weeks ago when France announced its intention to move closer to the military structures of the organization. I wish to confirm today the open-mindedness and sense of availability with which France approaches this adaptation of NATO, including the military side, as long as the European identity can assert itself fully.

For the alliance to be strong, Europe must be strong, capable of bearing a larger share of the common burden.

I call for a renewed partnership between Europe, engaged in its own construction, including in the field of defense, and our North American allies. The culmination of this process could be the adoption at the appropriate time of a Transatlantic Charter, which would be a solemn sign for the coming century of the strength and the vitality of our alliance.

The reform of our organization will facilitate its enlargement, if we are capable of proposing to Russia a positive relationship with NATO in a security framework that gives that great country its rightful place in Europe and in the world. And the presence of Russian soldiers in Bosnia alongside the allies is a first promising step in that direction.

Let us show imagination and determination in building the European and transatlantic architecture of tomorrow. The balance and the peace of the world are at stake.

But Europe is not the only area in which we have common interests. We share the same values and so we both

aspire to peace and progress in the world. We are exposed to the same threats. We face the same risks. We bear on our shoulders the same responsibilities.

Nothing that concerns the global village can leave us indifferent. No one is unaffected by what happens elsewhere, be it at the other end of the world. The AIDS virus or the effects of a new Chernobyl do not need visas to spread across borders. Drugs are a threat to young people everywhere. Nuclear arms proliferation weighs on the future of all of us. Illegal immigration is a problem for all developing countries, and we all feel the consequences of religious fanaticism and ethnic hatred which can destabilize entire regions. We must combine our efforts to get at the roots of these scourges.

Amongst all of these dangers, in my view the most serious one is underdevelopment. The continuation of our aid to those countries in need is a moral obligation incumbent on all of us. It is also the best way of defusing a time bomb, a time bomb that threatens all of us and will threaten our children as well.

Let us not leave to their fate the poorest countries on Earth, in particular the countries of Africa. Let us not leave them in the vicious cycle of exclusion by allowing the source of official development assistance to dry up, aid that is indispensable for them to move further toward democracy and development. We must not run the risk of leaving to coming generations a legacy of yet more crises, yet more famines, yet more wars, and also the irreversible destruction of our environment and large-scale immigration. Let us not abandon the values that lie at the very heart of our civilization.

And we will not counter these dangers by accumulating every more weapons, nor by erecting ineffective barriers. The best security today lies in solidarity. Europe is convinced of this, and that is why Europe gives the poor countries more than $30 billion annually, that is to say, three times more than the United States, a considerable effort.

My friends, in this field as well, the world needs you. Of course, your great Nation has to contend with budgetary constraints. So does Europe. So does France. But our difficulties should not divert us from our obligations toward the poorest countries of the world. Here the dictates of conscience and of political wisdom converge with our common interest.

From the rice paddies of Bangladesh to the heights of the Altiplano, from the sands of the Sahel to the outskirts of Lunada, everywhere men and women are suffering, and they thirst for prosperity and peace. Everywhere, and we see proof of this day after day in Africa, men and women are making real progress, to help them travel farther on the road toward development and democracy, to help them to consolidate the rule of law that they have begun to establish, and to help them carry out painful but necessary economic reforms. Everywhere men and women place high hopes in the progress of education, of science, and medicine in order at long last to attain a better life and happiness, happiness to which they are entitled, like everyone on this planet.

All over the world, men and women believe in America and Europe, in the generosity of their history, in their dedication to mankind. My friends, we must not let them down.

In our interdependent world, together we must fulfill all our respective responsibilities as permanent members of the United Nations Security Council, as the first and fourth world economic powers, and as members of the G7.

Together we must promote disarmament and combat the proliferation of weapons of mass destruction. France has ended, once and for all, its nuclear testing, after a final series that was designed to give us the assurance that our deterrence capability is reliable and safe. Let us join our efforts to make 1996 the year of the signing of the complete and definitive test ban treaty, with the zero yield option that France and the United States were the first to propose. I also welcome the decision of your Senate to authorize the ratification of the START II Treaty. Its implementation by the United States and Russia will also pave the way to further progress in disarmament.

Let us also join efforts to make 1996 the year of decisive progress toward peace in the Middle East, with the signing of treaties between Israel, Syria, and Lebanon. Thus will be fulfilled totally the destiny of Yitzhak Rabin, to whose memory I wish to pay tribute.

And finally let us work together within the organizations that we have established. I have in mind, first, the United Nations, the only legitimate universal organization, the only bulwark against disorder and arbitrariness in international relations. Let us help the United Nations to reform itself. Let us not refuse the United Nations the necessary means to succeed.

I have in mind, also, the World Trade Organization that we have recently set up together. We have established it to ensure orderly world trade. Let us resist temptations to unilateralism.

And there is also the International Development Association of the World Bank [IDA]; it is an irreplaceable instrument in the fight against hunger, against extreme poverty and underdevelopment. It also plays a crucial role in developing the markets of the beneficiary countries, which in point of fact, already receive 40 percent of your exports. IDA was established at the initiative of President Eisenhower. Let us act together enabling it to pursue its action.

And last, there is the G7, which will hold its next summit in June hosted by France in the city of Lyon. Let us avail ourselves of that opportunity for better coordination of our economic and financial policies.

To carry out successfully the tasks that lie ahead, the United States will increasingly find in the European Union a strong partner. Thanks to the joint impetus given by France and Germany, it is the ambition of the European Union to gain in strength, and this will happen before the turn of the century through more effective institutions within the European Union, a single currency, and by enlargement involving the new democracies in Central and Eastern Europe. By the next generation, the European Union, in all probability, will have risen from 15 to 30 member countries. Europe, reconciled historically and geographically on the basis of democracy, social justice, and a market economy, will have become one of the most stable and dynamic areas in the world of tomorrow.

The European Union and the United States are already each other's main trading partners, and it is a balanced trade relationship. They are also each other's main investors: 3 million Europeans are today employed by American firms, and 3 million Americans work for European firms.

Today, Europe is the world's most open economic entity. We are prepared to increase freedom of trade still further, while still respecting our vital interests, and in the framework of a balanced approach.

Building on the bedrock of a 50-year-old alliance, we can and must create a genuine partnership, a comprehensive partnership, between the new Europe and America.

Mr. Speaker, Mr. President, ladies and gentlemen, Members of Congress, in the wake of the victory over nazism, the United States contributed more than any other country to the shaping of the post-war world with the setting up of the United Nations and NATO, of the IMF and the World Bank, and with the implementation of the Marshall plan. These were key contributions, and the 50 years of peace and prosperity that ensued owe a great deal, a great deal indeed, to this American commitment.

Today, as then, the world needs the United States. Your commitment is as necessary as ever in order to build the uncertain post-cold-war world and to further the cause of peace, democracy, and development.

These are great challenges that lie ahead for all of us, and we will meet them if we are united and as one. It is only with this sense of solidarity and union that we can leave to our children

the legacy of a better world, a world in which they can flourish, a world of liberty, justice, and peace.

I thank you very much for your attention.

[Applause, the Members rising.]

At 12 o'clock and 25 minutes p.m., the President of the French Republic accompanied by the committee of escort, retired from the Hall of the House of Representatives.

The Assistant to the Sergeant at Arms escorted the invited guests from the Chamber in the following order:

The Members of the President's Cabinet.

The Associate Justices of the Supreme Court of the United States.

The Acting Dean of the Diplomatic Corps.

JOINT MEETING DISSOLVED

The SPEAKER. The purpose of the joint meeting having been completed, the Chair declares the joint meeting of the two Houses now dissolved.

Accordingly, at 12 o'clock and 28 minutes p.m., the joint meeting of the two Houses was dissolved.

The Members of the Senate retired to their Chamber.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The House will continue in recess until 1 p.m.

□ 1303

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. BARRETT of Nebraska) at 1 o'clock and 3 minutes p.m.

PRINTING OF PROCEEDINGS HAD DURING RECESS

Mr. CHABOT. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess be printed in the RECORD.

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

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair announces there will be five 1-minutes on each side.

TAX CUTS FOR THE MIDDLE CLASS

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

Mr. CHABOT. Mr. Speaker, I rise this morning in defense of the middle-class tax cuts that the middle class gets. They keep getting promised these tax cuts, but they never seem to get them.

It is a fact that hard-working people in this country are overtaxed. The Federal Government continues to rip off hard-working people in order to benefit special-interest elites. This Government taxes families in my community in Cincinnati so that Hazel O'Leary-types can continue to jet around the world on five-star junkets. The Government continues to tax people in Cincinnati so that huge corporations can get subsidies to advertise their products around the world, advertising that they would do anyway. It is an absolute outrage.

We continue to rip off the American people to give tax subsidies and price supports to people who do not need them. Taxes are absolutely too high in this country. The special-interest groups and their fellow defenders here in Washington will now scream, tax cuts for the rich, tax cuts for the rich, but I think the American people know better; they know the people in this country are overtaxed.

We need to cut taxes now.

HOLD HOLLYWOOD RESPONSIBLE

(Mr. ROEMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROEMER. Mr. Speaker, many of us over the course of service in Congress have come to this floor as Members of this body and as parents to strongly condemn some of the types of films that are coming out of Hollywood and New York for their vulgarity, for their lack of content, for their lack of values, and their message to the American people.

While I have done that in the past, I also do not claim to be a Siskel or an Ebert or even an Arch Campbell. But I also think we should come to this body, as Members of Congress, when there is a good movie, and encourage our citizens and consumers of this country that when Hollywood does do the exceptional thing and make the exception and make a Frank Capra-like move, like Mr. Holland's Opus, about how one person can make a difference, how education is important in America, and about values, I think we should all reward those types of messages in America today.

BIPARTISAN SUPPORT FOR WELFARE REFORM

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

Mr. RIGGS. Mr. Speaker, we all know that we cannot balance the budget without the political will to address and to reform a failed welfare system in America, yet the President, the same President who, as a candidate, promised to end welfare as we know it, vetoed the House-Senate-passed welfare reform bill.

The reason, ostensibly, is that the bill does not do enough to provide child care for working parents, particularly single mothers who many times struggle against heroic odds, to provide child care for their children. However, the American people should know that the bill the President vetoed provided $2 billion more for child care for working parents than current law, and $1 billion more than the bill that the Senate passed and the President praised last September.

The President has a very simple choice. He can join us in reforming welfare on a bipartisan basis, or he can continue to pander to the left wing of his party.

ADDRESS DEBT CEILING LIMIT NOW

(Mr. GENE GREEN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GENE GREEN of Texas. Mr. Speaker, the House is on the verge of leaving town before addressing the problem of our debt limit. Instead of working to raise the debt limit and protecting the full faith and credit of the United States, the Republican majority has spent the past few months in a game of brinkmanship with the White House.

For awhile it was: Give us what we want or we will close down the Government. Now it is: Give us what we want or we will default on our debt.

I urge all of my colleagues on both sides of the aisle to resist this approach. It will reduce the public opinion of Congress even further, and it has real and adverse consequences.

The main point of raising the debt ceiling is to pay our current obligations, to pay those Treasury billholders and to pay those U.S. savings bond purchasers. It is not about increasing our future spending.

I have cosponsored a resolution to keep the House in session until it considers a clean bill on the debt ceiling, and I urge my colleagues to support it. I have also signed a resolution asking our Republican leaders to let a clean debt ceiling bill come to the floor.

We must pass a clean debt ceiling bill to send a message to the world that we will keep our word and pay our bills. Do not default on America.

AMERICA'S LUMBER MARKET IS DYING

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, in very simple language, America's lumber market is getting killed. I think we

understand that word. Canadian lumber is everywhere.

Now, check this out: Canadian provinces own the timber, so they sell the timber to the Canadian mills below market cost. Then the Canadian mills sell the timber in America below market value. As a result, Canada now owns 40 percent of America's lumber market.

America has lost 35,000 jobs and experts say, listen to this, America will continue to lose jobs in this industry. No kidding, Sherlock.

With a policy like this, how can American timber mills end up competing with Canadian timber that is subsidized and being sold in America, dumped in America? Beam me up. This is another fine NAFTA ploy.

BETRAYAL IN GEORGIA

(Ms. MCKINNEY asked and was given permission to address the House for 1 minute.)

Ms. MCKINNEY. Mr. Speaker, I rise today to call attention to a betrayal of Benedict Arnold proportions.

The Atlanta Journal and Constitution reported today that the Democratic leadership in the State of Georgia—that is, the vanguard of the Dixiecrats—is actively recruiting people of the right skin color to challenge our colleague and two-term Democratic Member of Congress, SANFORD BISHOP.

I want to say that again. The leadership of our party in the State of Georgia is recruiting white primary opponents to unseat a sitting Member of Congress of the same party. And why? Only because SANFORD BISHOP is black.

Georgia Democratic House Speaker Tom Murphy is reported to have said that he would support the candidacy of Ray Goff who happens to be white. In fact, Murphy is willing to support Goff against Bishop even though Goff has not declared whether he is a Democrat or Republican.

How's that for party loyalty, Mr. Speaker? Once again Tom Murphy and his fellow dinosaurs have demonstrated that black Democrats are no more than spare parts for their whites-only party machine.

LET LAW ENFORCEMENT OFFICIALS DO THEIR JOB

(Mr. LAZIO of New York asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAZIO of New York. Mr. Speaker, last week in New York, a Federal judge threw out key evidence that would prove a defendant guilty of Federal drug charges. The defendant had over 4 million dollars' worth of cocaine and heroine in her car, and voluntarily confessed on videotape that she had made the trip over 20 times to pick up drugs. The arresting officers witnessed four men putting duffle bags into the trunk of her car at 5 a.m. in the morning. They did not speak to her, and then fled the scene when spotted. Unbelievably however, the judge decided that the police had no cause to be suspicious. Even the New York Times called the judge's reasoning, tortured.

It is absolutely incredible that this case was dismissed, and the defendant will go unpunished due to a technicality, which would be corrected if the Exclusionary Rule Reform Act was in effect. Last February the House passed this bill, which extends the exclusionary rule's good faith exception to warrantless searches. If the police have a reasonable good faith belief that a drug crime is occurring, as in this case, common sense should dictate that they be allowed to act accordingly.

As a former Suffolk County assistant district attorney, I have seen firsthand the effects of drugs on our communities. It is about time we let our law enforcement officials do their job without tying their hands. We need this bill to become law so we can avoid such outrageous situations in the future.

MAJORITY PURSUING CONTRADICTORY STRATEGY

(Ms. NORTON asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. NORTON. Mr. Speaker, the majority is pursuing a contradictory strategy. Everything they have hinged on eliminating the deficit, but an increase in the deficit would be the first result of default. The official position of the United States of America today is under threat of default. Moody's has certainly recorded it that way, because it has returned the threat itself.

The shutdown strategy will not work this time. The only way to hang something on the debt limit bill is to get an agreement in advance from the President, yet I see no meetings occurring.

Moody's action shows that the delay alone can be costly, and worse, dangerous. If we mean to balance the budget, if your purpose is to eliminate the deficit, let us start by taking away the threat of default.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2745

Mr. KLINK. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 2745.

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

There was no objection.

CONFERENCE REPORT ON S. 652, TELECOMMUNICATIONS ACT OF 1996

Mr. LINDER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 353 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 353

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (S. 652) to provide for a pro-competitive, de-regulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition, and for other purposes. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore. The gentleman from Georgia [Mr. LINDER] is recognized for 1 hour.

Mr. LINDER. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from California [Mr. BEILENSON], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 353 provides for the consideration of the conference report for S. 652, the Telecommunications Act of 1996, and waives all points of order against the conference report and against its consideration. The House rules allow for 1 hour of general debate to be equally divided between the chairman and ranking minority member of the Commerce and Judiciary Committees.

In addition, the regular rules of the House provide for a motion to recommit with or without instructions as is the right of the minority.

Mr. Speaker, what we have before us is a complex piece of legislation that is the product of many long months of negotiation. I believe that the conferees have worked in good faith to create a balanced bill which equalizes the diverse competitive forces in the telecommunications industry.

This entire process has involved countless competing interests which include consumers long distance companies, regional Bell operating companies, cable, newspapers, broadcasters, and high-technology firms, to name only a few. We are opening up competition to those who have been protected for a very long time, and all of the players are anxious to gain an edge on their new competitors. I am absolutely confident that the legislation before us today will produce competition that will be good for all Americans.

I want to commend the tireless work of Chairmen TOM BLILEY, JACK FIELDS, and HENRY HYDE, and ranking members JOHN DINGELL, ED MARKEY, and JOHN CONYERS. Their handling of this long and difficult conference will ensure that the United States maintains the lead on the information superhighway as we move into the 21st century.

We have before us a bill that has undergone a great deal of revision and assembly in order to reach this point. In the past, telecommunications reform has fallen victim to one problem or another, from legislative resistance to the opposition of various powerful interests. Today, we have a good bipartisan bill, which has endured a rigorous process. It is a tribute to this process that this bill has broad support from consumers, industry, the U.S. Congress, and the White House.

The goal of our telecommunications reform legislation is to encourage competition that will produce innovative technologies for every American household and provide benefits to the American consumer in the form of lower prices and enhanced services. This legislation will achieve this goal.

Existing companies and companies that currently exist only in the minds of innovative dreamers will take advantage of this new competitive landscape and bring new products and a new way of life that will amaze every American.

Bill Gates, chairman of Microsoft Corporation, envisions an information revolution that will take place in the world communications marketplace. While he has expressed his frustration that the sweeping advancement in technology would not come for about a decade, we have the opportunity today to speed the advance of this technological and information revolution. We have the ability to set the pace by passing momentous legislation that will bring immeasurable technological advancements to every American family.

The massive barriers to competition and the restrictions that were necessary not long ago to protect segments of the U.S. economy have served their purpose. We have achieved great advances and lead the world in telecommunications services. However, productive societies strengthen and nourish the spirit of innovation and competition, and I believe that S. 652 will provide Americans with more choices in new products and result in tremendous benefits to all consumers.

This legislation will be remembered as the most deregulatory telecommunications legislation in history. The philosophy of this Congress—and our Nation in general—is to encourage competition in order to provide more efficient service and superior products to the American consumer. This bill will strip away antiquated laws, create more choices, and lower prices for consumers and enable companies to compete in the new telecommunications marketplace.

This resolution was favorably reported out of the Rules Committee yesterday, and I urge my colleagues to support the rule so that we may complete consideration on this historic legislation. I strongly support the Telecommunications Act of 1996 which will assure America's role as the high-technology leader and innovator for the next century, and I am absolutely certain that this will be the best job-creating legislation that I will see in my years in this House.

□ 1315

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

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

Mr. Speaker, there are some legitimate concerns about this rule for the consideration of the conference report for this landmark deregulatory telecommunications legislation, made all the more relevant, I think, by the fact that on what apparently will be the last day in which we shall be in session for almost 4 weeks, the principal responsibility for all of us should not be the hurried passage of this particular piece of legislation, which has been in conference now for several months, but rather passage of a clean debt ceiling resolution that would assure our citizens and the world that the U.S. Government will not default on its financial obligations.

Beyond that, there is no compelling reason or legitimate need, so far as this legislation is concerned, to waive the standing rule of the House that gives Members 3 days to examine a conference report before being required to vote on it. That is an important rule. It exists for the protection of Members of Congress and for the protection of the people we represent, to afford us all an opportunity to study and to review and to understand the legislation on which we are going to be asked to vote.

The importance of that rule, Mr. Speaker, is particularly relevant in a situation such as this when we are, as the gentleman from Georgia has pointed out, debating landmark legislation which completely rewrites our existing communications law that regulates industries worth nearly $1 trillion. Because this rule waives a reasonable and important time requirement, Members could be approving provisions that are not fully understood and that could have repercussions that no one has had the opportunity or the time to think carefully about, or think so carefully about as necessary.

We are concerned, too, about statements that indicate that there are plans to complete this conference report and have it signed into law, and then later on consider legislation later this year that will undo some of the agreements we are rushing through today.

In sum, it would have been much preferable if Members had been given the 3 days required by the rules of the House before being asked to vote on a conference report as complicated as this one, with its enormous economic, political and cultural consequences for the public and for businesses and for the Nation in general.

Several very major decisions have been made by the conferees, including those dealing with the relaxation of restrictions on ownership of radio and TV stations, with restrictions on Internet communications, and with the unfunded mandates issue that city governments in particular have expressed some concerns about.

In addition, the legislation basically unravels the protections that cable consumers currently enjoy. It terminates regulation of rates for non-basic cable services for all cable systems no later than 1999, and immediately for most small cable systems. That obviously is a very significant issue, dealing as it does with an industry that affects the great majority of the Americans whom we are elected to represent.

Mr. Speaker, perhaps the most worrisome part of the legislation is its treatment of media ownership and its promotion of mergers and concentration of power. The bill would change current law to permit a single company to own television stations reaching 35 percent of the nationwide audience, an increase from the current level of 25 percent.

Nationwide ownership limits in radio would be eliminated altogether, while a single company could own numerous radio stations in a single market. Newspapers could own radio and, in some cases, television stations in their own communities; local telephone companies could own television and radio stations in their own service areas.

These proposals pose a serious threat to the principles of broadcast diversity and localism. They threaten the ability of a community to have more than one source of news and entertainment.

The conference agreement does contain some provisions that enjoy widespread support, including one that gives parents the ability to block television shows that young children, they believe, should not be watching. That is an important issue. Conferees, most of us think, should be strongly commended for their support of this language.

We all recognize, Mr. Speaker, the need to make changes in our 60-year-old communications law, but we are still concerned, as I said at the outset, about the process under which the bill is being considered.

Obviously the needs and the rights of the American public should be the primary concern of this legislation. Many of us had hoped that the final version would better balance the introduction of competitive markets with measures designed to protect the public. I do hope that we do not discover later that we have lost sight of the public in this process and of the need to protect the public from potential monopoly abuses.

Mr. Speaker, in sum, this is a very complex and far-reaching piece of legislation. I am sorry only that we are being forced to consider it in a rather hurried fashion today.

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

Mr. LINDER. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. DREIER], my colleague on the Committee on Rules.

Mr. DREIER. Mr. Speaker, I thank my friend for yielding me the time and congratulate him on his fine work on this effort.

This is obviously a great day. It has been decades in the making. As we all know, it has been over six decades since we have been able to deal as comprehensively with this issue. But I would like to make just a few points as we move ahead.

First and foremost, the success of this conference demonstrates that in a bipartisan way there is an understanding that competition works. It clearly creates a great opportunity to create jobs, creates an opportunity to benefit the consumer, which is what we want to do. We want to provide the widest range of choices, and that is exactly what is going to happen here.

We have learned from the fall of the former Soviet Union that regulated monopolies do not work, whether it is in business, whether it is even in public education. We have found that they do not work, and I think that the realization that we are going to finally bring telecommunications law up to the market is, I think, something that is very, very important.

The second point that I would like to make is that the success of this conference is due in large part to the reforms that were put into place at the beginning of the 104th Congress. We know that, as we have looked at the many people who have been involved in this, that if we had been living with the older system that we had, which is, I know, inside baseball here to talk about this, but the referral process for legislation was one which played a role, I believe, in jeopardizing success in the past. The change that we made at the beginning of this Congress, I believe, went a long way toward dealing with that.

The other thing that was very important was that we overhauled committee jurisdictions at the beginning of this Congress, and we have had some marvelous success in that overhaul, which I believe has gone a long way toward benefiting the legislative process.

Mr. Speaker, let me just say in closing, the State of California is pivotal to the success of this, too. California is providing the hardware and the software that is going to allow us to move into the 21st century, and this legislation will be key. We in California have what is known as the Silicon Valley where the hardware is going to be emanating from and Hollywood where the software will be emanating from, so our State is on the cutting edge, and it will go a long way toward creating jobs and opportunity.

I urge support of this very balanced rule, and I urge support of the conference report.

Mr. BEILENSON. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. DINGELL], the distinguished ranking member of the Committee on Commerce.

Mr. DINGELL. Mr. Speaker, I thank my good friend for yielding me the time, because I would like the attention of my good friend from California.

He speaks with great enthusiasm on the subject of reforms. I would remind the gentleman that last year or, rather, the year before last under the old rules, this body got from our Committee on Energy and Commerce, in agreement with the Committee on Judiciary, a bill which did substantially the same thing that this bill does right here. I would remind him that the matter was handled expeditiously and splendidly; that the delay occurred not here but in the Senate.

If the gentleman wishes, I will be delighted to inform him as to why the delay occurred and why that bill never passed the Senate. But I do not think the gentleman has any reason to discuss the failure of the old rules or the success of the new rules on the basis of this.

We gave this House a bill which does substantially the same thing. It was almost identical in language, in intent, and in substance to that which we have before us at this particular time, and I hope my good friend, for whom I have enormous respect and affection, will now be absolved of his very unfortunate error on this.

Since I have mentioned him I will be delighted to yield to him.

Mr. DREIER. I thank my friend for yielding. I would simply say that it is true that we were able to move legislation. But I believe very sincerely that the reforms that we put into place as it came to jurisdiction and also the referral process has helped us move more expeditiously with this legislation in the 104th Congress. And I believe, also looking at the issue of unfunded mandates and reform of unfunded mandates, that was another very important reform which allowed us to deal with this.

Mr. DINGELL. Reclaiming my time, again with great affection for the gentleman, it would serve him and this body well if he were to seek more suitable subjects for making a claim that reform has accomplished anything of merit.

I would conclude by making the observation that this is a good bill. I want to commend the distinguished chairman of the committee, the chairman of the subcommittee, the gentleman from Massachusetts [Mr. MARKEY], and the members of the committee.

Last year, I would remind my dear friend from California, we got 423 votes. I hope we will do as well today. Four hundred twenty-three is a large number of votes.

Mr. LINDER. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. KLUG].

Mr. KLUG. Mr. Speaker, the rule we have before us this afternoon and soon the bill itself that will follow has to do with changing law, and changing law that has affected the communications industry since the 1930's, but it is not just about changing law. It is also, I think, in many ways about fundamentally changing a mind-set, because for nearly 60 years in this country we have run communications based on a philosophy which said the bureaucracy, that the Government set prices, that the Government restricted access and restricted competition, and fundamentally it was the Government picking winners and defining losers.

This bill and this rule that precedes the bill will usher in a new era of competition where the market instead will pick winners and losers, and ultimately the major winner in all of this will be consumers. It is the way that consumers won when we deregulated the airline industry in 1978, and it is the way that consumers won when we deregulated the trucking industry back in 1980. Those changes have resulted in savings of hundreds of billions of dollars to the economy.

□ 1330

Obviously it helped the economy grow; this bill, at its roots, is in many ways a jobs bill as well, because it is a jobs bill based fundamentally on innovation and on new products.

This bill is also about choice. It used to be we only had one long-distance phone company in this country. Today there are thousands of them. Soon consumers will also have choices about local telephone service, about cellular, and if you hate your local cable company, you will have other cable companies to pick from, and you will have more options in broadcasting, more options in satellites.

All of those choices will be based on price, on service, and on performance and not ultimately on Government regulation.

I would like to congratulate the chairman of the committee, the gentleman from Virginia [Mr. BLILEY], for his terrific work, and the gentleman from Texas [Mr. FIELDS] for his terrific work as well, and also congratulate my fellow conferees. It is time to end 60 years of Government control, Mr. Speaker. It is time to vote for this rule and trust consumers and the markets to make decisions and no longer trust Government regulators.

Mr. BEILENSON. Mr. Speaker, I yield 5 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Speaker, I thank the gentleman for yielding me this time.

I must say if this bill is being brought to the floor under sunshine and happiness, I am not happy. I think this rule should be defeated. I think it is outrageous this rule is waiving the 3 days so that we can look at it.

I was on the conference committee, and at 7:40 a.m. this morning was the first time I got the full bill. Let me show you what was attached to it. These are the proposed technical corrections. This is page 1, this is page 2, this is page 3, this is page 4, this is page 5, and this is page 6. We have six little pages of technical corrections.

Now maybe the rest of you are quicker than I am, but we have been trying desperately to go through all of this and figure out what these six pages of technical corrections are really going to do to this bill, and because we do not have 3 days, we have until probably about an hour and a half from now, that is it, and I think when you are talking about a seventh of the economy, when you are talking about something that is trillions of dollars, and I come from a district that is very impacted by this, because we have regional Bells, we have long-distance companies, we have got cable companies, we have got all of that. We would like to know what this means, and the idea of "trust us, hurry out and vote," I think is wrong.

I mean, I figure I am getting my pay, and I am getting paid to be here, and to be here and study this, and I would hope that we know what is in it before we vote for it.

For all of those who think they know all of this and this is fine and this is terrific, let me tell you about one of the things that we stumbled over as we looked at this page upon page of corrections and stuff. We came across section 1462, which I think very few people know is even in this bill. What it says is absolutely devasting to women. What we are going to do is put on a high-technology gag rule with criminal penalties. Have a nice day.

Yes, let me read what this brings into the law through one of these little things. It says that any drug, medicine, article, or thing designed, adapted, or intended for producing abortion or for any indecent or immoral use or for any written or printed card, letter, circular, book, pamphlet, advertisement, or notice of those giving any kind of information directly or indirectly, no matter what it means, this is going to be deemed a Federal penalty, a Federal crime, if you transmit any of this over the Internet. Now, this is a gag rule that is off the charts.

One of the major things people wanted to use Internets for was telemedicine. Does that mean anything dealing with women's reproductive parts they cannot do this? There will be people standing up and saying, "Oh, SCHROEDER, cool off, that will never be considered constitutional." Well, if we are going to vote for things we think are not constitutional and we are going to do it in this fast a pace, we ought to give at least part of our salary to the judges. We are just going to mess everything up over here and send it over to them. I do not think so.

Let me tell you what lawyers tell me. Lawyers tell me do not be so quick about saying this is not constitutional; there was a pre-1972 case that upheld the constitutionality of this. And, second, we are talking about an international Internet. That is what our companies want to get on. And we have now seen one case with Germany talking about standards and what they want, and this, I think, would only give some international gravitas to limiting what you can say about women's reproductive health in and around the Internet no matter which side of this issue you were on.

I just think, why can we not have a little technical amendment correcting this? I think you are going to hear all sorts of people say we did not intend that, we did not mean it, let us have a colloquy, oh, let us, oh, let us, oh let us. Why can we not fix this? Why are not women in the world important enough if you can have six pages of technical corrections for every other thing you can possibly think of, some megacorporation wants? Why can we not take a deep breath and do this? Does that mean somebody's golf schedule in Florida is going to get upset? I do not know.

I must say I am very saddened we are coming to the floor with this rule saying we have to waive the 3-day proposal where we have time to read this and digest this, because I really do not think anybody here could pass a test. I really do not.

I was on the conference committee. Let me tell my colleagues, those conference committees were absolutely nonsubstantive. We would all gather in a room, best dressed, the TV camera from C-SPAN II would pan us, that would be the end of it.

I really hope people vote "no" on this rule.

Mr. LINDER. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. STEARNS].

Mr. STEARNS. Mr. Speaker, I say to the gentlewoman from Colorado [Mrs. SCHROEDER], I just cannot resist to use your own words, "Oh, Mrs. SCHROEDER, cool off." Those are your words.

You and I were both in the conference committee together. You and I were both there; we voted on the Internet legislation together; and, in fact, I think we voted the same way.

What we have here in this bill is satisfactory. In fact, it is superior, and it is something that we all voted together, both Democrats and Republicans.

So I am not clear if I understand your argument.

Let me just continue with what I was going to say. This follows up my good friend, the gentleman from Georgia [Mr. LINDER], when he talked about Bill Gates, the founder and CEO of Microsoft. This is what he said, my friends: "We are beginning another great journey; we aren't sure where this one will lead us either, but again I am certain this revolution will touch even more lives. The major changes coming will be in the way people communicate with each other. The benefits arising from this opportunity and this revolution will be greater, greater than brought by the PC revolution. We are on the verge of a bold new era of communications."

I urge my colleagues to vote in favor of this rule so that this body may have the unique chance to ensure this country's ability to realize the great potential of the dynamic communications revolution that Mr. Gates speaks about. Today we have this opportunity, because the Republican majority has brought forth a bill that is important not only for the industry but for this country.

Mr. Gates is right when he says this revolution will touch even more lives in addition to creating new jobs in the communications industry. It will have a dramatic impact on consumers. It will bring about benefits of greater choice, of new and exciting communications services with lower prices and even higher quality. Americans will have greater access to information and education than ever before.

Clearly the consumer will be the winner.

I urge my colleagues to vote for the rule on this legislation that will take the American consumers and customers further than they ever imagined.

Mr. BEILENSON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. Mr. Speaker, this is an enormous bill in its scope and the effort that went into it and the number of years that were spent putting this together.

Certainly there are parts of this legislation that I do not agree with. But in general, I think what has been put together here is positive.

We live in a new world, and if we are going to make the technological changes that work for families, our laws have to keep pace with the changing times that we are in. We cannot move into a computer age with laws that were written for the radio age.

I believe this bill will help bring us into the 21st century in a way that will not only create jobs but make us more

efficient as a country in this ever challenging global economy that we now are in.

Beyond that, this bill gives parents, and I would like to focus attention for one second on this question of giving parents more control over the sex and the violence that is coming into our homes today. Most of the kids in our society will see 8,000 murders and over 100,000 acts of violence on television by the time they finish grade school. That is appalling. We need to do more to help those parents who do take responsibility for their kids.

Now, the V-chip, that is something that is part of this package. It was the gentleman from Massachusetts [Mr. MARKEY] and the gentleman from Michigan [Mr. DINGELL] and others who have been active on this issue. We have got that in here. The V-chip included in this bill will help parents let in Sesame Street and keep out programs like the Texas Chainsaw Massacre.

Mr. Speaker, it is parents who raise children, not government, not advertisers, not network executives, and parents who should be the ones who choose what kind of shows come into their homes for their kids.

It was a little more than a week ago when the President of the United States stood directly in back of me and spoke to the Nation, and the most memorable words from my standpoint in that speech were parents have the responsibility and the duty to raise their children. This bill will help immeasurably in that direction, so I urge my colleagues to be supportive of the conference report when it comes before us in the next few minutes.

Mr. LINDER. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. FIELDS], the chairman of the subcommittee that produced this bill.

Mr. FIELDS of Texas. Mr. Speaker, very seldom, if ever, in a legislative career, can we as legislators, can we as trustees for the American people, feel that we have made a significant contribution for the country's future—made a real difference. Well, today we can.

Mr. Speaker, this is a watershed moment—a day of history—and, not just because this is the first comprehensive reform of telecommunication policy in 62 years—not just because we have been able to accomplish what has eluded previous Congresses—which, in and of itself, is of particular pride to me and my fellow subcommittee members, on both sides of the aisle, because we have all worked many long hours to get to this watershed moment.

No, Mr. Speaker, this is a historic moment because we are decompart mentalizing segments of the telecommunications industry, opening the floodgates of competition through deregulation, and most importantly, giving consumers choice—in their basic telephone service, their basic cable service, and new broadcasting services as we begin the transition to digital and the age of compression—and from these choices, the benefits of competition flow to all of us as consumers—new and better technologies, new applications for existing technologies, and most importantly, to all of us, because of competition, lower consumer price.

For the last 3½ years this telecommunication reform package has been my life—I have lived with it, eaten with it, and not to sound weird, even dreamed of telecommunication reform while I'm asleep—so, believe me when I say that I am glad that we are bringing this important issue to closure. In fact, this closure reminds me of my newest daughter, Emily, born 14 days ago—the labor has been long, we've been through some painful contractions, but at the birth of something so magnificent, you're a proud father—and today, I am one of many proud fathers.

□ 1345

And, just as I cannot predict what Emily will be like as she grows up, few of us really understand what we are unleashing today. In my opinion, today is the dawn of the information age. This day will be remembered as the day that America began a new course—and none of us fully appreciate what we are unleashing. I do know that this is the greatest jobs bill passed during my service in Congress. I really believe that because of the opportunities afforded because of deregulation that there will be more technology developed and deployed between now and the year 2000 than we have seen this century. I believe that this legislation guarantees that American companies will dominate the global landscape in the field of telecommunication.

And, if asked what I am most proud of in this legislation—besides the fact that my subcommittee members on my side of the aisle have worked as a team in developing this legislation—is the approach that we initiated in January 1995, when we as Republicans assumed leadership on this issue and invited the leading CEO's of America's telecommunication companies to come and answer one question. That one question was, What should we do as the new majority in this dynamic age of technology to enhance competition and consumer choice? The telephone CEO's said that they didn't mind opening the local loop if they could compete for the long distance business that was denied to them by judicial and legislative decision. The long distance CEO's said that they didn't mind the Bell's competing for the long distance business if the local loop was truly open to competition and if they could compete for the intraLATA toll business which was denied to them. And, the biggest surprise to us was when Brian Roberts of Comcast Cable on behalf of the cable industry said that they wanted to be the competitors of the telephone companies in the residential marketplace. In fact, the next day, I called Brian and Jerry Levin of Time-Warner to have them reassure me that their intent was to be major players and competitors in the residential marketplace. After that discussion, I told my staff that we needed a checklist that would decompartmentalize cable and competition in a verifiable manner and move the deregulated framework even faster than ever imagined. And we came up with the concept of a facilities based competitor who was intended to negotiate the loop for all within a State and it has always been within our anticipation that a cable company would in most instances and in all likelihood be that facilities-based competitor in most States—even though our concept definition is more flexible and encompassing. It is this checklist which will be responsible for much of the new technologies, the major investments that will be flowing, and the tens of thousands that will be created because of this legislation.

And, in talking about opening the loop, I don't want to take away the other deregulatory aspects of our legislation such as the more deregulatory environment for the cable industry as they prepare to go head-to-head with the telephone companies. The streamlining of the license procedures for the broadcasting industry and the loosening of the ownership restrictions.

Mr. Speaker, I could go on and on and on and be excited about what this bill means to Americans, to our consumers.

Let me just end at this particular time in saying once again, I am a proud father, along with many others. There are many who have brought this day to us. It is a watershed moment, a historic moment, and it is a day that all of us can be extremely proud of.

Mr. BEILENSON. Mr. Speaker, I yield 3 minutes to the gentlewoman from New York [Ms. SLAUGHTER].

Ms. SLAUGHTER. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I agree with the previous speaker, we are not sure what we are unleashing here. But I am rising in objection today to at least another measure to restrict women's constitutional rights that has appeared in this bill. I am referring to section 507 of the Communications Act of 1995 that would prohibit the exchange of information regarding abortion over the Internet. I ask you, is the abortion issue going to be attached and is it at all germane to this bill?

This is the 22d vote of the 104th Congress on abortion-related legislation that has whittled away at the constitutional and legal rights of American women. Today we have the opportunity

to pass a widely supported bipartisan telecommunications bill. Instead of focusing on the important issues at hand, we are being forced again for the 22d time during Congress to vote on a measure to further reduce women's constitutional rights.

Abortion is a legal procedure. To prohibit discussion of it on the Internet is clearly a violation of first amendment rights.

The penalties involved are severe. If an unknowing person were to even bring up the topic on the Internet, the penalty would be 5 years imprisonment; 10 years for a second or subsequent charge, even for the mention of the word.

I want the American people to know that this Congress has systematically whittled away at a woman's right to choose to such a degree it has been virtually destroyed. If it is to be Federal policy that every conception will result in birth, then the Federal Government must also assume responsibility for children. We must assume the responsibility to provide for the emotional, the educational needs, and the financial well-being of every child.

This Congress has expressed no interest in assuming responsibility for children. Instead, measures have been proposed and many have passed that further rescind the current limited Federal obligations to the children of the United States. There have been drastic cuts to the earned income tax credit for working parents with children, to Head Start, to nutrition, and to health programs. These are the very programs that address the needs of the poor and disadvantaged children.

The implication in this Congress is that once a child is born, we really do not care what happens to it. That child may starve, may be abused, or even be beaten to death, and, in the case of the Northeast, may freeze to death because hearing assistance for the poor has now been taken away. The only thing that matters is that the child be born. After that, it is somebody else's problem.

This prohibition to rights of privacy and to the first amendment rights does not belong in this bill.

Mr. LINDER. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. GOSS], my colleague on the Committee on Rules.

Mr. GOSS. Mr. Speaker, I thank my distinguished colleague from Georgia for yielding me time.

Mr. Speaker, I rise in support of this rule. I think it is an appropriate rule that finally takes this piece of legislation which has been moving up and down the field now, lo these many years, and finally pushes it over the goal line. I think we have come to that point.

I would like to extend my congratulations to all those involved on the primary committee and all the other committees that looked at it, but particularly the gentleman from Virginia [Mr. BLILEY], the gentleman from Texas [Mr. FIELDS], the gentleman from Ohio [Mr. OXLEY], and the gentleman from Michigan [Mr. DINGELL]. This has truly been a remarkable product.

This is a bill that is good for all, long distance, regional, new technology, broadcasters, cable, but consumers as well. Consumers, Americans, the people we work for, are going to benefit from this.

Yes, there are still some problems out there with local government on revenue and zoning issues. We have assurances they are worked out, and, if they are not, then we can deal with them. Areas of duopoly, the question of free press and diversity of opinion, which are essential to our democracy, these are areas that may need further attention, and we have been promised we will get them if necessary. This is a big, important positive step we are taking, and I urge support.

Mr. Speaker, I thank my friend from Georgia for yielding me this time and I urge support of this rule. As has been explained this is a standard rule providing for consideration of a very complex conference report.

Mr. Speaker, this telecommunications bill is a remarkable piece of legislation in its overall effect. I commend everyone who has worked so hard to create a fair, bipartisan bill—wading through some of the most complicated and controversial issues of our day. According to Chairman BLILEY, who worked tirelessly on this project, we have arrived at a compromise that will open the communications industry to real competition and reduce Federal involvement in decisions that are best made by the free market.

As America enters the 21st century, telecommunications will be at the forefront of our continuing economic development. Congress simply cannot keep up with the development and innovation that are propelling us into the information age of the 21st century. For too long we have been constrained by the foundations built by policies written more than 60 years ago, long before cable television and cellular phones became reality.

With a bill this monumental, differences of opinion will inevitably continue to exist—and the chairman himself has underscored that this is not a perfect product. I am pleased, however, that during conference the rights-of-way and zoning issues were adequately resolved. As I understand it, localities will maintain their ability to control the public rights-of-way and to receive fair compensation for its use. Federal interference is unnecessary, as long as localities do not discriminate. I think that is fair.

One remaining concern I have is with restrictions on ownership of television stations. Diversity of opinion—and a truly free press—are hallmarks of American society.

In our rules meeting last night, the chairman said that, although the House provision on dupolies—dual ownership of stations in a single market—was not included, guidelines for the FCC in handling such cases were. He assured me that he would look further into the matter of small television markets like those in my district in southwest Florida, where the rules on dual ownership may have unintended negative consequences.

Mr. Speaker, these are relatively small issues given the entire scope of S. 652 and I am hopeful the bill will be signed into law. I understand from Chairman BLILEY that necessary technical corrections and clarifications will be taken care of in the future and I look forward to addressing these final concerns when we work on the fine-tuning of this historic bill.

Mr. BEILENSON. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I urge defeat of the rule. One, the need to dispense with the normal procedures is another example of rewarding one's own incompetence. The bill should have come out in time. The notion that we are ready to leave cuts no ice, because there is no reason why the bill could not have been out before.

But I also have serious substantive problems with the bill. Indeed, I have always believed that self-denial was an important thing for leaders to show. But I think my Republican friends have gotten confused. Instead of self-denial, they have used this bill for self-repudiation.

First we have the Speaker of the House who talked very loudly about how he was opposed to censorship. He was going to keep our electronic communications free of censorship. Despite that, we now have a bill which is heavily weighted with censorship. We have a bill which will interfere with free expression through the Internet and elsewhere.

But there is another example of self-repudiation that troubles me deeply, and that is the decision by the majority leader of the Senate to abandon his very brief crusade on behalf of the taxpayers. I was very pleased when Senator DOLE spoke out against a giveaway of access to the spectrum on the part of the Government to broadcasters, and I was briefly with the Senator. But I made the mistake of, I do not know, going to lunch. When I came back from lunch, I was alone on the battlefield, at least as far as the Senator is concerned.

This is a Congress that has been making severe cuts in programs that deal with the economic needs of some of the poorest people in this society, and we have been told that we must rely more on free enterprise, less on Government entities and Government regulation, and people must be on their own. But it now turns out they forgot to say, those who said that, that they are for free enterprise for the poor and free enterprise for the workers.

But when it comes to wealthy interests in this society, free enterprise is apparently a very scary thing. Because

the broadcasters, among the wealthiest people in society with the largest concentrations of wealth, are to get for free access to the spectrum.

I know there is going to be language and people have written letters which in effect say we are passing a bill that says one thing, but please let us pretend that what we say, we did not really say. I believe that the Senate majority leader was right to criticize the giveaway of access to the spectrum, and I think it is wrong to drop that out.

I should note parenthetically we are apparently about to do the same thing with agriculture. Free enterprise for the poor, no subsidies there, no regulation when we are talking about the environment. But when we are talking about growing peanuts or sugar, oh, well, wait a minute, free enterprise was not meant for that.

I hope this rule is defeated and taxpayers interests are vindicated in the protection of the spectrum.

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

Mr. Speaker, I would just like to observe that I am troubled deeply that the gentleman from Massachusetts is deeply troubled, and I shall reserve the balance of my time.

Mr. BEILENSON. Mr. Speaker, I yield 6 minutes to the gentleman from Massachusetts [Mr. MARKEY], the ranking member of the committee.

Mr. MARKEY. Mr. Speaker, I thank the gentleman for yielding me time.

I would like to begin by complementing the gentleman from Texas, JACK FIELDS, and the gentleman from Virginia, TOM BLILEY, and all of the Republicans that worked on this bill for so long. They conducted the process in a bipartisan fashion. It is to their credit.

I want to compliment the gentleman from Michigan, JOHN DINGELL and so many of the Democrats on our side who have worked on this bill for so long, 4 years, 4 long years. A similar bill passed near unanimously in 1994. The gentleman from Georgia, NEWT GINGRICH, in fact came to the well and called it the model of bipartisan legislation in 1994. In the Senate that year, unfortunately, it kind of died in the final 3 or 4 weeks. But it was revived in January of last year, and, working together in that spirit of bipartisanship, the bill was brought back out here on the floor again today.

Mr. Speaker, I cannot tell you how much I appreciate the way in which the gentleman from Texas, JACK FIELDS, at the subcommittee level, especially for me, comported himself, and worked to make sure that this bill would be done in away that dealt with the ideas that had to be dealt with.

This bill is critically important, because it unleashes a digital free-for-all. We take down the barriers of local and long distance and cable company, satellite, computer, software entry into any business they want to get in. Once and for all, all regulations are taken down.

The premises are the same as they were in the bill a couple of years ago: More jobs and more choices. Now, there is a kind of paradox, because the larger companies are going to have to lay off people in many instance in order to remain competitive with the thousands of companies who are going to be creating new jobs on this information superhighway, with the net result of many tens and hundreds of thousands of new jobs, far more than have ever existed in this area of the American economy.

□ 1400

For me, that premise of competition has always been the preferred mode that we should use in order to accomplish this revolution in our society.

Mr. Speaker, the bill contains many very important provisions. It contains a V-chip that will allow parents to be able to protect their children against the 500 channels, which is, by the way, only shorthand for infinity, because that is how many channels will be coming into people's homes. They are going to need an effective way of blocking out programs which are offensive to their families.

It also preserves the concepts of localism and diversity which are so critical in our telecommunications marketplace so that we will have many voices in each marketplace.

It also will ensure learning links built into each classroom, K through 12, through preferential rates which is going to be absolutely essential in the post-GATT, post NAFTA world. As we let the low-end jobs go in our society, we have to make sure that every child K through 12 is given the skills that they are going to need in order to compete for these high-skilled jobs that otherwise will go to any other place in the world that is providing their workers with those skills. It also expands very important privacy protections to individuals in their relationships with these very large companies.

People will be able to go to a Radio Shack and be able to purchase their own set-top box. They will be able to purchase their own converter box, their own modem. They will be able to purchase any product which is accessible to this information superhighway. It offers, in other words, real competition in the consumer electronics marketplace as well.

We have come a long way in the last 15 years in this country. Back then we had one big telephone company. We had three television stations in most communities in the country. Today we have faxes. We have digital satellites. We have personal computers. We have cellular phones. We have brought this country into the Information Age. As the gentleman from Texas said, we now unleash this new revolution, for 15 years and beyond, in terms of massive changes that are unimaginable, but will be the product of competition.

The worldwide web was unimaginable 15 years ago, and today it is the coin of the realm in the marketplace. It was Government funded and created, but nonetheless it has been transmogrified into a private sector wonder. So we are all going digital. Life will never be the same. This bill helps to speed up that process ever further.

So in conclusion, again, I cannot compliment the gentleman from Michigan [Mr. DINGELL] enough for his leadership, for his vision on this bill. I cannot thank enough the gentleman from Virginia, as well, for the way in which this process has been guided and especially to my good friend, the gentleman from Texas [Mr. FIELDS]. I want to compliment him for the gentlemanly way that he treated all of us throughout this process. He has been a good friend to all of us and ultimately to the consumer of this country by the competition that is unleashed in this bill. I hope that everyone supports this rule and ultimately supports the bill when it comes to the floor in final passage.

Mr. LINDER. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana [Mr. TAUZIN], a member of the Committee on Commerce.

Mr. TAUZIN. Mr. Speaker, several years ago in this House we debated a thing called program access in connection with the cable industry. It was a grand debate. It produced an override of a veto on that cable bill that year. But more importantly, what it produced for America was competition in the cable industry.

It produced for America the direct broadcast television system [DBS] that is now providing cable programming to millions of Americans who did not live within reach of a cable system. It is providing competition in cable prices and cable programming to millions of Americans who were limited before the advent of [DBS] to buying their programming from a single monopoly supplier. We celebrated then a small victory for competition and for consumers.

Has it worked? It has worked marvelously. There is finally real competition in cable programming. Consumers enjoy more choices. There are better products and better prices. We have just begun to see the benefits of that competition today. Today is a grand celebration of that notion of competition. Today, in a bipartisan way, we unleash the spirit of competition in all forms of telecommunications services, from telephones to computers, to services dealing with video programming, and data services to interexchange services that are going to link us as Americans together as one like never before and give us access to the world

and the world access to us as never before.

This is a grand celebration of a free market system, of competition, and of Americans in their government trusting Americans in the marketplace to make the right decisions for themselves.

It is a grand strategy to unleash the technologies that geniuses are working on in labs across America and give them a chance to become tomorrow's Microsoft.

Second, it is our opportunity to take these decisions away from a judge who has been making telecommunications policy for America and to return those decisions to the people's House, the Congress of the United States of America.

Finally, this bill predicts between 1.5 million and 3.5 million new jobs for Americans without us having to tax and spend one dime to get this economy going. This bill unleashes new jobs and new job opportunities the likes of which this Congress has rarely had a chance to do. Imagine: 1.5 million to 3.5 million new families earning money instead of being dependent upon somebody else. That is what this bill promises for us, a little promise that we ought to keep on this House floor.

Mr. Speaker, I want to commend the gentleman from Michigan [Mr. DINGELL], the former chairman, the gentleman from Virginia [Mr. BLILEY], our chairman, and particularly the gentleman from Texas [Mr. FIELDS] for the extraordinary work he has done. Let us celebrate their hard work, and let us celebrate the spirit of America, a free-market system and competition. Let us vote this good bill out today.

Mr. BEILENSON. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. CONYERS], the distinguished ranking member of the Committee on the Judiciary.

Mr. CONYERS. Mr. Speaker, I would like to begin by congratulating the gentleman from California [Mr. BEILENSON] for supporting my discussion last night in the Committee on Rules, when the Congress had finished its work, when we found out that this conference report would be brought forward today in less than 24 hours, violating the most time-honored rule in the procedures of bringing legislation to this House.

The same rule that Speaker GINGRICH has spoken with great passion about; the same rule that the gentleman from New York, Mr. SOLOMON, chairman of the Committee on Rules, has preached to me about across the years, this rule is now being violated for reasons that I cannot fathom.

Let me make it clear that this is the most important 111 pages in a conference report in terms of economic consideration that my colleagues will ever in their careers deal with. The fact of the matter is that there are very few, if any, persons that have read, not to mention understand, what is in the report. That is why we have a 3-day rule layover.

Now, in all fairness, I want to commend the gentleman from Virginia [Mr. BLILEY] because he has cooperated with me throughout this process as a conferee. In all fairness, I want to commend the dean of the House, the gentleman from Michigan [Mr. DINGELL], who has not only afforded me every courtesy but has allowed me to have 20 minutes in the debate that will shortly follow.

But ask this question, as I urge my colleagues to return this rule to the committee: Who knew that that noxious abortion portion was in the conference report? Nobody, until it was found out about last night. Who knows many of the other provisions, I have a whole list of them here, that could not possibly be known about, much less understood in terms of their implications?

The reason that we honor the 3-day rule is simply because there are no amendments possible on a conference report. We can only vote it up or down. We should have a 3-week delay on this measure, since we are going out this afternoon. So 3 days would be a very modest consideration. That is why I am asking that this measure be returned to the Committee on Rules for the observation of the 3-day rule.

Mr. LINDER. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. HASTERT], another member of the Committee on Commerce.

Mr. HASTERT. Mr. Speaker, I really want to congratulate the gentleman from Texas [Mr. FIELDS], the gentleman from Virginia [Mr. BLILEY], the gentleman from Ohio [Mr. OXLEY], the former chairman on the other side of the aisle—folks who have been working on this issue for a long, long time and have put together a very, very good piece of legislation.

I might add that the piece of legislation that came out of here in the last Congress, also worked on by a group of folks, but it came out on suspension. It never got out of the Senate, back to the House in a conference. The gentleman from Michigan was talking about this bill, when my Democrat colleagues passed a bill on the suspension calendar with no amendments, 40 minutes of debate, and that was it. So take the difference in what is happening here.

Mr. Speaker, I rise in support of the conference report on the Communications Act of 1995. I have worked on this legislation for several years, and I am proud to come to the floor to support a bill that will unleash $63 billion in economic activity.

Reform of the 1934 Communications Act is long overdue. The road map for our communications future, outlined in the 1934 Act and the courts, still anticipates two-lane back roads rather than the fast paced super-highways we have today. The U.S. District Court began the trip toward competition when it issued the modified final judgment [MFJ] that required the breakup of "Ma Bell" 10 years ago and brought competition to the long-distance industry. Back then, I served as chairman of the Illinois Joint Committee on Public Utility Reform. We were charged with the task of revamping Illinois law to bring more competition. At that time, it was assumed that competition was not a good thing for local telephone service; the local telephone loop was viewed as a natural monopoly. Now, because of advances in technology, we see that it is possible—and preferable—to bring competition to the local loop.

But the MFJ has not brought about the full fledged competition consumers needed in every part of the communications industry. Thus, Congress has risen to the task of planning the road-trip so that American consumers will have more choices and innovative services, and will pay lower prices for communications products.

The map shows that there are pitstops along the road to competition. Everyone is in favor of "fair" competition as industries begin to contend in each others businesses. Fair competition means local telephone companies will not be able to provide long-distance service in the region where they have held a monopoly until several conditions have been met to break that monopoly.

First, the local Bell operating company [BOC] must open its local loop to competitors and verify it is open by meeting an extensive competitive checklist. Second, there must be a facilities-based competitor, or a competitor with its own equipment, in place. Third, the Federal communications Commissions [FCC] must determine that the BOC's entry into the long-distance market is in the public interest. And fourth, the FCC must give substantial weight to comments from the Department of Justice about possible competitive concerns when BOC's provide long-distance services.

Consumers can be sure BOC's won't get the prize before crossing the finish line.

As a member of the Commerce Committee, I worked on several provisions of this bill, and was the author of section 245(a)(2)(B) of H.R. 1555 which deals with the issue of BOC entry into in-region inter-LATA telecommunications service. This provision has become section 271(c)(1)(B) in the conference report. Section 271(c)(1)(B) provides that a BOC may petition the FCC for this in-region authority if it has, after 10 months from enactment, not received any request for access and interconnection or any request for access and interconnection from a facilities-based competitor that meets the criteria in section 271(c)(1)(A). Section 271(c)(1)(A) calls for an agreement with a carrier to provide this carrier with access and interconnection so that the carrier can provide telephone exchange service to both business and residential subscribers. This carrier must also be facilities based; not be affiliated with BOC; and must be actually providing the telephone exchange service through its own facilities or predominantly its own facilities.

Section 271(c)(1)(B) also provides that a BOC shall not be deemed to have received a request for access and interconnection if a carrier meeting the criteria in section 271(c)(1)(A) has requested such access and interconnection; has reached agreement with the BOC to provide the access and interconnection; and the State has approved the agreement under section 252, but this requesting carrier fails to comply with the State approved agreement by failing to implement, within a reasonable period of time, the implementation schedule that all section 252 agreements must contain. Under these circumstances, no request shall be deemed to have been made.

Mr. Speaker, we have given serious debate and consideration to this bill. Now is the time for Congress to set reasonable guidelines for our communications future. All signs point to competition ahead, so I urge my colleagues to give the Telecommunications Act of 1996 a green light.

Mr. BEILENSON. Mr. Speaker, I yield the balance of my time to the gentlewoman from Texas [Ms. JACKSON-LEE].

□ 1415

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman for yielding time to me.

Let me acknowledge that this is a very important bill. This is a historic occasion. I should add my thanks and appreciation to the gentleman from Michigan [Mr. DINGELL] and the gentleman from Virginia [Mr. BLILEY] and the gentleman from Texas [Mr. FIELDS] and the gentleman from Massachusetts [Mr. MARKEY] and the ranking member, the gentleman from Michigan [Mr. CONYERS], for the efforts that have been exhibited. But I do want to raise some concerns as to this rule.

I remained in my office even up to 10 o'clock and had noted that the rule had not come out, even as late as 10 p.m. last evening. Final changes were brought to our office in the early part of the evening. Conferees were still working, and the Committee on Rules, again, did not report until very late. For a bill this important, this is an unfair process.

The conference committee members have not had an opportunity to adequately review these technical changes and the report language. This bill will revolutionize the telephone, long-distance, cable, and broadcast industries and have a far-reaching economic impact upon our country.

For example, it allows telephone companies to enter into other lines of business. It deregulates cable rates and expands broadcast ownership. It has been one of the most heavily lobbied bills in the recent history of this House.

Many Members of the House and Senate have had major concerns. In fact, we have only had three meetings. Some would argue that there has been inadequate notice. I know there are good intentions. I would simply ask for consideration.

In addition, we have had an additional absurdity with the inclusion of language prohibiting the transfer of legally sound information regarding choice and family planning. That means that legitimate physicians in their offices cannot transfer information.

Mr. Speaker, I have to raise a question over what is the big rush to consider this legislation now. Members can use the 3-week recess to adequately review this bill. I cannot believe anyone can seriously object to a 3-week delay in considering this bill.

Therefore, I would ask Members to oppose this rule at this time so that we can add a measure of fairness to this historic occasion, recognizing the good work that has been done but understanding that it is also important for individual Members to likewise do their work and to ensure that they have had the proper time to review, the proper notice and as well to be able to assure their constituents, as I know they would want to do, that this is in fact both historic but fair and open-ended and responsive to the concerns that have been raised.

I ask again for 3 weeks and ask again for reconsideration of the rule.

Mr. Speaker, I must rise to express my concerns regarding the rule on the telecommunications conference report. This legislation is one of the most comprehensive bills to be considered in the 104th Congress. It is the most extensive revision of our communications laws since the Communications Act of 1934.

I am concerned about the process relating to bring this bill to the floor. The final changes to the conference report were not distributed until last night. Furthermore, the conference report was signed by House conferees last night and filed very late last night. Finally, the Rules Committee considered the rule on the report late last night. This is a terrible and unfair process for such an important bill. The conference committee members have not had an opportunity to adequately review these technical changes and the report language.

This bill will revolutionize the telephone, long-distance, cable, and broadcast industries and have a far-reaching economic impact upon our country. For example, it allows telephone companies to enter into other lines of business, it deregulates cable rates, and expands broadcast ownership. It has been one of the most heavily lobbied bills in the recent history of the House. Most Members of the House have not had the opportunity to study this bill. Additionally, members of the House and Senate conference committee have had major concerns regarding the conference committee process, particularly the inadequate notice of staff meetings, the level of participation by all staff. An additional absurdity is the inclusion of language prohibiting the transfer of legally sound information regarding choice and family planning. That means that legitimate physicians cannot communicate office to office on medical procedures. There were only three meetings of the conference committee.

Mr. Speaker, I have to raise the question over what is the big rush to consider this legislation now. Members can use the 3-week recess to adequately review this bill. I cannot believe anyone can seriously object to a 3-week delay in considering this bill. Therefore, I must oppose this rule on this conference report.

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

To paraphrase Mr. Churchill, This is not the end. It is not even the beginning of the end. It is perhaps the end of the beginning, the beginning of an explosion in technology and invasion.

It will not be many years before Americans are going to be startled and people across the world startled about the kinds of goods and services and products coming through their television receivers in their homes.

This, I believe, would be the most important job-creating bill of my career in this House. I was excited to have been privileged to be a part of working on this since early summer as a member of the Committee on Rules and even involved in some of the technology. It was an example, the whole process, of how the two sides can work together and cooperate.

I have already commended the chairmen, the gentleman from Virginia [Mr. BLILEY], the gentleman from Texas [Mr. FIELDS], and the gentleman from Illinois [Mr. HYDE]. I think the ranking members, the gentleman from Michigan [Mr. DINGELL], the gentleman from Massachusetts [Mr. MARKEY], the gentleman from Michigan [Mr. CONYERS] were very helpful through the whole process. They worked with each other. I was proud to be a part of that process.

I would like to say especially, nobody helped me more in the rule and dealing with the amendments than the gentleman from Michigan [Mr. DINGELL]. I want to say, I am grateful.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The question is on the resolution.

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

Mr. CONYERS. 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 337, nays 80, not voting 16, as follows:

[Roll No. 24]

YEAS—337

Allard	Archer	Bachus
Andrews	Armey	Baesler

Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (FL)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clayton
Clement
Clinger
Coble
Coleman
Collins (GA)
Combest
Condit
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeLauro
Diaz-Balart
Dickey
Dicks
Dingell
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Everett
Ewing
Fawell
Fields (TX)
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Ganske
Gekas
Gephardt
Geren
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings (FL)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Longley
Lucas
Luther
Manton
Manzullo
Markey
Martini
Mascara
Matsui
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
McNulty
Meehan
Meek
Menendez
Metcalf
Mfume
Mica
Miller (FL)
Minge
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Murtha
Myers
Myrick
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Obey
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Peterson (FL)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Roberts
Roemer
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Rush
Salmon
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Tejeda
Thomas
Thornberry
Thornton
Tiahrt
Torkildsen
Towns
Traficant
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Wynn
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—80

Abercrombie
Becerra
Beilenson
Brown (OH)
Clay
Clyburn
Coburn
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
DeFazio
Dellums
Deutsch
Dixon
Durbin
Evans
Farr
Fazio
Fields (LA)
Frank (MA)
Furse
Green
Gutierrez
Hall (OH)
Harman
Hilliard
Hinchey
Istook
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (SD)
Johnston
Kaptur
Lantos
Lewis (GA)
Lofgren
Lowey
Maloney
Martinez
McCarthy
McDermott
McHale
McKinney
Meyers
Miller (CA)
Mink
Morella
Nadler
Oberstar
Olver
Owens
Pelosi
Peterson (MN)
Rivers
Roybal-Allard
Sabo
Sanders
Schroeder
Schumer
Scott
Serrano
Skaggs
Slaughter
Stark
Stokes
Thompson
Thurman
Torres
Velazquez
Vento
Visclosky
Volkmer
Waters
Watt (NC)
Woolsey
Yates

NOT VOTING—16

Ackerman
Brown (CA)
Bryant (TX)
Callahan
Chapman
DeLay
Fattah
Filner
Gejdenson
Gibbons
Hastings (WA)
Rogers
Rose
Taylor (NC)
Torricelli
Wyden

□ 1439

Mrs. MEYERS of Kansas and Messrs. GUTIERREZ, STARK, and SCHUMER changed their vote from "yea" to "nay."

Ms. EDDIE BERNICE JOHNSON of Texas and Mr. HOYER changed their vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. BLILEY. Mr. Speaker, pursuant to House Resolution 353, I call up the conference report on the Senate bill (S. 652) to provide for a procompetitive, deregulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Pursuant to House Resolution 353, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of Wednesday, January 31, 1996, at page 1904.

The SPEAKER pro tempore. The gentleman from Virginia [Mr. BLILEY] will be recognized for 30 minutes, and the gentleman from Michigan [Mr. DINGELL] will be recognized for 30 minutes.

PARLIAMENTARY INQUIRY

Mr. CONYERS. I have a parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state it.

Mr. CONYERS. Mr. Speaker, I would like to claim the traditional 20 minutes in opposition under the rule.

The SPEAKER pro tempore. Does the gentleman from Michigan support the conference report?

Mr. CONYERS. No, sir, I do not.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. CONYERS. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Speaker, I believe I can save the body a little time. Mr. Speaker, I support the conference report. I believe the gentleman's claim for the 20 minutes is entirely correct. I would urge the Chair to grant the gentleman from Michigan [Mr. CONYERS] 20 minutes, 20 minutes to the gentleman from Virginia [Mr. BLILEY], and 20 minutes to myself.

The SPEAKER pro tempore. Pursuant to clause 2(a) of rule XXVIII, the time will be divided 3 ways.

The gentleman from Virginia [Mr. BLILEY] will be recognized for 20 minutes, the gentleman from Michigan [Mr. DINGELL] will be recognized for 20 minutes, and the gentleman from Michigan [Mr. CONYERS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Virginia [Mr. BLILEY].

Mr. BLILEY. Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina [Mr. BURR].

Mr. BURR. Mr. Speaker, I rise in support of the telecommunications bill.

Mr. Speaker, I wish to congratulate my colleagues, particularly Chairman BLILEY, the ranking member, Mr. DINGELL, Mr. FIELDS, Mr. MARKEY, as well as Chairman HYDE, on this historic reform of our Nation's telecommunications laws. Passage of this landmark bill will foster job growth, product innovation, consumer savings, and economic development across all sectors of our economy. The legislation's removal of barriers to competition in the telephone, cable, and broadcast industries will open markets and increase competition in the communications industry that will better prepare our Nation to enter the new millennium.

I am pleased that the conferees have included in their final report a provision I sponsored in H.R. 1555 that I believe embodies the deregulatory intent of this legislation—a provision which adjusts one piece of a larger regulatory barrier that has been ignored by regulators since its inception.

Since 1981, Bell operating companies have been prohibited from jointly marketing their

local telephone service and cellular services due to an FCC rule requiring the establishment of an RBOC cellular separate subsidiary. This rule was originally intended to apply to the predivestiture AT&T when the Commission determined that AT&T and one other company would be granted the two cellular licenses in each market.

During the breakup of the old Bell system, AT&T transferred its cellular licenses to its newly established offspring, the regional Bell operating companies. Because the Commission was in the process of overseeing the breakup of the world's largest corporation, the FCC understandably had precious little time to worry with establishing new rules for RBOC participation in the then nascent cellular business. Consequently, the Commission determined that RBOC cellular operations would be conducted under the same rules that had been developed for AT&T, and that the Commission would review the matter in 2 years. Given the circumstances, such a decisions seems understandable. What is not understandable, however, is what has happened in the meantime—nothing.

For 14 years the FCC has ignored its commitment to review the necessity of its RBOC cellular separate subsidiary rule. While cellular exploded into a dynamic, competitive industry, the FCC took no action. In fact, when the Commission established the rules for a new wireless service, PCS [Personal Communications Service]—designed to compete with cellular, the FCC determined that RBOC's would not be required to establish separate subsidiaries for their new PCS wireless services. Yet, inexplicably, the Commission said there was not enough information on the record to warrant removal of the RBOC cellular separate subsidiary rule.

It is difficult to imagine how the FCC could acquire enough information to establish a new set of wireless competitors [PCS] to cellular, determine separate subsidiaries would not be required for RBOC PCS services, and still state there was not enough information to justify removal of the cellular separate subsidiary rule. Understandably, the companies impacted by this decision found it difficult to understand and so has the U.S. Court of Appeals for the Sixth Circuit.

In a ruling issued November 9th, the Appeals Court found the FCC's PCS rulemaking decision on the cellular separate subsidiary rule to be arbitrary and capricious stating:

Instead, the FCC simply stated that the record in the Personal Communications Service Rulemaking proceedings was insufficient to determine whether to eliminate the structural separation requirement. We believe this to be arbitrary and capricious given the somewhat contradictory findings of the FCC during the course of the Personal Communications Service rulemaking and related proceedings. If Personal Communications Service and Cellular are sufficiently similar to warrant the Cellular eligibility restrictions and are expected to compete for customers on price, quality, and services, what difference between the two services justifies keeping the structural separation rule intact for Bell Cellular providers?

The court remanded to the Commission for further proceedings its decision on this rule. Such action normally would be encouraging for the companies involved. Unfortunately, regulators like regulation. More than 1 month after the sixth circuit's ruling "that the time is now for the FCC to reconsider whether to rescind the structural separation requirement" the Commission has taken no action, notwithstanding the court's belief that "time is of the essence on this issue."

It simply makes no sense to require Bell cellular operations to remain in separate subsidiaries—and prohibited from joint marketing opportunities—when the Commission has determined that no such requirements are necessary for Bell PCS operations. The appeals court acknowledged this fact stating:

BellSouth's strongest argument is perhaps that the factual predicate which justified the structural separation requirement is no longer valid. BellSouth points out that the FCC believes that the safeguards such as mandatory interconnection enforceable by individual complaint process suffice to combat possible discrimination and cross-subsidization in the Personal Communications Service industry. BellSouth claims that this removes any justification retention of the structural separation requirement for Cellular licenses, and that the FCC has arbitrarily failed to remove restrictions . . . We agree with BellSouth that the time is now for the FCC to reconsider whether to rescind the structural separation requirement . . . after fourteen years, further delay in determining whether to rescind the structural separation requirement severely penalizes the Bell Companies at a time when the wireless communications industry is exploding and changing almost daily. The disparate treatment afforded the Bell Companies impacts on their ability to compete in the ever-evolving wireless communications marketplace.

I am glad this legislation takes the first, important step toward restoring parity in this area by allowing Bell operating companies to jointly market their cellular and local services. It is my hope, that after 14 years and a clear rebuke from the court, the FCC will take the next step and review its cellular separate subsidiary rule.

Mr. Speaker, once again I congratulate the committee chairman and the subcommittee chairman on producing this historic legislation.

Mr. BLILEY. Mr. Speaker, it is a great pleasure for me to yield 3 minutes to the distinguished gentleman from Texas [Mr. FIELDS], chairman of the Subcommittee on Telecommunications and Finance of the Committee on Commerce, without whose Herculean efforts we would not be here today.

□ 1545

Mr. FIELDS of Texas. Mr. Speaker, I want to thank the chairman for that statement. I had the opportunity during the rule to talk about the substance of this bill and what it means for America and our consumers. I want to take my time just to say thanks.

First and foremost, I want to acknowledge the commitment and leadership of our chairman, the gentleman from Virginia [Mr. BLILEY], who has been a constant source of support and encouragement as we move this legislation forward.

I also want to thank the gentleman from Michigan [Mr. DINGELL] for the way he has led the efforts of the minority. As always, it was with conviction and the style of the true gentleman that Mr. DINGELL is.

I also want to thank my good friend and confidant, my fellow voyager in this effort, the gentleman from Massachusetts [Mr. MARKEY], for the many long hours of debate and consultation, the pizza in his office, the pizza in my office, but always ending any disagreement with a smile. I hope that all of us involved have set the standard of how Congress can work together over very difficult and contentious issues.

I also want to be effusive in praise of my colleague, the gentleman from Ohio [Mr. OXLEY], the vice chairman of our subcommittee; the gentleman from Colorado [Mr. SCHAEFER], the gentleman from Texas [Mr. BARTON], the gentleman from Illinois [Mr. HASTERT], the gentleman from Florida [Mr. STEARNS], the gentleman from New York [Mr. PAXON], the gentleman from Wisconsin [Mr. KLUG], and our two freshmen stars, the gentleman from New York [Mr. FRISA] and the gentleman from Washington [Mr. WHITE], our team.

I would also be remiss if I did not thank and recognize the hard work of Mike Regan, Cathy Reid, Harold Furchtgott-Roth, and Mike O'Reilly, and on the Democratic side of the aisle, Colin Crowell and David Leach, David Moulton of Mr. MARKEY's staff, Alan Roth and Andy Levin, of Mr. DINGELL's staff.

Not only do I want to acknowledge David Leach for his hard work, but I want to publicly apologize to him for all the practical jokes that I have played on him for the last 3½ years.

I also want to give special recognition to Steve Cope, our legislative draftsman. He is an unsung hero who gave us late hours away from his family and lost many weekends during the course of this multiyear process. He has my highest respect and my gratitude.

Certainly last, but not least, I want to give special, special recognition to Christy Strawman, my telecommunications expert, because, like others, she is an unsung hero that has been pivotal in bringing this issue to fruition. She has been a star in this process.

Mr. Speaker, as I said earlier, this is a special, watershed, historic moment. We are at the dawn of the Information Age. What we do today is vitally important to the future of our country. Not only am I proud of the package; I am also proud of the process in which we debated and formed this legislation, working with both sides of the aisle, bringing this policy, this legislation, to fruition.

The inclusion in the telecommunications bill of the requirement that a television rating code be established by the Federal Communications Commission for all television programs

and that broadcasters be required to transmit to a V-chip the ratings given to their programs is plainly unconstitutional.

Any legislation that requires the rating of television programs based on their inclusion of violence, depictions of sexual conduct or the like is a content-based burden on speech. That is just what the first amendment does not permit. Inserting the Federal Government into the area of deciding what should be on television or how the content of television programs should be rated sets a dangerous precedent that threatens the very rights the first amendment is designed to protect.

Think about the rating system Congress is today requiring. There is the problem of how any such system can distinguish between programs that show what we might call senseless or gratuitous violence and those that depict violence in a way that educates, informs, or edifies. It is hard to believe that we're prepared to say that any violence whatsoever, in any context whatsoever, should be treaded the same way and subjected to blocking by the same V-chip—whether it's "Schindler's List" or "Nightmare on Elm Street," "Gandhi" or "The Terminator."

But as soon as the FCC tries to make a distinction for rating purposes between what is "bad violence" that should be blocked and what is "good violence" that should not be blocked, it is squarely in the business of regulating speech based on its content or perceived value to society and therefore squarely in violation of the first amendment. At the same time, if the Commission throws up its hands and acknowledges that it cannot make such distinctions and thus requires every program containing any element of violence at all to get a V rating, the V-chip will be activated across the board and across the Nation in a way that blocks out valuable contributors to public awareness and knowledge. The effect will be that some—perhaps many—programs that are genuinely good for children or adolescents to see will not be seen by them. What's more, we will be creating a situation in which Government would be leading the public to view all treatments of violence as equal, thus washing away good, serious, thoughtful programs with real merit along with the junk.

V-chip legislation is a blunt instrument, far blunter than the first amendment allows. The public would be far better served by Government encouraging the development of technologies that allow parents to make discriminating choices, real choices, for their children based on their own values and their own beliefs.

The likelihood that the V-chip provision will be held unconstitutional is increased by the reality, known to every Member of this body, that the bill is actually being proposed not for the purpose of "empowering" parents but of pressuring broadcasters to change the television programming they offer. We all have our own views about what should be on television. The first amendment bars us from putting those views into law.

Finally, recent court decisions have raised the most serious doubts about the continued viability of the whole notion that broadcasters must receive only second class first amendment treatment. The FCC itself determined in the Syracuse Peace Council case that the explosion of new outlets for speech has seriously undermined the rationale for permitting more intrusive regulation of broadcasters than of other media. That is even more true today than it was 8 years ago when that case was decided. Recent opinions of the chief judges of both the D.C. Circuit and the Eighth Circuit Courts of Appeals have likewise maintained that there is no longer any basis for according broadcasters more limited protection from Government intrusion than the First Amendment gives to cable operators, record companies or the print press. Most first amendment scholars have come to the same conclusion. In any event, whether or not a new, more speech-protective, first amendment standard is utilized in a court challenge to this legislation, the law cannot withstand analysis under any first amendment test.

Mr. DINGELL. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, today we will vote on a historic bill. This telecommunications bill is historic because it finally will bring to an end the era of telephone and cable television monopolies. The bill is historic because it will trigger technological innovation as we have never seen before—stimulating economic growth and job creation by small and large businesses alike. But just as striking as these developments undoubtedly will be, the bill is historic for another important reason. It demonstrates that Congress can work together in a bipartisan way to produce a bill that serves the interests of all Americans.

I congratulate my friends, Chairmen BLILEY and FIELDS, Representative MARKEY and others, for their unrelenting pursuit of bipartisan agreement on this bill. This is the way Congress is supposed to work, and I think we can all learn from this example. Chairman BLILEY approached this task in a very productive way, soliciting advice and offering compromise at many points along the way. He managed the process extremely well, as evidenced by the widespread support that he has mustered—not only in the conference and in the House—but in every part of an industry that usually can agree on little else. Chairman BLILEY and others working on this conference committee should be congratulated and given our thanks for the remarkable product before us today—a product that was in the making for several Congresses before this one, and that will finally make its way to the President's desk and beyond.

This telecommunications bill certainly will change the way Americans get their information and entertainment. No longer will consumers have just one company to choose from for the provision of local telephone or cable television service. Companies will be able to offer any or all of these services, giving consumers for the first time the ability to buy packages of telecommunications services that provide them with the best value at the lowest price.

This bill also will enable parents to make intelligent choices about what television programming is appropriate for their children. It requires that new television sets be equipped with a computer chip designed to automatically detect the rating that has been assigned to any television show. And it encourages television broadcasters to develop a voluntary rating system that will provide parents with the means to discern whether programming coming into their home is age-appropriate for their children.

Mr. Speaker, I want to say a few special words about the concerns of our local elected officials, and most especially our mayors. This conference agreement strengthens the ability of local governments to collect fees for the use of public rights-of-way. For example, the definition of the term "cable service" has been expanded to include game channels and other interactive services. This will result in additional revenues flowing to the cities in the form of franchise fees. In addition, the legislation also lifts the FCC's current ban on the imposition of franchise fees for telephone companies' open video systems. That too will increase revenues to the cities.

At the same time, State and local governments retain their existing authority to impose fees on telecommunications providers, including cable companies that offer telecommunications services. Finally, and perhaps most important, section 303 does not preclude a local government from lawfully managing public rights-of-way with respect to a cable company's telecommunications services. In short, Mr. Speaker, we have listened closely to our local officials, who have done a good job of helping us understand their concerns, and have crafted a bill that not only retains their current authorities but, in many instances, strengthens them. We appreciate the support for the bill we have received from the National League of Cities and the National Association of Counties.

Is this a perfect bill? No. No bill as large and complex as this one, addressing so many difficult issues, is ever perfect. But it is an excellent piece of legislative work. it will open telecommunications markets in a fair and balanced manner—it provides American businesses with a level playing field on which to compete, and it removes those aspects of government regulation that are antiquated while ensuring that every American continues to receive affordable service.

Mr. Speaker, in closing, I want to pay tribute to the incredible efforts of our staff, who put in countless hours, often working into the wee hours of the morning, to bring this bill to fruition. Our special thanks go to the minority staff of the Commerce Committee, especially David Leach, who has worked

on the legislation for several Congresses and guided our successful efforts in the House in the last Congress, and Andy Levin, who joined our staff as a new counsel at the start of the conference and truly received a baptism under fire. I want to thank Colin Crowell and David Meulton from the staff of subcommittee ranking member ED MARKEY for their hard work, as well as the staff of the Judiciary Committee. From the Commerce Committee, Mike Regan and Cathy Reid did outstanding work in coordinating these efforts. And as always, the legislative counsel, Steve Cope, and his colleague on the PUHCA issue, Pope Barrow, did their usual extraordinary job. We appreciate all the staffs' hard work.

Once again, I congratulate my colleagues on this achievement, and I urge all Members to join me in approving this conference agreement.

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

Mr. CONYERS. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I think it is very, very important that we look as carefully as we can at a trillion-dollar-a-year industry legislation.

First of all, I want to tell everybody in this Chamber, there are a lot of things I like in the bill; I like a lot of things. The Antitrust Division part that the chairman of the Committee on the Judiciary and I worked on tirelessly is in this bill, and I support it strongly. We keep the Antitrust Division at the center of the telecommunications debate, and I am pleased that we all agreed upon that. It is important that the Department of Justice have an enhanced role in reviewing the Bell entry into long-distance, and we have been very successful.

But, Mr. Speaker, let us get to the reservations. Are there any? Well, you have not read the 111-page conference report, so I will give you the benefit of just a few of the problems that you might want to know about before we cast this ballot in less than an hour.

The cable provisions allow for deregulation before the advent of competition, raising the specter of unregulated monopoly. Two Congresses ago we spent considerable time and energy, and the gentleman from Michigan [Mr. DINGELL] was leading that, in adopting legislation to protect consumers from price-gouging; and we were finally able to pass the bill over President Bush's veto.

This Congress, we have new leadership that has decided that consumer protection must take a back seat to industry demands, although a small concession to consumers was made by delaying the date of price increases until 1999.

This is not CONYERS, this is the Consumer Federation of America: "Even with the significant improvements, the bill does not stimulate enough competition. For every step taken to encourage competition, the bill has provisions which undermine its goal. Instead of promoting head-to-head competition between cable, telephone, and other communications companies, the bill allows mergers and corporate combinations that will drive up cable rates and undercut competition."

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

Mr. BLILEY. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. HYDE], the distinguished chairman of the Committee on the Judiciary.

Mr. HYDE. Mr. Speaker, I would like to pay homage to the gentleman from Virginia [Mr. BLILEY], the gentleman from Texas [Mr. FIELDS], the gentleman from Michigan and ranking member [Mr. CONYERS], the gentleman from Michigan and ranking member [Mr. DINGELL], Senator PRESSLER, and all of the staffs who have done enormously important work in bringing this to fruition.

This legislation represents the most sweeping communications reform legislation to be considered in this House in over 60 years. It will establish the ground rules for our national telecommunications policy as we enter the 21st century.

Mr. Speaker, I am happy to yield to the gentlewoman from New York [Mrs. LOWEY] for the purpose of engaging in a colloquy.

Mrs. LOWEY. Mr. Speaker, I would like to congratulate the gentleman from Virginia [Mr. BLILEY], the chairman of the committee, and other members of the conference in bringing this very important conference report to the floor today. However, I would like to bring to your attention one section that is very troubling to me.

Section 507 amends the preexisting section of the Criminal Code (18 U.S.C. 1462) and applies it to the Internet. Now, it was my understanding that your intent behind adopting this provision was to place reasonable restrictions on obscenity and indecency on the Internet. I support this goal.

However, a section of this act may be construed to curb discussions about abortion. It seems to me this provision would certainly be unconstitutional.

Mr. HYDE. Well, reclaiming my time, Mr. Speaker, I certainly agree with the gentlewoman that any discussion about abortion, both pro-life and pro-abortion rights, is protected by the first amendment guarantee of free speech; and I certainly agree, nothing in title V should be interpreted to inhibit free speech about the topic of abortion.

Further, it is correct that our principal intent in adopting this provision was to curb the spread of obscenity and indecency, speech that is not protected by the first amendment, from the Internet in order to protect our children.

I yield to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY. Mr. Speaker, with that assurance, I feel comfortable supporting this bill, and I hope that my colleagues who were also concerned about this provision will now feel comfortable supporting this bill. I thank the gentleman for clarifying this point and for his hard work on this bill.

Mr. HYDE. Mr. Speaker, I thank the gentlewoman for her courtesy.

As the chairman of the House Judiciary Committee—because of our committee's jurisdiction over the Federal antitrust laws and Federal regulatory procedures—I approached this important and complex issue from a competition and deregulatory policy perspective. Clearly, the proposed entry of the regional Bell operating companies into the long distance and manufacturing markets raises fundamental antitrust questions. After all, it is an antitrust consent decree, commonly known as the Modification of Final Judgment or "MFJ," that now prevents them from entering those businesses, and it is that decree that we are now superseding. Also, the telecommunications industry is a highly regulated one at both the Federal and State levels. In my view, less regulation is a desirable goal in this instance, because it will spur further technological innovation, greater competition and job development.

On May 2, 1995, I introduced H.R. 1528, the Antitrust Consent Decree Reform Act of 1995. H.R. 1528 proposed to supersede the MFJ and replace it with a quick and deregulatory antitrust review of Bell entry by the Department of Justice. Under H.R. 1528, the Bell companies would have been able to apply to the Department of Justice for entry into the long distance and manufacturing markets immediately upon the date of enactment. The Department of Justice would then have had 180 days to review the application under a substantive antitrust standard—specifically, Justice would have been required to approve the application unless it found by a preponderance of the evidence that there was a "dangerous probability that the Bell company would use its market power to substantially impede competition in the market" it was seeking to enter.

This approach received broad, bipartisan support within the Judiciary Committee. In fact, on May 18, 1995, the full Judiciary Committee reported H.R. 1528 by a 29 to 1 recorded vote. Unfortunately, however, it became apparent that there was not broad-based House support for a potential Department of Justice veto over Bell entry.

The Commerce Committee, on the other hand, understandably looked at this issue from a telecommunications policy and Communications Act perspective. Its bill—H.R. 1555—which ultimately became the House legislative vehicle, required the Bell operating companies to meet various Federal and State legal requirements to open their local exchanges to competition before they are allowed into the long distance and manufacturing businesses.

In keeping with the long tradition of our Committees sharing jurisdiction over the subject of telecommunications legislation, we cooperated closely on the formulation of the manager's amendment to H.R. 1555, which

was adopted on the House floor in August. A number of the provisions originally contained in my bill—H.R. 1528—were moved into H.R. 1555 through the manager's amendment. Furthermore, following House passage, our two committees continued to work closely together representing the House position in the House-Senate conference committee.

Again, I strongly believe the conference report on S. 652 is good legislation that will move America's telecommunications industry forward into the 21st century. Allow me now to briefly explain a few key provisions that were of particular importance to Judiciary Committee conferees.

The conference agreement does include a strong consultative role for the Attorney General. Under this part of the agreement, the Department of Justice will apply any antitrust standard it considers appropriate, which may include the dangerous probability standard from H.R. 1528, to applications by the Bells to enter long distance. After conducting its antitrust analysis, DOJ will provide its views in writing to the FCC and they will be made a part of the public record relating to the application. The conference agreement enhances this consultative role by requiring that the FCC give substantial weight to the views of the Attorney General. By giving this special status to the views of DOJ, the conferees acknowledge the long experience and considerable expertise it has developed in this field. Under this approach, the FCC will have the benefit of a DOJ antitrust analysis before the Bell companies are allowed to enter the long distance market.

The conference agreement also enhances DOJ's role in another way—it repeals section 221(a) of the Communications Act of 1934 (47 U.S.C. §221(a)). Congress enacted section 221(a) when local telephone service was viewed as a natural monopoly. The statute currently provides that when any two telephone companies merge, the FCC should determine whether the merger will be "of advantage to the persons to whom service is to be rendered and in the public interest." If so, the FCC can render the transaction immune from "any Act or Acts of Congress making the proposed transaction unlawful."

However, the conferees concluded that section 221(a) could inadvertently undercut several of the provisions of the Telecommunications Act of 1996. The critical term "telephone company" is not defined. In the new world of competition, many companies will be able to argue plausibly that they are telephone companies. When two telephone companies merge, section 221(a) allows the FCC to confer immunity from any act of Congress—including the Telecommunications Act of 1996—after performing a public interest review.

Thus, if it were not repealed, section 221(a) could easily have been used to avoid the cable-telco buyout provisions of the Telecommunications Act of 1996. Any cable company that owned any telephone assets could become a telephone company and be bought out by an RBOC by applying for immunity under this section. Likewise, if section 221(a) were broadly interpreted, it might also have been used to get around all the other line of business restrictions in the bill, including the restriction on RBOC entry into long distance. Fortunately, the conference agreement closes this loophole.

In addition, because section 221(a) allowed the FCC to confer immunity from antitrust statutes, it would have allowed mergers between telecommunications giants to go forward without any antitrust review. Mergers between these kinds of companies should not be allowed to go through without a thorough antitrust review under the normal Hart-Scott-Rodino process. A public interest review by the FCC simply is not a strong enough tool to prevent these giants from destroying competition and recreating a monopoly system through a series of megamergers.

By returning review of mergers in a competitive industry to the DOJ, this repeal is consistent with one of the underlying themes of the bill—to get both agencies back to their proper roles and to end Government by consent decree. The FCC should be carrying out the policies of the Communications Act, and the DOJ should be carrying out the policies of the antitrust laws. The repeal does not affect the FCC's ability to conduct any review of a merger for Communications Act purposes, for example transfer of licenses. Rather, it simply ends the FCC's ability to confer antitrust immunity. In an era of competitive telecommunications giants, mergers between them ought to be reviewed in the same fashion as those in all other industries.

The Judiciary Committee conferees have also focused on the provisions contained in title VI, which address the effect of the bill on other laws. With respect to the various consent decrees, the conference agreement adopts a new approach to the supersession of the Modification of Final Judgment—now called the AT&T Consent Decree in the conference agreement—and the GTE consent decree. It also adds language superseding the AT&T-McCaw Consent Decree—McCaw Consent Decree. The Conference Committee sought to avoid any possibility that the language in the conference agreement might be interpreted as impinging on the judicial power. Congress may not by legislation retroactively overturn a final judgment. *Plaut* v. *Spendthrift Farm, Inc.,* 115 S.Ct. 1447 (1995). On the other hand, Congress may by legislation modify or eliminate the prospective effect of a continuing injunction. *Robertson* v. *Seattle Audubon Society,* 503 U.S. 429 (1992); *Plaut,* 115 S.Ct. 1447; *Pennsylvania* v. *Wheeling & Belmont Bridge Co.,* 59 U.S. 421 (1856).

To avoid any possible constitutional problem, the Conference Committee adopted the following new approach. Rather than superseding all or part of these continuing injunctions, the conference agreement simply provides that all conduct or activities that are currently subject to these consent decrees shall, on and after the date of enactment, become subject to the requirements and obligations of the act and shall no longer be subject to the restrictions and obligations of the respective consent decrees. The new approach did require some adjustment in other parts of the bill, including provisions: No. 1, to continue existing equal access and nondiscrimination requirements for local exchange carriers, No. 2, to adjust the definition of RBOC to exclude successors that do not provide wireline service, and No. 3, to continue activities allowed under existing MFJ waiver requests that have been ruled on before enactment. I believe that each of these adjustments has been made successfully and that this new approach will insulate the bill from constitutional attack.

In other parts of title VI, the conference agreement retains the House language that expressly provides that no State tax laws are unintentionally preempted by implication or interpretation. Rather, such preemptions are limited to provisions specifically enumerated in this clause. One of those enumerated preemptions, section 602, is the local tax exemption for providers of direct to home satellite services. The conference agreement adopts the House language with minor modifications to insure that the exemption extends only to the provision of programming.

Section 602 reflects a legislative determination that the provision of direct-to-home satellite service is national, not local in nature. Unlike cable and telephone companies which utilize public rights-of-way to provide service to their subscribers, providers of direct-to-home services utilize satellites to provide programming to their subscribers in every jurisdiction. To permit thousands of local taxing jurisdictions to tax such a national service would create an unnecessary and undue burden on the providers of such services. Local taxing jurisdictions are therefor preempted from taxing the provision or sale of direct-to-home satellite services. Direct-to-home satellite service providers and others in the distribution chain are exempted from collecting and remitting local taxes and fees on the sale of such services. The power of the States to tax this service is not affected by section 602. Again, States may, if they wish, share the revenue thus collected with their local municipalities.

The conference agreement also contains important language, patterned after provisions contained in H.R. 1528—and H.R. 1555—on electronic publishing. Under the conference agreement, the Bell companies will be able to enter the electronic publishing business through a separated affiliate or a joint venture. They will be required, however, to provide services to small electronic publishers at the same per-unit prices that they give to larger publishers. This will allow smaller newspapers and other electronic publishers to bring the information superhighway to rural areas that might otherwise be passed by.

The conference agreement joins the House and Senate provisions on alarm monitoring. Under the new section 275, Bell operating companies and their affiliates, who have not already entered the alarm monitoring business, may not provide alarm monitoring services for 5 years from the date of enactment.

BOC's that were lawfully engaged in the alarm monitoring business on or before November 30, 1995, however, may continue to provide such services. There are no prohibitions under current law barring such companies from alarm monitoring, and they should be permitted to operate and expand their business just like any other company in our free market system. This legislation should not cause these existing businesses to be unduly penalized after having lawfully entered the business. Moreover, consumers should not be denied the benefits that this additional competition will bring.

It is important to emphasize that it is perfectly legal for the regional Bell companies to be in the alarm monitoring business right now. Since an appellate court decision in 1991, the information services restriction originally in the MFJ has been lifted and the Bell Companies have been free to provide alarm monitoring and other information services. Only one Bell company—Ameritech—has chosen to enter into the alarm business. But they did so in reliance on the law as it was—and still is—at the time they entered. They have invested company resources and assets in this business.

It would simply not be fair for Congress to step in and change the rules of the game for a company that has lawfully chosen to enter into this business. We are not prohibiting any other existing alarm company from expanding their business, nor are we prohibiting them from acquiring other companies. In my view, legislation that alters the legal rights and/or obligations of private parties should be prospective rather than retroactive. So, for those Bell companies that have chosen not to enter the alarm business, prospective restrictions for a period of 5 years are not unfair. That is, once this law is passed, a Bell company not already in the business on the date of enactment could not enter for another 5 years. It would be quite a different matter to limit the actions of a company that already is in the business.

Accordingly, such "grandfathered" BOC's may grow their alarm monitoring business through customer or asset acquisitions; however for 5 years from the date of enactment, such a company may "not acquire any equity interest in or obtain financial control" of an unaffiliated alarm monitoring company. It should be noted that any BOC providing alarm monitoring services will operate under specific nondiscrimination, cross-subsidy, and customer information obligations and protections. After 5 years, there will be no entry, equity, or financial control restrictions on BOC provision of alarm monitoring services.

Finally and importantly, title V of S. 652 will prohibit using and interactive computer service for the purpose of sending indecent material to a specific person under the age of 18. It also outlaws the display of indecent material without taking precautions to shield that material from minors. Defenses to these violations are provided to assure that enforcement will focus on those who knowingly transmit such material to minors. In fact, the conference report expressly provides an absolute legal defense to any on-line access provider, software company, employer, and any other, "solely for providing access or connection to or from a facility, system or network not under that person's control," so long as that person is not involved in "the creation of the content of the communication." Employers are also protected so long as the actions of their employees fall outside of the scope of their employment or if the employer has not ratified the illegal activity.

This provision codifies the definition of indecency that has been upheld in *FCC* v. *Pacifica Foundation*, 438 U.S. 726 (1978), and *Sable Communications of California, Inc.* v. *FCC*, 492 U.S. 115 (1989). Material that is "indecent" is "material that, in context, depicts or describes, in terms patently offensive as measured by contemporary community standards, sexual or excretory activities or organs." Thus, the standard contained in S. 652 is fully consistent with the Constitution; it is not unconstitutionally vague.

The underlying legal principle of the indecency concept is patent offensiveness. Such a determination cannot be made without a consideration of the context of the description or depiction at issue. As applied, the patent offensiveness inquiry to be made involves two distinct elements: the desire to be patently offensive, and a patently offensive result. Given these inquiries, it is clear that material with serious redeeming value is quite obviously intended to edify and educate, not to offend. Therefore, it will be imperative to consider the context and the nature of the material in question when determining its patent offensiveness.

Furthermore, title V clarifies current Federal obscenity statutes so it is undeniable that those laws cover the use of a computer to distribute, transport, or import obscene matter. The regulation of Internet indecency contained in the conference report is not based on what should be seen or discussed via the vast compute network, but rather on where or how it is made available. The provisions of the bill are not the most restrictive means, on the contrary, they are reasonable and narrowly tailored so not to overly burden one's right to engage in indecent communications while at the same time achieving the Government's policy objective of protecting our children.

Concerns have been raised about the amendment to 18 U.S.C. § 1462 regarding an interactive computer service. Section 1462 generally prohibits the importation or transportation of obscene matter. Subsection 1462(c) prohibits the importation or interstate carriage of "any drug, medicine, article, or thing designed, adapted, or intended for producing abortion, or for any indecent or immoral use; or any written or printed card, letter, circular, book, pamphlet, advertisement, or notice of any kind giving information, directly or indirectly, where, how, or of whom, or by what means any of such mentioned articles, matters or things may be obtained or made * * *."

We are talking about the advertisement, sale or procurement of drugs or medical instruments or devices, used to bring about an abortion. This language in no way is intended to inhibit free speech about the topic of abortion, nor in any way to limit medical or scientific discourse on the Internet. This amendment to subsection 1462(c) does not prohibit serious discussions about the moral questions surrounding abortion, the act of abortion itself, or the constitutionality of abortion. This statutory language prohibits the use of an interactive computer service for the explicit purpose of selling, procuring or facilitating the sale of drugs, medicines or other devices intended for use in producing abortions. The statutory language is confined to those commercial activities already covered in section 1462(c) of title 18 and in no way interferes with the freedom of individuals to discuss the general topic of abortion on the Internet.

Finally, section 508 will protect kids from sexual predators by making it a crime—punishable by up to 10 years in prison—for anyone to use a facility in interstate commerce, including a computer, to induce or solicit a child under 18 to engage in prostitution or other illegal sexual activity.

In conclusion, I want to thank Commerce Committee Chairman, BLILEY, Subcommittee Chairman, FIELDS, Ranking Member, CONYERS, Ranking Member DINGELL, and Senate Commerce Committee Chairman PRESSLER and their staffs for their cooperation in this monumental effort.

In short, as American advances into the 21st century, this telecommunications legislation is tremendously important. It is my firm belief that this bill means more jobs for Americans and will greatly enhance American competitiveness worldwide. It is high time that we replace this overly restrictive consent decree with a statute that recognizes the telecommunications realities of the 1990's. I intend to support the conference report on S. 652 because it will accomplish these goals.

Mr. MARKEY. Mr. Speaker, I yield 1½ minutes to the gentleman from Virginia [Mr. BOUCHER].

Mr. BOUCHER. Mr. Speaker, I am pleased to rise in support of the conference report on telecommunications reform and urge its adoption by the House. This measure will create competition in our telecommunications markets, first by freeing telephone companies to offer cable TV service inside their telephone service areas, and for the first time, bringing genuine competition to the cable market.

Second and correspondingly, by allowing cable companies and others to offer local telephone service and bringing genuine competition for the first time to the local telephone market.

Third, the bill will enhance competition in the long-distance industry by freeing the seven Bell operating companies to offer interLATA long-distance service.

Fourth, by making the equipment market in the United States more competitive by enabling those same seven companies to manufacture equipment.

A number of benefits will inure from the passage of this bill. Consumers will enjoy better pricing, as competition comes into markets that today are characterized as monopolies or near monopolies. New services will be introduced by the new entrants into these various markets.

Perhaps most importantly, this is the means by which our country will obtain a modernization of its telecommunications network. Telephone companies to offer cable service will deploy broad-band technologies throughout their local exchanges. Cable companies to offer local telephone service will install switches in their coaxial networks, and the United States will then have the most modern network that exists anywhere in the world.

Mr. Speaker, I am pleased to urge support for the conference report.

Mr. CONYERS. Mr. Speaker, I yield 3 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER], who has worked tirelessly across the years for

improved telecommunications legislation.

Mrs. SCHROEDER. Mr. Speaker, I thank the gentleman for yielding me this time, and I thank him for his leadership.

I just want to say that I really do want to find some way that I could vote for this, but ever since I was in law school, I always learned I should be prepared, and I should read what it is I am voting on.

I am standing here to say to my colleagues there is no way in the world that I can read fast enough to get through these 6 pages of technical corrections that we received today, single-spaced, by the way, and the bill, and put it all together and have any idea what I am really reading. So I am very upset that we would waive that 3-day period, move forward, and so forth.

One example of the type of things that we might uncover, let us hope that this is the only thing in there, that there would be nothing else that we would uncover, but this little nugget that we uncovered about referencing in the old COMSAT Act that people have been talking about, and that the gentleman, our chairman from Illinois and the gentlewoman from New York just had the colloquy about, was one very major thing that everybody said, oh, we did not intend to do this. Oh, my goodness, how did this happen?

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It is kind of interesting to me that we had time for all these other technical corrections, but we did not have time for a technical correction to clear up something that nobody intended to do, yet we are going to have everybody confused about what in the world is it we really meant as we did this.

And my problem is, we can have an agreement that abortion, the word abortion, the big A word, is protected speech under the Constitution, which I certainly agree with. But the question is what happens when you go on the Internet internationally? Does the Constitution go internationally? Does it follow you through the lines? I am not sure.

Telemedicine is one of the things we had hoped we would be able to move out and move into as a big area. What does all of this mean vis-a-vis that? We do not have an answer.

Furthermore, unfortunately on this act, there is a decision that came down pre-1972 saying this act is constitutional. So we may have a colloquy saying, "I hope it isn't constitutional," we have got a decision saying it is constitutional. I do not know. I do not have time to go do all of that work in this period of time we have before we are to vote on it.

But I think that it is not a good idea to rush this through when it is such a significant part of our economy, and we are now seeing this gag rule come through which we hope is not a gag rule, but it might be a gag rule, and we do not know what the other 6 pages of single-spaced things might hold, too.

I do not know what happened to being thoughtful. It is only the 1st day of February. Do we really have to take the whole rest of the month off? Could we not read and understand this? Because we are coming up with things that we are going to live by and we are going to be held by for the next 50 years.

Mr. Speaker, this is a sad day, and I am only sorry that we could not know more things about it.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Texas [Mr. BARTON], a member of the committee.

Mr. BARTON of Texas. Mr. Speaker, I want to also express my support to the leadership on both sides of the aisle that have pushed this legislation. Special thanks to my good friend, JACK FIELDS, who is retiring at the end of this session and this is going to be his legacy. He gets triple gold stars for his work.

I want to give a special thought on the local control of the right-of-way. The gentleman from Michigan, Mr. STUPAK, and myself and Senator HUTCHISON in the Senate have worked on that. I had a phone conversation with the president of the League of Mayors this morning, the gentleman from Knoxville, TN. They are supporting the bill.

I would urge all Members who have had some concerns expressed by their mayors to be supportive. We have worked out language in the bill and in the conference report that gives cities absolute guarantees to control their right-of-way and to charge fair and reasonable nondiscriminatory pricing for the use of that right-of-way.

This is a good piece of work, it is comprehensive, it is revolutionary. As my good friend, the gentleman from Virginia [Mr. BOUCHER], said, this opens up seamless interactive communications for all Americans, and I would urge an "aye" vote on the bill.

Mr. Speaker, section 702 of the bill adds a new section 222(e) to the Communications Act which would prohibit any provider of local telephone service from charging discriminatory and/or unreasonable rates, or setting discriminatory and/or unreasonable terms or conditions, for independent directory publishers buying subscriber list information.

Subscriber list information is essential to publishing directories. Carriers that charge excessive prices or set unfair conditions on listing sales deprive consumers and advertisers of cheaper, more innovative, more helpful directory alternatives.

Under section 257 of the bill, within 15 months from the date of enactment, the FCC is to undertake rulemakings to identify and remove barriers to entry for small businesses involved with telecommunications and information services. Clearly, the requirements of section 702 with respect to subscriber list information fall within this rulemaking requirement.

As the FCC determines what constitutes a "reasonable" price for listings, it seems clear that the most significant factor in that determination should be the actual, or incremental cost of providing the listing to the independent publisher. This approach assures that providers get back what it actually costs them to deliver the listings to a publisher without being allowed to "load" the price with unrelated costs and cross-subsidies.

Mr. MARKEY. Mr. Speaker, I yield 1½ minutes to the gentlewoman from California [Ms. ESHOO].

Ms. ESHOO. Mr. Speaker, I rise in support of the conference report for this telecommunications act.

I would like to start out, Mr. Speaker, by paying tribute to the distinguished gentleman from Virginia [Mr. BLILEY], chairman of our committee, to the distinguished gentleman from Texas [Mr. FIELDS], chairman of our subcommittee, who really worked tirelessly; to the gentleman from Michigan [Mr. DINGELL], ranking member; to David Leach of our staff and Lance Scott of mine, thank you for all the hard work that you have put in.

Mr. Speaker, as the Representative of Silicon Valley, CA it is clear to me that making the phone industry more like the computer industry would be a great boost to our Nation's economy.

That is why nearly 9 months ago today I stood with my commerce committee colleagues to announce my original cosponsorship of this historic legislation and rise today as a member of the conference committee.

This legislation sets down a clear framework, or checklist, for deregulating the telephone industry and has put in place detailed rules to protect consumers from certain monopolies.

In addition, the bill ensures rapid development and implementation of new technologies. Of particular interest to me is its mechanism to connect our Nation's children to the Internet and its requirement for a V Chip which parents can use to block television shows harmful to their children.

I am also very proud to report that a provision I authored to limit the role of the Federal Communications Commission in setting standards for the computer and software industry has been included without change in the final bill. With this language, consumers will be free to use their computers to coordinate the functions of their futuristic homes, as opposed to being forced to use foreign-made television sets because of an FCC mandate. I say let the market decide.

Mr. Speaker, as with most legislation, I am not totally satisfied with this bill. I am concerned about provisions in it that may dangerously decrease the number of voices on our public airwaves.

I also strongly object to the bill's provision to hold businesses and Internet users liable from transmitting

loosely defined material over computer networks. The Internet is not a U.S. Government network, and giving Federal officials indiscriminate censorship authority in this area mocks constitutional protections of free speech.

I urge expeditious judicial review of this provision to ensure that free speech protections are not undermined.

Despite these reservations which are serious ones, I believe our Nation must embrace the promise of the 21st century, an American century, marked by a new era of telecommunications.

I encourage my colleagues to support the conference report.

Mr. Speaker, there is one provision of the act that has been of particular interest to me as well as a wide range of companies and trade groups associated with the computer and information processing industries. Section 301(f) of the act is a provision that I authored and originally introduced during the Commerce Committee markup as an amendment to H.R. 1555. It limits the role of the Federal Communications Commission [FCC] in setting standards that may affect the computer and home automation industries. It directs the FCC to set only minimal standards for cable equipment compatibility, maximize marketplace competition for all features and protocols unrelated to descrambling of cable programming, and ensure that the FCC's cable compatibility regulations do not affect computer network services, home automation, or other types of telecommunications equipment. In short, this section keeps the Government out of high-technology standards and prevents the FCC from setting standards for the computer and communications services of tomorrow.

Section 301(f) of the Telecommunications Act is a small but key ingredient for achieving the purpose of this historic bill: To embrace the future by allowing new technologies to flourish with minimum Government interference. Just as the act helps to open markets by eliminating Government barriers to long-distance and equipment manufacturing competition, section 301(f) ensures that our vital computer and high-technology markets remain open and competitive by ensuring that Government technical standards are kept to a minimum. Almost all standards in the communications and computer industries are voluntary, private standards—not Government mandates—and they should remain that way.

The principle of keeping Government out of technical standards is taking on increasing importance as we observe the accelerating convergence of the computer and communications industries. Companies throughout America, and all over the world, are feverishly working on the communications applications of tomorrow. These include the smarthouse—a home where lighting, entertainment, security, and other consumer needs are controlled and programmed automatically for users. Computers and communications are at the very center of this automation revolution. But like most revolutions, this one would wither and die if the Government were to set the rules and stifle change.

Section 301(f) modifies the FCC's authority in order to reign in the Commission's ongoing rulemaking on cable equipment compatibility. The problem Congress faces is that the agency has taken our 1992 Cable Act—the source of the Commission's power to assure compatibility between televisions, VCR's, and cable systems—and gone far beyond what appropriate public policy requires or its statutory authority permits. The Commission's 1994 proposal for a decoder interface would make the television set the gateway to the burgeoning information superhighway, relegating the computer, and all other home appliances, to second-tier status. It also would include one specific home automation protocol—called CEBus, or Consumer Electronic Bus—as the mechanism by which all cable-ready TV's and set-top boxes would communicate.

My amendment prevents these consequences by precluding the Commission from standardizing any features or protocols that are not necessary for descrambling, preventing the selection of CEBus or any other home automation protocol as a part of the FCC's cable compatibility regulations, and precluding the Commission from affecting products in the computer or home automation marketplaces in any way. Section 301(f) leaves these standards to be set, as they should be, by competition in the marketplace. It makes clear that the Commission does not have the authority to prefer one home automation technology over another or permit its cable compatibility rules to affect the unrelated computer or home automation markets.

Some have questioned whether section 301(f) was intended to prevent the Commission from achieving cable compatibility. To that I say simply: No. The provision does not change the agency's power to ensure that cable set-top boxes no longer interfere with the advanced features of consumer TV's—like picture-in-picture. And as the conference report makes clear, Congress intends that the FCC should now promptly complete its long-delayed cable compatibility rulemaking. What the Commission cannot do, however, is use the 1992 Cable Act as a justification or excuse for broad Government standards on home automation communications or audio-visual equipment.

Under section 301(f), the FCC is required to maximize marketplace competition and private standards, not the role of Government regulations. It is required to let the market resolve standards issues for emerging technologies and services—like satellite broadcasting, video-on-demand and home automation—and to keep its cable compatibility standards narrowly tailored to solve only the specific problems the 1992 act asked the FCC to handle. The decoder interface, with its artificial bottleneck for the television and its unnecessary impact on home automation, is far from the only approach to solving those limited problems. The Commission must rework its compatibility proposal. It should also seek input from the computer, home automation, video dial tone and other potentially affected industries, not just the cable television and consumer electronics industries.

Some have also questioned why the prohibition in section 301(f)—that the Commission may not affect the computer or home automation markets—is so broad. To that I answer that the language is broad in order to effectively implement the principle that FCC regulations should not interfere in competitive markets. Because there is no reason to affect home automation or computers, and because even inadvertent or relatively small effects on competitive markets can easily displace technological innovation, section 301(f) is weighted toward protecting competition and open markets. As the conference report states, any "material influence" on unrelated markets is prohibited. Because it is impossible for agencies or courts to judge whether the impact of technical standards in emerging markets would be harmful or substantial, section 301(f) draws a bright line to avoid any regulatory impact whatsoever.

There is an important policy at work here. The risk associated with wide administrative powers over technology issues in an era of rapid technical change is that premature or overbroad Government standards may interfere in the market-driven process of standardization or impede technological innovation itself. American industry has solved compatibility problems, and created workable standards, in the VCR, personal computer, compact disk, and other industries without any Government involvement. Markets drive interoperability much better, and far faster, than regulatory agencies could ever achieve. Where would we be today if the FCC had stepped in to set compatibility standards for personal computers in the early 1980's? We'd be without Windows '95, or the Mac, or even DOS, because all of these operating systems arose as the result of marketplace forces.

My amendment, which I am proud to report is included verbatim in the final text of the Telecommunications Act of 1995, prevents us from overregulating in the new computer and communications markets of the 1990's. We may yet be a few decades away from the totally automated home of the "Jetsons" cartoon, but with the help of section 301(f) we're one step closer to the smarthouse of tomorrow.

Mr. Speaker, a number of Members, on both sides of the aisle, played important roles in supporting my amendment at the Commerce Committee level and during the conference committee negotiations. I very much appreciate this bipartisan support, and thank my colleagues for insisting that the final conference report include the full text of the provision as originally introduced by me and as passed by the House last August. I urge the House to pass the Telecommunications Act of 1995 and to apply its basic principles of open markets and competition to the important area of compatibility standards.

Mr. CONYERS. Mr. Speaker, I yield myself 1 minute.

Question: How many know whether or not there will be an unprecedented increase in media concentration if this measure becomes law?

Answer: Not many.

But does it?

Well, the answer is that at a time that we need greater and more diverse media voices, this measure before us will eliminate the national radio and television ownership rules, scale back local concentration rules, and allow corporations to simultaneously control broadcast and cable systems.

Disheartening? I think so. Can it be improved? Of course. How do we do it? Send it back to the committee.

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

Mr. BLILEY. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from Ohio [Mr. OXLEY], a member of the committee.

Mr. OXLEY. Mr. Speaker, I rise in strong support of the conference report.

Years ago, seems like longer than it was, but in 1991 the gentleman from Virginia [Mr. BOUCHER] and I introduced legislation to eliminate the cable-telco cross-ownership prohibition, to encourage competition between cable and telephone and allow them into each other's businesses. Neither one of them was particularly happy with that prospect at the time, but now we have come to this day.

In looking back, when Al Swift and Tom Tauke introduced a bill to eliminate the modified final judgment, we worked very hard on that issue, as did the gentleman from Massachusetts [Mr. MARKEY], the gentleman from Michigan [Mr. DINGELL], and the chairman, and I want to express my sincere appreciation to them for their hard work in the past, which has brought us here today.

The same sentiments for the gentleman from Virginia [Mr. BLILEY], the chairman, who has shown enormous leadership, and my good friend, the gentleman from Texas [Mr. FIELDS], who unfortunately will be retiring. He put in hours and hours of work and leadership to get us where we are today. I think all of us in this House owe JACK FIELDS a great deal of gratitude for where we are today.

The heart of this bill is to eliminate monopolies and to encourage this great competitive marketplace that we have going for us. Our answer is, let the competition begin.

Today, we make history, the first major rewrite of telecommunications legislation in this country in over 60 years. Driven by good public policy and an explosion of new technology, we stand at the threshold of the 21st century in communications with America as the undisputed leader.

Mr. Speaker, in many ways it is a relief to be approaching the end of this protracted process. This conference report has been a long time coming—62 years, in fact—and while the bill falls a bit short of my expectations, there can be no doubt that it represents landmark reform of the Nation's telecommunications law.

This legislation is ambitious in its vision and breadth. It is a vision of deregulation and head-to-head competition. It opens up all communications markets to competition, including the local telephone and cable television industries.

The measure's provisions allowing telephone companies and cable companies to compete in each other's markets are based on legislation I introduced in 1991 with the gentleman from Virginia [Mr. BOUCHER]. Our measure envisioned the convergence of these technologies, and our initiative constitutes the heart of this reform effort, if I may say so myself.

The bill is antiregulatory and antibureaucratic in philosophy. Where there are regulations or mandates, they exist in most cases for the express purpose of promoting competition and ensuring the unencumbered operation of market forces.

As is the case with politics, open business competition is not always a pretty process. There will be dislocations and miscalculations. Certainly, there are those who would prefer the old way of sheltered monopolies and intense Government regulation. But in the end, the competitive model promises more efficient markets and innovations that protected incumbents would never undertake.

As an aside, Mr. Speaker, there are some important issues which have been left somewhat vague in the conference report, in order to allow the FCC the latitude to implement them effectively. Some specifics have been outlined, however. In the case of the joint marketing provisions, for example, it is my understanding that the offering of local and long distance service under the same brand name would be permissible, so long as they are fully separate and those services are not jointly advertised. In the case of local marketing agreements, I note that the language allows LMA's to continue. It is important that broadcasters are granted the flexibility that these innovative agreements make possible. They help ensure the continuation of free, over-the-air local broadcasting.

The truth, Mr. Speaker, is that the conference report could have been even more deregulatory than it is. It is not the revolutionary measure originally introduced in the Subcommittee on Telecommunications and Finance. Unfortunately, the regulators and the protectionists left their imprint on this bill, as well.

However, considering that we have a regulation-minded administration at the White House and rather narrow Republican majorities in Congress, it is an excellent step in the right direction. And in those areas where we did not meet expectations, there will be future opportunities to address shortcomings.

Mr. Speaker, enactment of this legislation will mean more choices, lower prices, and better services for all telecommunications consumers. It will mean more economic growth, more jobs, and a more competitive U.S. economy. I urge the support of all Members.

Mr. MARKEY. Mr. Speaker, I yield 1½ minutes to the gentleman from Pennsylvania [Mr. KLINK].

Mr. KLINK. I thank my friend, the gentleman from Massachusetts [Mr. MARKEY], for yielding time to me.

Mr. Speaker, when we were working on this bill back in the Committee on Commerce, there were only a handful of us who voted against the bill coming out of committee. I say a handful, 5 fingers, there were 5 of us. When we came to the floor, again, we had many concerns with the chairman's mark.

I will tell Members that during this process, even thought people on both sides of the aisle, certainly the gentleman from Virginia [Mr. BLILEY], chairman, and the gentleman from Texas [Mr. FIELDS], chairman of the subcommittee, tried to work very hard in a bipartisan manner to include all of our concerns, I did not think we could get to the point where we would have a bill that is acceptable.

I will tell Members that while the bill that we are taking up here, this conference report, is certainly far from what this Member of Congress would call ideal, I will support this bill. I think that we have now seen how the process is supposed to work, how we are supposed to have give-and-take, we are supposed to hear from industry groups who have concerns.

The good Lord knows we all heard from industry groups and from consumer groups. I would have to think that in my brief period here in this Congress, this is the most lobbied piece of legislation certainly that I have seen. I hope it is the most lobbied piece I will ever see. I do not want anybody to try and break these records.

But with this bill we are going to create jobs. In my State of Pennsylvania we are guessing, in talking to industry sources, that in a 10-year period we may create 140,000 much needed jobs, and other States across this Nation will see similar things.

I would simply ask all of my colleagues to give due consideration to supporting this conference report.

Mr. CONYERS. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. FRANK] who has brought a great energy and intellectual impact to this legislative process.

Mr. FRANK of Massachusetts. I thank the ranking member of the Committee on the Judiciary for yielding me the time.

Mr. Speaker, I agree that this bill is substantially improved from the one that originally came before us, although the notion of passing a bill which has had added to it at a very unusual point in the process, namely, in the conference, language that is explicitly and admittedly unconstitutional because of its restriction on using the word "abortion" is an interesting way to legislate, and that is one reason that I do not like the bill.

But another, as I said before, is the extent to which it is so unfair to the Republican leadership. It seemed to me that Speaker GINGRICH and his arguments against censorship was entitled to more consideration that he got from his side of the aisle. I thought the Speaker was right when he opposed censorship and I am sorry to see that he has given in.

But I am even more distressed at the end of my brief alliance with the Senate majority leader. The Senate majority leader had been strongly, in the last few days and few weeks, objecting to giving away access to the TV spectrum, an asset that now belongs to the

public and is worth many billions of dollars—we are not sure how much—and he said, "Don't give it away. Let's auction it off." I thought he was right and I was hoping we would get somewhere.

Because this bill essentially gives it away. I know we are being told that we should all pretend that the bill does not really do that, just as we should pretend that the bill does not really have some language in there restricting your ability to talk about abortion on the Internet. But the fact is that this legislation was drafted with the intention of giving a substantial public asset to the broadcasters. I believe it is in error.

I would hope we would defeat this today, send it back to conference, let them simply put in auction language. Let us auction off this very valuable aspect of the spectrum, have the billions of dollars for the public. It will be billions less than we would have to take out of Medicare or Medicaid or the environment.

I am afraid that we are setting the precedent here or confirming the precedent here that free enterprise as the Republicans see it is for the poor. Because today by giving away billions of dollars to the networks, later by making similar presents to wealthy agricultural interests, we will have confirmed that free enterprise and an absence of subsidy are rules by which the poor and the working class should live. But when it comes to substantial and important wealthy economic interests, whether they control the sugar and peanut industry or whether they are networks, they will be treated quite in contradiction to the principles of free enterprise, quite without regard to free market, but instead will be given these kind of subsidies.

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Giving away this very substantial asset that the unused portions of the spectrum represents for no money and after they use it for a while, maybe they will think about giving it back, I doubt very much that they are going to want to do it, is a very grave error.

Auctions of the unused parts of the spectrum have proved very successful, and it is a grave error not to include them here.

Mr. BLILEY. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from Colorado [Mr. SCHAEFER].

Mr. SCHAEFER. Mr. Speaker, I thank the gentleman for yielding, and my congratulations to him, the gentleman from Virginia [Mr. BLILEY], and certainly to the gentleman from Texas [Mr. FIELDS], for putting together this very difficult piece of legislation.

When the AT&T system was broken over a decade ago, everybody assumed that local telephone service was a natural monopoly. Today, thanks to rapid technological and market changes, that is no longer the case.

As States around the country are proving, competition is much better than regulation of telephone markets by our Government bureaucrats.

Just as we are replacing regulations for telephone companies, so are we with cable companies. Based on provisions that I authored in the House-passed legislation, this conference report ends Federal regulation of the entertainment tier of cable. Competition from the telephone companies and many new entrants will replace one of the most needless sets of regulation of the entertainment tier of cable television leaving regulation in place for the so-called life line tier of cable. Competition from the telephone companies and many new entrants will replace one of the most needless sets of regulation this Congress had ever passed.

With enactment of this legislation, we finally get the Government out of the job of regulating MTV and the cartoon channel. We have finally moved out of the dark ages to provide competition rather than regulation to the benefit of the consumers of this country.

I urge my colleagues to support the conference report.

Mr. MARKEY. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Arkansas [Mrs. LINCOLN].

Mrs. LINCOLN. Mr. Speaker, I think we all today owe a special thanks to the gentleman from Virginia [Mr. BLILEY] and to the gentleman from Texas [Mr. FIELDS], to my good friends, the gentleman from Michigan [Mr. DINGELL] and the gentleman from Massachusetts [Mr. MARKEY], for all of their hard work and efforts on behalf of all of us here in America for this wonderful piece of legislation.

I would like to ask the people of America to pay attention, folks, because in the midst of all of our frustration over budget battles and partisan politics, a new day has dawned with this legislation.

Today's vote on this historic legislation lays out the welcome mat for the 21st century and for those of us in rural America, it ensures we have a place at the table.

As a representative of 25 rural counties in Arkansas, my primary concerns during these negotiations and among the conferees has been ensuring that people who live in rural areas will have access to the same advanced technology and competition that we are seeking for the country and at affordable prices. Today, I am extremely pleased with the results of endless hours of talks.

By extending the definition of universal service, we have provided the means to ensure the coordinated Federal-State universal service system provides consumers living in rural and high-cost areas with access to advanced telecommunication services at reasonably comparable rates. By adding guarantees to the requirements for receiving universal service money, we have also made sure rural consumers will be served.

The waives and modifications created in both the Senate and House bills were carefully blended in conference to balance desires to promote competition in local exchange areas while ensuring smaller providers have necessary flexibility to comply with the bill's interconnection requirement.

I appreciate the chairman's willingness to work with me on these and many other issues.

I also would like to recognize the House's wisdom in accepting the Snowe-Rockefeller provision in the Senate bill to supplement distance learning and telemedicine. We included similar language in our bill last year. I am pleased my colleagues in the House took the time to educate themselves about the infrastructure we need to educate our children.

This is a bill we can all be proud of. I certainly encourage all of my colleagues to support it.

My primary concern during negotiations among conferees has been ensuring that people who live in rural areas will have access to the same advanced technology and competition that we're seeking for the country—and at affordable prices.

Today, I am extremely pleased with the results of endless hours of talks. By expanding the definition of universal service, we have provided the means to ensure that the coordinated Federal-State universal service system provides consumers living in rural and high-cost areas with access to advanced telecommunications services at reasonably comparable rates. By adding guarantees to the requirements for receiving universal service money, we also have made sure that rural consumers will be served.

The waivers and modifications created in both the Senate and House bills were carefully blended in conference to balance the desire to promote competition in the local exchange area while ensuring that smaller providers have the necessary flexibility to comply with the bills' interconnection requirements. I appreciate the chairman's willingness to work with me on these issues.

I also would like to recognize the House's wisdom in accepting the Snowe-Rockefeller provision in the Senate bill to supplement distance learning and telemedicine. We included similar language in H.R. 3636 last year, and I'm pleased that my colleagues in the House took the time to educate themselves about the infrastructure we need to educate our children. We have crafted a bill that will enable doctors in Little Rock to read x rays from the Ozarks while students in Piggott will be able to use the Library of Congress in Washington for their term papers.

On a lighter side, this bill will give consumers more entertainment choices. It's been a long road toward creating the parameters for the information superhighway, and I congratulate Chairmen DINGELL, MARKEY, FIELDS, and BLILEY for their leadership. Special thanks also

are due staffers David Leach, Andy Levin, Harold Furchtgott-Roth, Cathy Reid, Mike Regan, and Michael O'Rielly.

Mr. CONYERS. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, we have heard from the industries involved in this bill, oh, have we heard from the industries. We have heard from the lobbyists that the industries have hired, oh, have we heard from the lobbyists. We have heard from the consultants that the lobbyists have hired. We have heard from the law firms, we have heard from all of them. Someone said, "We never want to hear from them again." Well, you will not for about 50 years, because that is how long it will take for us to get around to another communications act.

Why did you hear from them? What did you hear from the consumers? Oh, them? Well, what did you hear from the citizens? Oh, yes, right, JOHN.

Well, here is what they said, this is a $70 billion giveaway to broadcasters in this bill. I like broadcasters, folks. But the bill contains a provision which gives current broadcasters a block of publicly owned radio spectrum to increase their revenues by providing several free and pay-per-view channels, paging transmission and other nonprogram services without giving the public anything in return. Now, that from the Consumers Federation of America. Did they come and visit you? Have you received any visits from their lobbyists? I do not think so.

So what we are doing, ladies and gentlemen, in broad daylight, and I know we are sober, we are giving corporate welfare to a broadcast industry which is already among the most powerful. This gift is especially outrageous at a time when we propose massive budget cuts for scores of important social programs.

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

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. STEARNS].

Mr. STEARNS. Mr. Speaker, before I start, I would just like to commend the chairman of the committee for the great work he has done and also to the distinguished subcommittee chairman, the gentleman from Texas [Mr. FIELDS], who is retiring.

I would like to echo a comment one of my colleagues said, this is a great opportunity for bipartisanship, and I hope the American people are watching and the people in the audience, and, of course, the people here on the floor. This is a bipartisan opportunity.

I would like to put into the RECORD two colloquies with the distinguished subcommittee chairman, the gentleman from Texas [Mr. FIELDS], and this deals with the duopoly rulemaking. I would like to engage the gentleman in a colloquy.

Has he read the duopoly rulemaking that I gave him that I can make part of the RECORD here today?

Mr. FIELDS of Texas. If the gentleman will yield, I have read the clarification of local television station ownership provisions. The gentleman is correct in the statements that are made.

Mr. STEARNS. Since the rule was last revised, the local media marketplace has undergone a breathtaking transformation. So I think this is important. Also, has the gentleman, the subcommittee chairman, had the opportunity to read the statement concerning the must-carry provision? It is my understanding there is language within S. 652 which requires all must-carry challenges submitted to the FCC to be resolved within 120 days. Is that correct?

Mr. FIELDS of Texas. If the gentleman will yield further, that is correct, and I have examined the remainder of your colloquy.

Mr. STEARNS. Mr. Speaker, I am making part of the RECORD three documents.

The documents referred to follow:

Mr. STEARNS. Further I would like to state that broadcast stations are important sources of local news, public affairs programming, and other local broadcast services. This category of service should be an important part of the public interest determination to be made by the Commission when deciding whether a broadcast renewal application shall be granted by the Commission. To prevent local television broadcast signals from being subject to non-carriage or repositioning by cable television systems and those providing cable services, we must recognize and reaffirm the importance of mandatory carriage of local commercial television stations, as implemented by Commission rules and regulations.

The following is the understanding and agreement referred to in the colloquy between Representative FIELDS and Representative STEARNS:

The conference report directs the FCC to conduct a rulemaking proceeding to determine whether to retain, modify or eliminate its duopoly rule, which prevents ownership of more than one television station in a market. Since the rule was last revised, the local media marketplace has undergone a breathtaking transformation. This has been characterized not only by a large increase in the number of broadcast stations (up one-third in the last decade alone), but more significantly by an onslaught of new multichannel rivals to traditional broadcasters, such as cable and satellite systems, and soon, video dialtone networks.

It is agreed that, when it considers revision of the duopoly rule pursuant to this conference report, the FCC should give serious weight to the impact of these changes in the local television marketplace—changes which have left broadcasters as single-channel outlets in a multi-channel marketplace.

It is also our intent that the FCC should revise the rule as is necessary to ensure that broadcasters are able to compete fairly with other media providers while ensuring that the public receives information from a diversity of media voices.

It is also agreed that the FCC should consider granting waivers for combinations in which at least one station is a UHF and where the FCC determines that joint ownership, operation, or control will not harm competition or the preservation of a diversity of voices in the local television market.

As our numerous hearings demonstrated, today's local television marketplace exemplifies the massive changes in the competitive landscape that we've witnessed in many sectors of communications. Viewers are no longer limited to a few TV channels. Rather, consumers have—or soon will have—access to dozens of cable channels, wireless cable, satellite and video dialtone systems.

Broadcasters compete with these multichannel rivals for viewers and ad dollars alike. In particular, interconnected and clustered cable systems are now capable of offering advertisers local spots throughout an entire local media market, thus directly impacting the local broadcasting market. Indeed, cable's share of local advertising revenues increased by 80% between 1990 and 1993, and this rate of increase is projected to continue for the foreseeable future.

If we want free, over-the-air programming to survive and thrive, we need to give broadcasters the flexibility they need to compete effectively with their new multi-channel rivals. To this end, the conference report grandfathers Local Marketing Agreements, the innovative joint ventures that many broadcasters have been using to meet the new competition.

The need to relax the duopoly rule is illustrated by the broadcast community's experience with LMAs. These joint ventures enable broadcasters to take advantage of the economies of scale and generate synergies that provide more outlets for free and innovative local and other programming. LMAs have enabled new stations to get on the air and struggling stations to stay on the air.

Beyond grandfathering LMAs, this legislation charges the FCC to take a hard look at the duopoly rule, and Congress could not be more clear; the FCC is directed to determine whether to retain, modify, or even eliminate its limitations on television station ownership in a local market.

It is my position that the FCC should waive or eliminate the duopoly rule in circumstances cases where a proposed combination involves at least one UHF station and there is no demonstration of harm to completion or diversity of voices in the market. Congress needs to closely monitor the FCC to ensure that it revises the duoploy rule in recognition of the changes in the local television marketplace and of the need to give local broadcasters some flexibility to respond and succeed in the challenging multichannel marketplace.

The 1934 Communications Act—accompanied as it is by a hodgepodge of FCC decisions and court rulings—is outdated. As we craft the communications policy that is going to carry us into the 21st Century, we must ensure that it reflects the flexibility of an ever-changing marketplace.

We are standing at the precipice of a bold new era of communications, an era whose full impact we can only speculate about. But we can say this: That era holds great promise for America, economically and even politically. It will be an era in which America's already significant lead in communications technology continues to expand. It will be an era in which Americans will have greater access to information and education than ever before. And it will be an era in which democracy itself will be enhanced as Americans gain powerful new ways of communicating directly with their elected representatives.

For these reasons, this telecommunications bill represents one of the most important pieces of legislation Washington will consider this year. Unlike many bills before Congress, which concern the routine functions of government, the telecommunications reform legislation will help transform the very fabric of American society.

This is no small task and is fraught with controversy, but there is a common thread that holds all the elements of this massive bill together: deregulation. The fact is, government intrusion in America's communications industry has held us back, stifling innovation, competition, and the ability of America to maintain its global lead in key technologies. While this legislation did much in the way of loosening the regulatory chokeholds in the areas of long distance and local phone service, and cable, more could have been done in the area of broadcasting.

Broadcasting occupies a unique and critical position in the world of telecommunications. Broadcasters fulfill a number of important roles in their communities—reporting school closings, covering local news, and providing emergency information. In addition, broadcasting is unlike other communications technologies. Broadcasting is not only the only technology available to 100 percent of American households, the content it provides is free. The only cost is for a receiver.

Not surprisingly, broadcasting remains the principal means Americans use to get the information and entertainment that make up an important part of their lives. In fact, broadcasting has the widest coverage of any media today. More households have television and radios—99 percent—than have telephones—94 percent—or cable service—61 percent. Broadcasting to this day is the one medium that reaches the whole country. It is precisely for this reason that we must ensure that broadcasting remains a vital component in the information age. We must provide broadcasters with the flexibility to compete effectively not only with each other but also with their competitors.

In 1964, the FCC last revisited the duopoly rule which prohibits an entity for owning two television stations in a local market. In 1964, there were very few VHF stations and the FCC felt this rule was necessary to ensure diversity. Well, the video landscape has changed dramatically since the implementation of the 1964 duopoly rule.

Americans have access to many over-the-air broadcast channels. In the last decade alone, the number of commercial broadcast stations has increased by nearly one-third. This increase in free over-the-air viewing options, coupled with the availability of a multitude of video outlets—cable, wireless cable, DBS and the imminent entry of telephone companies offering video dialtone—evidences the fact that the duopoly rule has outlived its usefulness.

Serving local needs in an expensive endeavor. Relaxing the duopoly rule would allow station owners to achieve economies of scale by sharing equipment, accounting, and other common station costs. Saving on broadcasting costs would enable broadcasters to compete with themselves as well as other nonbroadcasting competitors. Keeping the duopoly rule freezes broadcasters as single channel providers who must compete with other multichannel providers.

Broadcasters have long found cable to be a formidable rival for viewers, but now local broadcasters are losing market share for local advertising revenues, too. For years, because of fragmentation of ownership in local markets, cables' share of local ad revenues has lagged behind its rapidly increasing penetration and viewership. But increasingly, cable operators are creating marketwide interconnects capable of offering local spots on all the cable systems in a market. Moreover, in order to compete with phone companies, cable operators are clustering at a rapid pace so that they dominate an entire local market. Driven by these interconnects and clustering, cable's share of local advertising revenues increase 80 percent from 1990 to 1993.

Because of the increased competition from fellow stations and other video providers, many broadcaster stations are marginal operations, particularly in the smaller markets, where, according to the FCC, stations lost on average $880,000 in 1991. Adding a further financial complication, the conversion to digital broadcasting will be stressful for these smaller market stations.

In this increasingly competitive communications market, it is not fair if one competitor remains leashed to outdated regulations. This is what will happen if we do not relax the duopoly rule, while we unshackle many of the broadcasters' competitors.

To respond to the challenges of today's media and advertising marketplace under the existing regulatory scheme, many television broadcasters have emulated their colleagues in radio and entered into innovative arrangements called local marketing agreements, or LMA's. An LMA is a type of joint venture that generally involves the sale of a licensee of chunks of air time on its station to another station, in the same or adjacent market, which then supplies the programming to fill that time and sell the advertising to support it.

Such agreements enable separately owned stations to function cooperatively, achieving significant economies of scale via combined sales and advertising efforts, shared technical facilities and increasing stations access to diverse programming. I'm pleased this legislation recognizes the benefits of LMA's and grandfathers them. By grandfathering LMA's, we are allowing broadcasters to continue to use a tool that has helped them meet the challenges of today and tomorrow.

My own State, Florida has 5 LMA's which have generated positive synergies. Channel 26 in Naples could not afford a real news department until it entered into an LMA with channel 20 in Ft. Meyers. Now it has an outstanding news operation. This particular joint venture shows how LMA's can increase the amount of local news programming. There are many other examples of LMA's across the country that evidence the benefits of such arrangements.

While I am disappointed the conference did not accept the House provisions which relax the duopoly rule, I am confident that the FCC will, in its duopoly rulemaking, conclude that as this body did, that a 1964 rule is no longer applicable to today and more important, tomorrow's video marketplace. We must not continue to deny local broadcasters the flexibility they need to meet the challenges of an ever increasingly competitive market. Broadcasters must have more relief if they are to play a meaningful role in the information age. While grandfathering LMA's is a start, it certainly is not enough. The best solution to ensure the continued viability of free, over-the-air broadcasting is to relax the duopoly rule.

I am also disappointed with the radio provisions which are a disservice to those in the radio industry. While the House and Senate bills completely deregulated the radio industry, the conference took a giant step away from deregulation and forces the radio industry to attempt to compete with others with a 50 pound weight of needless regulation around its neck. I prefer the original House position which would have enabled all in the radio industry to prosper.

While the Telecommunications Act improves upon the Pole Attachment Act of 1978, our legislation fails to completely redress this issue. We have worked together to forge a compromise, but certainly we could have gone further, allowing the free market to work.

Again, while I am deeply disappointed with some provisions in this bill, I will support it because of the effect it will have on our economy. Overall, Congress cannot afford to let this opportunity slip through its fingers one more time. We must seize this opportunity and pass this ground breaking legislation now.

Mr. MARKEY. Mr. Speaker, I yield 1 minute to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Speaker, I did not have the privilege of participating in this year's debate, because I took a leave of absence from this committee. But truly I participated in the last, I do not know, 10 to 15 years that we tried to do a bill, and for this reason I think enormous credit must go to the gentleman from Virginia [Mr. BLILEY] and the gentleman from Massachusetts [Mr. MARKEY] and I think especially the gentleman from Michigan [Mr. DINGELL], who have over the years produced a bill that brings back open competition, deregulation. This is a historic bill, probably the most important bill that will do something for people, bring technology into people's homes, opens up telephone service, cable.

This is something that I think, as the gentleman from Michigan [Mr. CONYERS] has pointed out, perhaps is not perfect, but it is something that once again, when the history is written of this Congress, I think this bill is going to be considered landmark legislation, and again, while I did not participate this year, I remember the hundreds and thousands of hours of markups when something did not work, and again, I want to commend the chairmen, but especially those on my side of the aisle, the gentleman from Massachusetts [Mr. MARKEY] and the gentleman from Michigan [Mr. DINGELL] for truly historic efforts in voting a historic bill.

Mr. Speaker, I rise in strong support of this historic telecommunications reform legislation

which is the product of a bipartisan effort over many years. In particular, I would like to commend Chairman BLILEY, Subcommittee Chairman FIELDS, Ranking Member DINGELL, and Mr. MARKEY of Massachusetts for their spirit of cooperation and commitment to passing quality legislation.

This legislation, which will serve as the foundation for America's communications future, meets the necessary balance of private and public cooperation in setting the rules for competition in all communications markets and protecting consumers.

This telecommunications reform legislation will play a major role in bringing the benefits of the technological revolution closer to all Americans.

Although, Congress can ensure universal access, it cannot guarantee success. I challenge all Americans to take advantage of historic, new technology to boost its economic fortunes.

The nature of the telecommunications industry is inherently susceptible to large degrees of commercial concentration. I am confident this bill combines private sector mechanisms necessary to ensure all residents the highest quality of services while maintaining Government safeguards to ensure open competition and policies that empower children with information technology by creating incentives for public entities like schools, libraries, hospitals and community centers.

This bill embraces sensible deregulation and market-driven competition. It is a welcome dose of bipartisan compromise that will yield unlimited benefits in the form of job creation and the disbursement of the information age.

Deregulation is necessary where appropriate and prudent. However, Government oversight is necessary to ensure the public good such as providing universal service to poor, rural and minority customers.

This legislation ensures that all providers contribute their fair share to supporting universal telephone service in residential and rural areas. It preserves the principle that everyone should have access to telephone service, regardless of their ability to pay the cost to provide that service.

As Americans have done so many times in our history, we enter the information age in the belief of open markets and free competition. As we stand amidst the apprehension of the unknown and the excitement of discovery, we accept the challenges of the future and the responsibility of inevitable obstacles.

Mr. CONYERS. Mr. Speaker, I yield 2½ minutes to the gentleman from California [Mr. BERMAN], who has done extremely important work on the antitrust provision in this bill.

Mr. MARKEY. Mr. Speaker, I yield 30 seconds to the gentleman from California [Mr. BERMAN].

Mr. BERMAN. Mr. Speaker, the conference report appropriately includes a strong, independent role for the Justice Department in evaluating applications by RBOC's to provide long distance service.

The FCC must consult with the Attorney General in determining whether RBOC entry is in the public interest, a requirement designed to ensure that the FCC gives proper regard to the Justice Department's special expertise in competition matters and in making judgments regarding the likely marketplace effects of RBOC entry into the competitive long distance markets.

In fact, acknowledging the importance of the antitrust concerns raised by such entry and to check any possible abuses of RBOC market power, the bill specifically provides that the FCC accord substantial weight to the DOJ's views on these issues.

I am pleased that we have secured the Justice Department's role as the country's antitrust expert by ensuring that its position is given serious substantive consideration on the merits by the FCC as well as in any ensuing judicial proceedings.

However, I am gravely concerned that provisions in title V of the conference report, in particular, sections 502 and 507, are unconstitutional.

In section 507, by extending to the internet clearly unconstitutional underlying law, we are enacting an unconstitutional abortion gag rule.

As a member of the conference committee, I would like to review the procedural history of the adoption of the online indecency prohibition in section 502.

The House conferees first voted to approve a substitute amendment offered by Representative RICK WHITE which contained a Miller-adapted "harmful to minors" standard, rather than an indecency standard as the basis of liability under Section 223(d) of Title 47. The harmful to minors standard would have criminalized exposing children to online pornography such as Playboy or Penthouse without chilling entirely nonpornographic, but offensive, expression. However, the House conferees then approved by a 17-to-16 vote an oral amendment offered by Representative GOODLATTE to replace the "harmful to minors" standard in the White substitute with a then-unspecified indecency standard.

After that vote, Representative WHITE put forward a proposal to supporters of the Goodlatte amendment to define the indecency standard to include the third prong of the Miller-Ginsberg "harmful to minors" test. The proposal was to include statutory language clarifying that the indecency standard included only material that "taken as whole, lack[s] serious literary, artistic, political or scientific value for minors." I and others supported this proposal in an effort to avoid criminalizing display of valuable material that might nevertheless be considered "patently offensive" according to the standards of some local communities. However, the proposal was rejected by leading supporters of the Goodlatte amendment. They instead reduced the Goodlatte amendment to writing by incorporating the FCC broadcast definition of indecency into the House offer to the Senate. That indecency formulation was accepted by the Senate conferees, and will now become part of this legislation.

No hearings were held by any committee of jurisdiction with regard to the constitutionality of the indecency standard adopted by the Conference Committee or the least restrictive means by which to implement such a standard.

I regret that there were no hearings on this issue because I believe that we have overlooked serious constitutional problems with applying the indecency standard to the online medium. The least restrictive means test to which the courts subject indecency restrictions requires us to consider carefully how the restriction applies to the medium in question and whether less intrusive alternatives would achieve the governmental interest in protecting children. Having failed to engage in this inquiry and analysis, we have a conference report which assumes that the broadcast indecency standard can simply be applied wholesale to displays of online content.

While I believe that we have made progress in some respects through the adoption of the conference compromise on Internet content, I fear that our failure carefully to consider the least restrictive alternative test may result in the invalidation of section 223(d), a concern expressed to me in a letter from the Department of Justice. This letter was sent to all the conferees and explained that the indecency prohibition adopted by the conference was constitutionally suspect, and stood a greater risk of being found unconstitutional than the harmful to minors standard that was supported by 16 House conferees. In a hurried effort to appear tough on pornography we may well have approved an unenforceable legal standard.

□ 1530

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. FRISA].

Mr. FRISA. Mr. Speaker, the Congress will soon pass the first overhaul of America's communications laws since 1934, when Americans gathered around the family radio for their news and entertainment. Today, as a result of this exciting new law, the very latest in technology will now be available and affordable to every American everywhere. So this legislation, which will breed competition and innovation and lower costs to all Americans, is good for the American people, and I urge its adoption.

Mr. MARKEY. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. DEUTSCH].

Mr. DEUTSCH. Mr. Speaker, I want to commend the conferees. This legislation is as significant as it has been controversial and complex, and it has required a tremendous effort on the part of the conferees to get us to the point where the conference report can be voted on today.

This legislation will be a major boom to our economy and our constituents.

My constituents, like others around the country, will be the beneficiaries of greater communications choices, lower costs, increased jobs, and economic well-being. The bill represents a substantial step in the right direction, and I believe it will strike a good balance between deregulation and consumer protection.

As for the issues that have not been completely nailed down, such as foreign ownership rules and questions of interpretation and implementation, I look forward to working with my colleagues on the Committee on Commerce to ensure that the vision and balance intended in this bill is maintained.

Mr. CONYERS. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. WATT], who has served with unusual distinction in his career on the Committee on the Judiciary.

Mr. WATT of North Carolina. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I think my colleagues know me well enough to know that I seldom come to the floor to debate a bill when I do not know how I am going to vote on that bill.

This is a bill which has some real advantages to it. I think we do need to increase the level of competition in the telecommunications industry, and this bill heads us in that direction. But there are also some very troubling things about this bill, and I am really having a hard time balancing those troubling aspects against the benefits of the bill.

Would it be irresponsible of me to vote to give away the capital of the United States of America? That is in essence one of the things this bill does. The 70 billion dollars' worth of assets that the United States Government now owns is being given away to the richest people and industry in America under this bill. That is the spectrum value, I am told.

So I am troubled, deeply troubled, by the notion that we could at the same time that we are taking $70, $100, $200 billion away from the poorest people in this country, be turning around, on the other hand, and giving away $70 billion of our assets. I am troubled by that. I hope I can get some guidance before the vote.

Mr. BLILEY. Mr. Speaker, I yield myself 1 minute to respond to the gentleman from North Carolina.

Mr. Speaker, there is no giveaway in this bill. What we do is loan the spectrum to the broadcasters because they have to simulcast while they advance this new technology. That is, the current TV sets will not receive the digital signal, so they have to broadcast both digitally and analog.

Mr. WATT of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. BLILEY. Mr. Speaker, I do not have the time, and, if the gentleman will be patient, I think he will understand where I am coming from by the time I am finished.

So they have to do this simultaneously. What we say is once this conversion comes, we reclaim the analog spectrum and we auction it off at that time. Nobody can tell you if the American people for sure will adopt this new technology, and nobody can tell you when they will do it; $70 billion is pulled out of the ether somewhere. There are no statistics to back it up.

Mr. Speaker, I yield 30 seconds to the gentleman from New York [Mr. PAXON].

Mr. PAXON. Mr. Speaker, this is truly an historic day for this body. It marks the beginning of a new era for American businesses and consumers that will result in the creation of millions of new jobs in the years ahead because of this legislation.

Full and open competition will create new products and innovative services at the best prices for consumers. I think, most importantly, this bill recognizes one of our guiding principles, that competition is better than regulation.

Mr. Speaker, I want to give special thanks and appreciation to the chairs, the gentleman from Texas, [Mr. FIELDS] and the gentleman from Virginia [Mr. BLILEY] for their leadership in bringing this bill to the floor today. This is one of the most important days in this Congress.

Mr. MARKEY. Mr. Speaker, I yield 1 minute to the gentlewoman from California [Ms. LOFGREN].

Ms. LOFGREN. Mr. Speaker, I think that one of the most important things in this telecommunications reform bill is the provision that I advocated when the bill was before the House some months ago, and that is affordable access to the Internet for schools. I would like to thank all of those Members of both sides of the aisle who fought for this and who kept with it in the conference, because this is one of the items in which no high-priced lobbyists were involved. No one was interested but the parents and the teachers of this country. It will make a tremendous difference, especially for children who come from less affluent families. Recently my hometown newspaper did an analysis of Internet access and test scores and found that for children in low-income neighborhoods whose families do not have a lot of money, their test scores rose dramatically just with their introduction to the Internet. So I think this is a stellar day for schoolchildren.

Mr. Speaker, I would also like to say that I was very angry when I heard that some people would jeopardize this very important bill by putting in extraneous measures having to do with abortion. I would like to thank the gentleman from Illinois [Mr. HYDE], and the gentlewoman from New York, [Mrs. LOWEY], who disagree on the underlying issue, for clarifying that these provisions are unconstitutional and now the legislative history is such that they are not valid.

Mr. CONYERS. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina [Mr. WATT], before the dean's explanation has taken hold.

Mr. WATT of North Carolina. Mr. Speaker, I am just trying to get some further clarification here, because the gentleman from Virginia [Mr. BLILEY], has indicated that they are not giving this spectrum away. Am I clear that in the process of loaning this spectrum, when you get back what you are going to get back from them ultimately, they are giving you the old capacity back, not the new capacity?

Mr. BLILEY. Mr. Speaker, will the gentleman yield?

Mr. WATT of North Carolina. I yield to the gentleman from Virginia.

Mr. BLILEY. That depends. If they use the new capacity, yes, we will get the old back. If they do not use the new capacity, we will get the new back.

Mr. WATT of North Carolina. Mr. Speaker, reclaiming my time, if they use the new capacity, would that not be the equivalent of giving you back what would be the virtual equivalent of black and white television as opposed to much more advanced capabilities, the equivalent of color television?

I know it is beyond that, but I am simplifying it. We are not talking black and white versus color, but capacitywise, is it not substantially more?

Mr. BLILEY. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, the spectrum, we do not know what they will be used for when it is auctioned off. It could be used for many things. But it will bring a far better price than if you do it speculatively now, because the broadcasters will have to spend some $10 billion for new equipment in order to broadcast a digital signal while they do the simulcast.

Mr. WATT of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. BLILEY. I yield to the gentleman from North Carolina.

Mr. WATT of North Carolina. Mr. Speaker, is it not true that the old spectrum is inordinately less valuable than the new digital spectrum?

Mr. BLILEY. Mr. Speaker, reclaiming my time, it may or may not be. We will have to see.

Mr. DINGELL. Mr. Speaker, I yield myself 1½ minutes.

Mr. Speaker, this is a very regrettable red herring. We have now a system of analog broadcasting for television. It is possible to develop a system of digital broadcasting in which we get a superior signal, both as to sound and as to picture. We are trying to move ourselves from this analog system to the superior digital system and

to achieve the benefits which will flow from that kind of use.

To do so, we have seen that the Federal Communications Commission has made available a block of spectrum which will be made available to each of the broadcasters so that they can use it for going from analog to the new digital system, and they will continue to use the analog system which they now have during the time that the changeover takes place.

There are literally hundreds of millions of television sets in this country that have to be changed from the analog to digital. At the conclusion of the entire process, one of these existing sets of signals will be returned to the Federal Government. They will be unimpaired because the spectrum is a system of availability of receiving signals.

Mr. FIELDS of Texas. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Texas.

Mr. FIELDS of Texas. Mr. Speaker, to my good friend very quickly, it is the anticipation that the V-band is going to be cleared. The U-band will be packed, which will add value to the return of that analog spectrum. It is arguable that this will be more valuable spectrum.

Mr. DINGELL. Mr. Speaker, reclaiming my time, the spectrum will come back to the Government at the conclusion, either the digital or the analog, and the citizens will during that time have a chance to change over to the new kind of television sets. The broadcasters will be able to convert to the new kind of broadcasting system.

The country will achieve the enormous benefit of this set of events, and the public will receive the opportunity to make the changeover in an orderly fashion in a way which benefits everybody. The taxpayers will gain. There is no giveaway of anything.

At the conclusion of this time, the broadcasters will have the same amount of spectrum they have now and an orderly changeover to a superior system of broadcasting will have taken place during this period.

Mr. CONYERS. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Speaker, I thank the gentleman. The one thing that surprises me is that the Republican Party has apparently, with regard to this question of how to use the new spectrum, so little confidence in the free market. We hear about the free market from time to time, but because a very valuable industry, the broadcasting industry, wants to get the first use of it for nothing, and that is what we are talking about, this valuable part of the spectrum, yes, the broadcasting industry will be allowed, for free, to do the experimentation, and then maybe at the end they will give back the other part of it.

Mr. Speaker, the gentleman from North Carolina was right.

□ 1545

Whatever happened to the free market? Is not the best way to decide how to use this new spectrum that will become available, whether it is for digital TV or for some other purpose, to let us auction it off?

Mr. Speaker, earlier it was said all elements of industry liked this bill. I have no particular beef with the industry, but I would suggest that when all elements of industry like the bill, probably the taxpayers and the consumers have reasons to worry.

Mr. CONYERS. Mr. Speaker, I yield myself 15 seconds.

Mr. Speaker, why do we have to give the broadcasters spectrum not being used for free, over-the-air TV? It is a gift, no matter how it is described. It is a huge, charitable, wealthy, corporate gift.

Mr. Speaker, I yield 15 seconds to the gentleman from North Carolina [Mr. WATT].

Mr. WATT of North Carolina. Mr. Speaker, now that I have heard all the explanations, I would say that this is like giving away the dirt road and the interstate highway, and, once this is all over, we are going to be given back the dirt road to auction off the somebody else.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from Louisiana [Mr. TAUZIN].

Mr. TAUZIN. Mr. Speaker, let me see if I can help set the record straight. Our bill does not give away spectrum to the broadcasters to do anything with other than to broadcast over the air in this transition from one technology to the other. And then it requires the return of the old technology spectrum to the people of the United States.

Second, the bill provides that, if the broadcasters should use any of that spectrum for any purpose other than over-the-air broadcasting, they have to pay for it like everybody else. That is what the bill currently says.

One final point: The issue of a broadcast spectrum is tied up with something called the public interest standard. It has to do with the trade we made a long time ago to licensed broadcasters who operate under a public interest standard, a relicensing by the FCC, and a review of that licensing over time.

If my colleagues want to change that policy, and some do, they ought not make it in a budget meeting; they ought to make it in the committee of jurisdiction where we examine what happens on television and what broadcasters do with the license they get to operate in the public interest standard. I urge my colleagues to pass this bill and let us debate that issue in the committee of jurisdiction where it belongs.

Mr. MARKEY. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. TOWNS].

Mr. TOWNS. Mr. Speaker, I would like to thank the gentleman from Virginia [Mr. BLILEY], chairman, and the gentleman from Michigan [Mr. DINGELL], ranking member, and of course the gentleman from Texas [Mr. FIELDS], the chairman of the subcommittee, and the gentleman from Massachusetts [Mr. MARKEY], the ranking member of the subcommittee.

I am pleased that this conference report contains a new initiative to assist in the development of capital funds for small businesses. This telecommunications development fund will provide low-interest loans to small businesses with $50 million or less through upfront spectrum auction payments. I would like to thank the leadership of the committee for bringing this momentous legislation forward and for supporting my efforts to assist small businesses.

Mr. CONYERS. Mr. Speaker, I yield 30 seconds to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Speaker, the argument we hear against auctioning off the spectrum to the broadcasters, as we have just heard from my friend from Louisiana, after all, they operate with public interest obligations. I have been here with him 15 years, and that is the nicest I have ever heard him talk about public interest obligations.

The broadcasters successfully work to reduce those public interest obligations to mean virtually nothing. The only time they raise them is when they can use them as an excuse to get the superhighway, as the gentleman from North Carolina said, for free. I do not think that my friend from Louisiana believes that that public interest standard will ever be amounting to much. It is simply a flag they wave so they can get this for free.

Mr. BLILEY. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore (Mr. HAYWORTH). The gentleman from Virginia [Mr. BLILEY] has 6 minutes remaining, and the gentleman from Massachusetts [Mr. MARKEY] has 6 minutes remaining.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from Virginia [Mr. GOODLATTE].

Mr. GOODLATTE. Mr. Speaker, I rise in strong support of this very, very important bill that is going to provide deregulation in an industry that is badly needed. We are going to finally bring the telecommunication policy of this country into the last half of the 20th century before we enter the 21st century.

Mr. Speaker, this bill is going to create millions of jobs, estimated over 3 million jobs due to the new competition and the new technologies that are going to be made available.

I would also like to thank the gentleman from Illinois [Mr. HYDE], the chairman, and the gentleman from Virginia [Mr. BLILEY], the chairman of the conference, for making it possible for me to play a key role in working out an agreement that protects the rights of local governments to see that their zoning regulations are carried forward in making sure that, when new cell towers are located, they have the ability to determine in each locality where they are placed while fairly making sure that those locations do not interfere with interstate commerce and with the opportunity to advance this new technology.

I strongly support this legislation and urge my colleagues to vote for the conference report.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentleman from Washington [Mr. WHITE], a member of the committee.

Mr. WHITE. Mr. Speaker, I thank the gentleman from Virginia [Mr. BLILEY] and the gentleman from Texas [Mr. FIELDS] for giving me the opportunity to be part of this bill.

This is a good bill. It is an important bill. I would like to point out what sometimes gets lost when we talk about all the details. The main accomplishment of this bill is that it takes us from our current situation of regulated monopolies in many, many industries and takes us to an era of competition. That is the huge accomplishment of this bill. It is a very important accomplishment, and I think it is something we can all be proud of.

There are several other issues this bill deals with. Like many good bills, this is not a perfect bill. I think we have a ways to go making sure that the Internet is protected under this bill. I think we ended up with the wrong standard for indecency. I think we have to make sure that the FCC does not have a role in regulating the Internet. I think that the gentleman from Texas [Mr. FIELDS] and I have colloquy that we are going to submit for the RECORD on that issue. But on balance I think this is important, and I ask the gentleman from Texas if he has seen the colloquy and agrees with it.

Mr. FIELDS of Texas. Mr. Speaker, if the gentleman will yield, I have reviewed that. He is accurate and I am supportive.

Mr. WHITE. Mr. Speaker, reclaiming my time, I appreciate that. I thank the gentleman from Virginia [Mr. BLILEY] and the gentleman from Texas [Mr. FIELDS] for letting me be part of this bill. It is a great bill, and I hope we adopt it.

Mr. BLILEY. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, in reviewing section 602 of the bill as modified by the conference agreement, which deals with the preemption of local taxation for direct-to-home services, I wonder whether this provision should also include any present or future wireless service providers who transmit video programs to subscribers without using traditional wire-based distribution equipment as the new local multipoint distribution services, or LMDS.

I yield to the gentleman from Illinois [Mr. HYDE], chairman of the Committee on the Judiciary.

Mr. HYDE. Mr. Speaker, it sounds like essentially the same factual situation to me. I assure the gentleman that we would be willing to hold hearings in the Committee on the Judiciary on that subject later this Congress.

Mr. BLILEY. Mr. Speaker, I reserve the balance of my time.

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

Mr. Speaker, this is a historic day. The legislation which we are considering has been constructed over a 4-year period. Much deliberation has been given to this legislation. Many issues so complex that they could not be resolved in brief periods of time had to be deliberated after much expert opinion over month-long periods.

The product that we have out here on the floor is not perfect, but it is the blueprint for the information superhighway of the 21st century. Its most important component is that it uses competition as its core, as its soul.

Everything in this bill is not perfect. The bill, in fact, guarantees that no company in any industry will any longer be able to rest comfortably knowing that they have a monopoly and that telecommunications or computer or long distance or software or whatever high technology industry that they seek to make their fortunes in.

In addition, we ensure diversity. We ensure that consumers are going to have choices. There will be two wires at a minimum to almost every single home in the country, each wire able to perform every single one of the services. If you throw in the electric companies, which also have the capacity to do so, we are going to have a revolution which the smallest companies, the smallest software companies, that thousands and thousands of software companies and computer companies which represent the real job creators over the next generation will, then they can one way or the other get their product into the homes, into the businesses of every single person in this country.

This is a revolution. It breaks down all the old models of one cable company, of one television company. It breaks new ground in a way that should make every Member of this Congress proud. It is not perfect, but it is the best overall blueprint that any country in the world has ever come up with. We have the lead in all telecommunications fields. This bill allows us to sprint out further and look behind us over our shoulder at No. 2 and No. 3 in the world.

We should not delay yet another 2 years. Let us pass this bill.

On the issue of spectrum, for each of us here in Washington there is a channel 4, a channel 7, a channel 9. Next to it is a channel 3, a channel 6, a channel 8. The broadcasters will be given channels 3, 6, and 8. They will convert over to digital on those channels, and then they have to give back the old channels here in Washington. Channel 4, 7, and 9 must be given back, and then we can auction off those channels. They are only left with the same amount of band width as they have ever had.

Let us not have this red herring to float out here on the floor. There is no digital spectrum, there is no analog spectrum. There is spectrum. You use digital equipment or analog equipment. The broadcasters need time to convert over to digital equipment. The spectrum is the same.

I want to compliment, finally, the people who constructed this bill. On my staff, Colin Crowell and David Moulton who worked tirelessly. David Leach, chief staffer for the minority; Alan Roth and Andy Levin on our side. Mike Regan, Cathy Reid, Christy Strawman on the majority side. Michael O'Rielly, J.D. Derderian, Steve Cope.

This bill was put together after thousands of hours of discussion. It is a very good bill for the future of this country. We will have to come back and revisit it again and again in order to ensure that we continue to perfect that which we seek for this country. But this bill is the best that any in the world have ever seen.

We are breaking ground that Japan and Germany and France and England do not have the nerve to take. We are going to enter a brave new world where our companies will be forced to produce the best products, the best service at the lowest price and highest quality that will be sold around the world. Some companies will be winners, some will be losers.

□ 1600

Many more will be winners than losers. Our country ultimately will be the big winner. This is a good bill. It is one that this House should be proud of. It is a bipartisan product of work over a 4-year period.

Again, I compliment the chairman of the full committee, the gentleman from Virginia, Mr. BLILEY, and my good friend, the gentleman from Texas, JACK FIELDS, for his hard and courageous work on this bill; the gentleman from Michigan, JOHN DINGELL, chairman, once and future; and all the Members, minority and majority who have contributed to this process. It is something this House will be proud of.

It will be, when we look back, the one product out of this 2-year period

where all Members of Congress, when they are sitting in their rocking chairs, can point back to and say "I was there when the blueprint of the 21st century was noted on the floor of the House of Congress." Vote "yes" on this telecommunications bill.

Mr. Speaker, over a number of years, Congress has sought to update antiquated communications laws while remaining true to the three core principles of the Communications Act of 1934 that have guided communications policy for decades: universal service, diversity, and localism.

These three principles have served our Nation well and have helped bring Americans the finest communications technology and service in the world. The challenge for policymakers is to reform the rules in a way that retains these core values as they are impacted by two new factors: rapid technological change and fierce competition.

In many ways, the conference report on S. 652 makes great progress in accomplishing this task. In fact, many of the key policy proposals embodied in the legislation trace their roots to the Markey-Fields and the Dingell-Brooks legislation of the 103d Congress—H.R. 3636 and H.R. 3626, which were approved by the House by an overwhelming 423 to 5 vote. For example, it will help establish learning links to K–12 schools, libraries, and hospitals. It contains expanded privacy protections for consumers. It unbundles set-top boxes and other interactive equipment so consumers can buy the equipment of their choice. It helps to ensure access by disabled persons to telecommunications equipment and services. The bill will make sure that universal service evolves over time and that all competitors contribute to the system. It allows the phone industry into the cable business and vice versa. It breaks down the last vestiges of monopoly control over local telephone service as a condition of Bell entry into new business opportunities. These were all elements of the Markey-Fields legislation of the 103d Congress.

The conference report on S. 652 reflects a series of compromises between the House and Senate that resolve to my satisfaction the series of objections I raised to H.R. 1555 when it was approved by the House last August. The conference report on S. 652 being brought back to this body is a much-improved piece of legislation. It scales back or removes many of the problematic provisions of H.R. 1555 while retaining procompetitive, proconsumer measures that I strongly support.

Title I of the legislation will break down barriers to competition in the so-called local loop. Ridding the communications industry of the last vestiges of its monopoly past has long been a goal of mine. I believe strongly that we need to bring competition to every nook and corner of the telecommunications industry and break down monopoly barriers so that small companies and electronic entrepreneurs could get into the game, create jobs, and compete for consumers.

My overarching policy objective in this telecommunications legislation has been to create jobs and choices for the American people. For this reason I have consistently opposed monopolies and worked to rein in monopoly power and abuses wherever they arise. Why? Because monopolies limit choices. Monopolies retard technological development. Monopolies do not avail consumers of the lowest prices and the highest quality.

For me, competition has consistently been the preferred vehicle for bringing affordable and high-quality telecommunications technologies to the American consumer.

The compromise bill will allow the regional Bell operating companies into the long distance business, telephone companies into the cable television business, and the long distance industry, cable industry, and others into the local phone business. Over the long term I believe that increased competition between and among these hitherto separate industries will create tens of thousands of jobs. Moreover, I believe that the real explosion in terms of job creation, innovation, and new services will come from the computer and software industry as it converges with the telecommunications industry and further expands high-technology networking in the country.

The original House proposal would have deregulated cable systems within 15 months of the date of enactment. The pending legislation will deregulate the rates of most cable systems 3 years from now—in March 1999. The rationale for deregulating cable systems at that point is due largely to the success of the Cable Act of 1992. Although the cable industry fought the provision vigorously, the Cable Act of 1992 gave emerging satellite competitors and others access to cable programming, making competition viable. I am encouraged by the progress that direct broadcast satellite companies and wireless cable companies are making in signing up customers and competing against incumbent cable operators. It is my hope that robust competition will develop between these industries by 1999 to an extent that sufficiently avails consumers of affordable marketplace choices for multichannel video programming.

In addition, many of the cable provisions of the House bill that I found objectionable have been favorably resolved in the pending bill. The legislation no longer requires 3 percent of subscribers to complain to the FCC prior to inducing a rate review. Instead, franchising authorities may complain to the Commission after receiving consumer complaints. The legislation also does not contain provisions that would have generally and prematurely deregulated subscriber equipment.

The legislation also requires the Commission to resolve challenges to must-carry status within 120 days after a request is filed with the Commission. Broadcast stations have historically been important sources of local news, public affairs programming, and other local broadcast services. This category of service is an important part of the public interest determination to be made by the Commission when deciding whether a broadcast renewal application shall be granted by the Commission. To prevent local television broadcast signals from being subject to noncarriage or repositioning by cable television systems and those providing cable services, I believe it is important to recognize and reaffirm the importance of mandatory carriage of local commercial television stations, as implemented by Commission rules and regulations.

The conference report also contains provisions which would allow registered utility holding companies an exemption from the Public Utility Holding Company Act of 1935 [PUHCA]. PUHCA is a complex statute that regulates the operations of large registered multistate electric and gas utility companies. It requires registered holding companies to obtain prior SEC approval before establishing affiliates, issuing securities, or entering into new lines of business. The act affects the ability of registered to enter into telecommunications because PUHCA restricts registered utility diversification into nonutility businesses by requiring such businesses to be functionally related to the utilities core business—i.e., at least 50 percent of such businesses must serve core utility functions such as internal business communications.

PUHCA was enacted to deal with the fact that State PUC's cannot effectively regulate the operations of multistate utility holding companies with complex corporate structures and an ability to cross-subsidize at the expense of captive ratepayers. While much has changed since PUHCA was enacted in 1935, the electric utility business remains a monopoly and there remains a temptation for self-dealing and cross-subsidization at the expense of captive utility ratepayers.

Many House conferees felt that unless we end the electric utilities' continued monopoly over electricity generation, we must retain certain controls and protections if we were to allow PUHCA-registered holding companies to diversify into telecommunications. We felt that PUHCA provisions of the Senate bill do not adequately address the threat of cross-subsidization or self-dealing at the expense of captive utility ratepayers.

Despite our strong reluctance to including PUHCA–TELCO language in this bill, we were able to work out on an approach based on the EWG provisions of EPACT that would adequately protect consumers and investors. This compromise would:

Require the FCC to certify a registered's telecommunications company is PUHCA-exempt for specific telecommunications purposes.

Certification of the telecommunications entity is necessary to ensure that it is exempt from PUHCA solely for enumerated telecommunications activities.

This is based on EWG model that has been highly successful, with over 250 applications approved to date.

Provide for state prior approval for converting existing rate-based facilities for use by the exempt telecommunications company.

This protects electric consumers investment in facilities constructed for their benefit (otherwise such facilities might be transferred to the telecommunications affiliate at less than fair market value.

This protects captive ratepayers from subsidizing telecommunications activities that don't benefit them.

Grant the SEC authority to obtain risk assessment information regarding financings of the exempt telecommunications company so that it can assess a substantial adverse impact of such financings on the registered holding company, in light of total invested in core utility operations, telecommunications, exempt wholesale generators, and foreign utility companies.

This will allow the SEC to take action to deny a proposed financing of an EWG, FUCO, or utility affiliate if it determines that the financial health of the registered is in danger as a result of telecommunications financings.

Provide for prior State and local approval of affiliate transactions.

This ensures captive ratepayers do not pay an inflated price for telecommunications service, due to the incentive to use a monopoly market, electricity, to subsidize entry into a competitive one, telecom.

Assure regulators access to books and records and provide audit authority.

This is necessary to ensure State and Federal regulators can examine all relevant utility and affiliates records to ensure cross-subsidization is not occurring.

Assure no preemption of State/local authority to protect electricity consumers.

I believe that this is an acceptable compromise on this difficult issue, and I commend the gentleman from Michigan [Mr. DINGELL], the gentleman from Virginia [Mr. BLILEY], and the gentleman from Colorado [Mr. SCHAEFER] for their work on this matter.

The conference report on S. 652 also contains a provision that I authored as part of H.R. 3636 in the last session of Congress and that was embodied by legislation authored by Chairman BLILEY and myself in this session. Section 304 of the bill will unbundle set-top boxes, converter boxes, and other interactive communications equipment and make them available for purchase from third parties. I believe that this is a procompetitive, proconsumer provision that will enable computer companies, telecommunications equipment providers, and other entrepreneurs to innovate and sell new high-technology gadgets to consumers without having to sell out to the owner of the wire that delivers multichannel video programming. I believe this will help to replicate for the interactive communications equipment market the success that manufacturers of customer premises equipment [CPE] have had in creating and selling all sorts of new phones, faxes, and other equipment subsequent to the implementation of rules unbundling CPE from common carrier networks.

The conference report on S. 652 is most improved in its treatment of mass media ownership issues. I had battled and fought against the mass media provisions of H.R. 1555 because I felt that such provisions indiscriminately repealed rules that helped protect important values such as localism and diversity. During floor consideration of H.R. 1555 in August I successfully amended the bill to scale back the TV network audience reach from 50 percent to 35 percent and reinstated the broadcast-cable crossownership prohibition. The conference report states that the Commission's regulations on national ownership caps should be increased to the 35 percent level and that limitations on the number of stations one entity could own be eliminated. This policy decision reflects a carefully calibrated balance and I believe that the duly considered view of Congress on these matters should settle the issue for many years to come.

With respect to the broadcast-cable crossownership rule, the conference report explicitly states to the FCC that repeal of the statutory prohibition shall not be interpreted as a signal to repeal the Commission's broadcast-cable crossownership rule or even to initiate a rulemaking to repeal the rule. The conference report expressly did not seek to wipe out the broadcast-cable crossownership rule and therefore the Commission is advised not to expend its limited resources reviewing this issue.

Much improved is the provision eliminating local ownership limits on radio stations. Although both the House and Senate bills eliminated the local ownership limits of 4 stations per market but because of concerns expressed by myself and others on the conference committee, as well as by the Clinton-Gore administration, local limits were reinstated in conference. The conference report revises section 73.3555(a) of the Commission's regulations to provide for ownership limitations based upon market size. The conference report does not define the term "radio market" and the Commission will need to apply a definition of such term as part of revisions contemplated by this section.

I also applaud the fact that the bill includes two issues that I have long advocated. The conference report includes important new consumer privacy protections and also includes a provision similar to one that I authored as part of H.R. 3636 that will include links to schools, libraries, and hospitals as part of a telecommunications universal service obligation and contribution. Privacy and security concerns on the information superhighway will continue to grow as the network grows and as more and more personal information is digitized and rides on the highway. More work needs to be done in this area to protect transactional information and to ensure that people have every opportunity and right to protect their data with encryption technologies. I will continue to work on this issue but the privacy provisions of S. 652 are good ones and an important down payment for consumers.

As many of you may know, establishing learning links to K–12 schools has long been a concern of mine and the conference report on S. 652 will make such links affordable for every school in the country. I believe it is imperative that we link all the classrooms in the country because it is the only way that we can mitigate against a growing digital divide where some schools get access and others do not. We must bring all our kids along to the future. No nation can hope to prosper in a fiercely competitive global economy where information is the coin of the realm if it does not give the bottom 10, 15, or 20 percent of its society the Information Age tools necessary to compete for jobs in such an economy.

Another benefit of this bill is the inclusion of the V-chip, an initiative I launched in 1993. The V-chip is the nickname of a feature which, when included in a television set, allows the viewer to block programming that is rated. Congress has moved forward with this provision because it is a technological solution to a problem facing parents everyday—how to effectively enforce standards in their own homes regarding what is suitable for their children to watch on television.

I am personally very gratified that the provision sponsored in the House by myself, Representative DAN BURTON, Representative JOHN MORAN, and Representative JOHN SPRATT, was chosen by the conferees as the basis for compromise. This has ensured that the development of a model rating system as envisioned by this bill will, under no circumstances, be imposed by rule on any broadcaster. In fact, under this bill, no program will ever be rated unless industry participants decide to do the ratings themselves. No government entity will ever rate a show; no government bureaucracy will ever rate a show; no government agency is empowered to sanction any broadcaster for refusing to rate a show.

It is our hope that each segment of the television industry will eventually recognize that giving parents information that allows them to protect their children will improve, not harm, free, over-the-air broadcasting. It is simply an update of the on-off switch of the three-network 1950's to the 500 channel universe of the coming century. Movies are being rated, computer games are being rated, the Internet is introducing screening devices, cable television is prepared to rate their shows, and it is inevitable that broadcast television will expand and refine the application of "Parental Discretion Advised" warnings to the whole range of shows considered potentially harmful to children.

It will be several years before television sets include the V-chip. First, the industry must develop a ratings system. Second, the set manufacturers must build new sets to include the electronics to read the ratings. But every parent will be pleased to know that, the day President Clinton signs this bill, it will have been declared in the public interest for this country to warn parents of programming that could harm their kids and to provide parents the means to block such programming out of the home, if they choose, with this simple, ratings-and-blocking device.

Finally, I want to commend Chairman BLILEY, Mr. DINGELL, Chairman FIELDS, and other members of the conference committee for their excellent work in bringing together the compromises necessary to reach final agreement.

Mr. CONYERS. Mr. Speaker, I yield myself my remaining time.

The SPEAKER pro tempore (Mr. HAYWORTH). The gentleman from Michigan [Mr. CONYERS] is recognized for 30 seconds.

Mr. CONYERS. Mr. Speaker, the insurance premium issue is not a red herring. It is a matter of both reality and public policy. If we were able to auction it to the networks, everyone has recognized it could generate billions and help balance the budget. This bill gives the insurance premium to the networks rent-free, and no Member will be able to justify this at a time when we are chopping Medicare in order to balance the budget.

I want to thank Chairman BLILEY for making the process of debate and consideration of this important economic bill open and bipartisan—for members of both the Commerce and Judiciary Committees.

LONG DISTANCE AND RELATED ISSUES

I said at the beginning of this debate that the antitrust laws and the Antitrust Division

must remain at the very center of the telecommunications debate. Antitrust law is synonymous with low prices and consumer protection—and that is exactly what we need in our telecommunications industry.

The Antitrust Division is the principal government agency responsible for antitrust enforcement. Its role in the MFJ has given it decades of expertise in telecommunications competition issues. The Division has unrivaled expertise in making predictive judgments and in assessing marketplace effects. The FCC by contrast has no antitrust background, and is facing the threat of significant downsizing.

This is why its so important that the Justice Department was given an enhanced role in reviewing possible Bell entry into long distance. Under the conference agreement, the FCC must consult with and give substantial weight to the views of the Justice Department regarding such Bell entry—this is a necessary, but not sufficient condition to meeting the overall public interest requirement concerning Bell entry. The final conference agreement therefore ensures that the Justice Department's views will be given serious substantive merits by the courts on appeal as well as the FCC.

The Justice Department will be able to use whatever standard they believe is appropriate, including the so-called eight-c test under which Bell entry is not permitted into long distance or manufacturing unless there is no substantial possibility the Bell could use its market power to impede competition. It is also my understanding that the Department will retain its full statutory authority to represent the interests of the United States before the courts on appeal.

The importance of the long-distance entry provisions are underscored by the very few narrowly drawn exceptions to meeting the entry conditions. The grandfather for previous MFJ waivers under section 271(f) applies only to the particular Bell and the scope of particular activity addressed in the waiver. The exception for incidental services under section 271(b)(3) and 271(b) is to be narrowly construed. And the regulatory forbearance provisions set forth in new section 10 do not permit the FCC from forbearing enforcing the long distance entry requirements.

It is also important to note that even after entry occurs, section 271 applies separate affiliate requirements for at least 3 years in order to check potential market power abuses. And although some joint marketing is permitted by the Bells under these provisions, both the Bells and their affiliates would be subject to nondiscrimination requirements. And the Bell and its affiliate must also make the individual services that are jointly marketed available to competitors on the same terms they make them available to each other.

In addition, the bill contains an all-important antitrust savings clause which ensures that any and all telecommunications merger and anticompetitive activities are fully subject to the antitrust laws. Telco-cable mergers and all other broadcast, media, or telecommunications transactions will be fully subject to antitrust review, regardless of how they are treated under the bill or the FCC.

And the bill includes a very useful repeal of 47 U.S.C. 221(a) which could have exempted mergers between telephone companies from antitrust and other legal review. This was a holdover from the 1920's, an era when Federal telecommunications policy promoted competition over competition.

I would also like to remind the Members that this legislation would not be possible had the Justice Department not broken up the old Bell monopoly in 1984. The 1984 MFJ—which broke the Bell System into AT&T and the seven regional Bells, and which has been so ably supervised by Judge Harold Greene for 12 years—has unleashed one of the most significant competitive forces in our economy.

Since the MFJ opened up the long distance and manufacturing markets to competition, we have seen a 70-percent reduction in long-distance prices and an explosion in product innovation. The legislation rightly recognizes that it's time to open up the local loop to competition as well. And by maintaining the role of the antitrust laws, the bill helps to ensure that the Bells cannot use their market power to impede competition and harm consumers.

OTHER ISSUES

However, aside from the long-distance provisions of the bill, which I support, I have a number of substantive concerns with the final conference agreement.

The cable provisions allow for deregulation before the advent of competition, raising the specter of unregulated monopoly. Two Congresses ago we spent considerable time and energy in adopting legislation to protect consumers from price gouging, and we were finally able to pass the bill over President Bush's veto. This Congress the Republicans have decided that consumer protection must take a back seat to industry demands. Although a small concession to consumers was made by delaying the date of price increases until 1999, there is no guarantee there will be any cable competition by this time.

The bill will also allow for an unprecedented increase in media concentration. At a time when we need greater and more diverse media voices, the bill will eliminate the national radio and television ownership rules, scale back local concentration rules, and allow corporations to simultaneously control broadcast and cable systems.

The bill also places a number of heavy-handed burdens on the taxing and regulatory authority of State and local governments. The cities will no longer be able to tax direct broadcast services. Local governments are also forced to give up their power to regulate access agreements. Rather than grant the rights-of-way a city or county believes are in the public interest, they must comply with a new set of rules which come down from Washington. In doing so, the conference report completely ignores the new unfunded-mandate law.

GENERAL LEAVE

Mr. BLILEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to include extraneous material on this legislation.

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

There was no objection.

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

Mr. Speaker, I want to commend my colleagues: As I said before, the gentleman from Texas, JACK FIELDS, the chairman of the subcommittee; his vice chairman, the gentleman from Ohio, MIKE OXLEY, without whose diligent work we would not be here; for the wonderful cooperation on the part of the minority: the ranking member of the subcommittee, the gentleman from Massachusetts, Mr. MARKEY; the ranking member on the full committee, the gentleman from Michigan, Mr. DINGELL. The staff, as the ranking minority member of the subcommittee, the gentleman from Massachusetts pointed out, has done yeoman work. They have worked weekends, they have worked nights, and I know they will be glad when this day is over, as we will be.

I remember working with the gentleman back in the early 1980's, when Mr. Baxter and Mr. BROWN reached an agreement. We came close to getting a bill then, but we were blocked at the end. One thing or another has frustrated us in every Congress since. Here we are on this historic day.

Mr. Speaker, this is a good bill. This is a bill that we can be proud of. Is it perfect? No, and it never will be, but bear in mind, this is the most extensive rewrite of telecommunications law in 60 years. Mr. Speaker, the reason it has taken 60 years is because it is complex. It is difficult. It is intricate. All of these players believe in competition, but they each feel they are entitled to a fair advantage.

Through the diligent work of the committees and the conference, we think we have created as level a playing field as we know how to do. As we stand here, all of the players in this complex act support this bill; some, truly, more than others. But it is a great day. It will be competition. It will give the American consumer greater choice. We will be leading the cutting edge as we go into the 21st century as a result of this bill. It is the greatest jobs bill we are likely to pass in this decade.

Mr. FAZIO. Mr. Speaker, this bill is good for consumers. It provides a supermarket in the telecommunications industry with one stop shopping for cable and phone service if you want it. This bill is good for our children. It provides incentives to bring technology and the Internet into our grade schools, middle schools, high schools, and libraries.

Congress is—at last—taking into its own hands the deregulation of the telecommunications market which has been handled in a piecemeal fashion by the courts since the 1982 breakup of AT&T. Despite this inefficiency, States have been moving forward. In my home State of California, telephone companies have recently been allowed to offer local long-distance services and their local markets have been opened to facilities-based competition.

With this conference agreement, we acknowledge the changes that are taking place in the marketplace an insure that the process

by which all competitors compete is fair and evenhanded.

I regret that I had to oppose the rule on this bill because of the unconstitutional language relating to abortion. I appreciate representative LOWEY's efforts to clarify that everyone's first amendment rights should be protected on the Internet. In light of her efforts, I am now prepared to support final passage of this measure.

I do want to point to one other concern however, relating to my district. The goal of this legislation is to create an environment in which new and expanded services are delivered to consumers. In some cases that can best be accomplished through the combined resources of smaller local telephone companies and local cable companies.

Section 652 sets limitations on the size of the local telephone companies that may own more than a 10 percent interest in their local cable operator. It was my understanding that the intent of the legislation was to limit these activities to local telephone companies below tier-one companies in size.

Further, section 652 sets forth conditions under which the FCC may grant a waiver from these restrictions if to do so is in the public interest and the local franchising authority approves. There may be a situation or two where a local cable company and local telephone company have been already negotiating a sale under current law but will find themselves facing a new set of rules before the sale is complete.

If the FCC finds this to be in the public interest, particularly if we are talking about small, non-tier-one companies, in my view this is the kind of circumstance for which Congress has created the waiver.

And since it is the intent of Congress to promote competition while encouraging localism, a circumstance in which a locally owned, non-tier-one local telephone company is seeking to purchase a local cable system serving just part of its telephone service area, and the telephone service area is subject to competition or impending competition from large national and international telecommunications conglomerates, should be the kind of situation giving rise to a waiver.

Mr. Speaker, there is a lack of consistency in the boundaries of telephone service areas, cable franchising areas, and census bureau population boundaries. Consequently, the guideline in the bill of 12,000 cable subscribers in an urbanized area should not be an obstacle to serving the public interest and should not restrict the FCC from granting waivers for providers serving more subscribers than the limit. Finally, if the FCC finds no anticompetitive effects to a proposed transaction, it should grant a waiver.

I urge by colleagues to support this legislation.

Mr. SKAGGS. Mr. Speaker, I'm going to vote for this bill because it promotes competition and growth in the communications industry, and I believe that will benefit consumers.

I must, however, express my strong opposition to one particular provision, section 507. This section clearly violates the first amendment's prohibition against laws restricting freedom of speech.

As some of our colleagues know, section 507 of this conference report incorporates by reference part of the Federal criminal law—18 U.S.C. 1462—and, by doing so, would make it a crime punishable by up to 10 years in prison to transmit or receive information through an interactive computer about abortion procedures.

While this bill contains other constitutionally questionable restrictions on the content of information transmitted or received through a computer, a flat prohibition on transmission or receipt of abortion information, like that contained in section 507 is, as the chairman of the Committee on the Judiciary has conceded, clearly unconstitutional.

While the authors of this bill have stated on the floor of the House of Representatives today that it was not their intention to restrict free speech on the matter of abortion and have stated their understanding of the unconstitutional nature of section 507, it is difficult to understand how and why this provision was ever included in this bill. The inclusion of this offensive provision is a testament to the terribly flawed process used to bring this conference report to the floor today.

The Members of the House have been given assurances that including this provision restricting free speech on the subject of abortion was a mistake we should act quickly and in a bipartisan fashion to correct this insult to the first amendment rights of all Americans.

Ms. WOOLSEY. Mr. Speaker, I rise in support of S. 652, the Telecommunications Act of 1995, which represents the most comprehensive overall of our Nation's telecommunications law since 1934. This historic legislation seeks to provide consumers with more choices and lower rates by promoting competition among telecommunications providers.

I opposed the House-passed version of this legislation because I did not believe it would have adequately protected American consumers from unwarranted cable and telephone rate increases. I was also very concerned that it would have allowed only a few large companies to control what Americans watch on television, listen to on the radio, or read in the newspapers.

While I continue to have reservations about several provisions of this legislation, I would like to commend the members of the conference committee for making significant improvements in many areas of the bill. The conference report does much more than the original House bill to benefit consumers. It deregulates the cable industry more gradually, raises broadcast ownership limits in a way that will promote competition and preserve diversity, and seeks to improve phone service and lower phone rates by leveling the playing field for telephone service providers.

I remain very concerned, however, about a provision in this bill that will criminalize the communication of information about abortion over the Internet. Under section 507 of this bill, individuals who provide family planning information over computer networks could be subject to a 5-year prison term. Even mentioning the word "abortion" could be considered a criminal act in some circumstances. Mr. Speaker, this is clearly unacceptable. That is why I voted against the rule under which this legislation is now being considered.

This bill should be about giving consumers a choice among competing telecommunications providers, not about threatening a woman's right to reproductive choice. This Information Age gag rule, which is likely to be found unconstitutional, has no place in this important legislation and should be eliminated. I am, therefore, extremely pleased that Representative HENRY HYDE, the chairman of the House Judiciary Committee, and Representative NITA LOWEY, chair of the Pro-Choice Task Force of the Congressional Caucus on Women's Issues, have engaged in a colloquy making it absolutely clear that this language was not intended by the drafters of the bill and will be removed from the act as soon as possible. While I am confident that this ban is unconstitutional, I am nevertheless eager to ensure that Congress acts quickly to permanently remove this language from the bill.

I am also concerned that S. 652 could infringe upon Americans' constitutional right to free speech by allowing the Government to police the Internet for indecent material. Under this legislation, individuals who disseminate material that the Federal Government believes may violate contemporary community standards of decency could face prison terms. Thus, a librarian could be held liable for putting classic books such as "Catcher in the Rye" and "Ulysses" on line since they include profanity. While we all agree that children must not have access to indecent or pornographic materials, I do not believe that Government regulation of the information superhighway is the best way to solve the problem.

That is why I voted for an amendment to the House-passed bill that would have allowed computer users and computer network providers to police the Internet, rather than the Federal Government. This amendment would have prohibited the Federal Communications Commission [FCC] from regulating the Internet and other interactive computer services, but would have encouraged computer network providers to voluntarily screen and prevent the distribution of obscene and other objectionable materials on computer networks. I sincerely hope that Congress will consider legislation later this year to institute this more reasonable approach to protecting children from indecent material.

Mr. Speaker, the time has come to pass a comprehensive telecommunications reform bill. Despite several shortcomings, S. 652 is a balanced bill that will lead to technological advances and provide Americans with a telecommunications network for the 21st century. More importantly, the final bill makes dramatic advances over the earlier version in protecting consumers. I urge my colleagues to vote for this important legislation.

Mr. ORTON. Mr. Speaker, I rise in strong support of S. 652, the Telecommunications Act.

I believe that this is a good bill for my State of Utah, and for the Nation. For years, we have struggled in Congress to rewrite our communications laws to reflect the dynamic changes that have taken place in long distance and local telephone service, cable TV, broadcasting, and the Internet. Passage today and likely enactment into law in the near future represents a tremendous bipartisan effort.

First, I would like to express my support for the strong provisions in this bill which protect rural America. Over the last few months, I

have been pleased to work with rural Republicans and Democrats to insist on strong universal service and toll-rate-averaging provisions. Late last year, we sent a letter to conferees expressing our concerns and identifying provisions critical to rural America. Inclusion of such provisions in the final conference report will save the average rural telephone user hundreds of dollars a year.

For example, the House-passed bill contained much weaker universal service provisions than the Senate bill. Universal service is the mechanism which ensures affordable monthly phone rates for rural residents. The Organization for the Protection and Advancement of Small Telephone Companies [OPASTCO] recently conducted a detailed study on the effect of rates in a deregulated environment. This study found that the elimination of universal service in a deregulated environment could increase annual phone rates for rural Utahns by $198 a year. Fortunately, the stronger Senate provision, fully protecting universal service, prevailed.

A similar concern has been raised with respect to toll-rate averaging—both for intrastate and interstate long-distance phone calls. According to the same OPASTCO study, the elimination of toll rate averaging could increase annual long-distance phone bills for rural Utahns by $465 a year. Early House versions of the telecommunications bill did not fully protect intrastate and interstate toll-rate averaging. Fortunately, the bill we are now passing reinstates these important provisions.

Finally, the bill contains a number of other important rural protections and provisions. The one that I am proudest of is the provision which promotes affordable access for schools, libraries, and rural hospitals and health care facilities to the information superhighway. When this bill first came to the House floor, I was very disappointed to see that it contained no such provision. Therefore, I joined with my colleagues, Representatives MORELLA, LOFGREN, and NEY in offering an amendment to include an affordable Internet access requirement comparable to the one contained in the Senate. Through our efforts, we were able to obtain the support of the distinguished chairman of the House Commerce Committee to push for its inclusion in the conference report. With such inclusion, we will be able to make it easier for rural schools and libraries to gain affordable access to the information superhighway to promote distance learning. We will be able to make it easier for rural hospitals to implement telemedicine, an exciting new approach to health care in less populated areas.

So, I believe this is a very good bill for rural Utah and rural America. By unleashing the forces of competition, coupled with prudent protections for those areas and services where full, effective competition may not be possible, we should improve the quality, cost, and availability of telecommunications in rural areas.

Second, I would like to express my strong support for deregulation of the cable TV industry. Three years ago, Congress enacted a misguided bill to regulate cable television prices. The effect of that bill was to create a regulatory nightmare at the FCC, and a curb on the dynamic free market growth of programming. I was in a fairly small minority who opposed that earlier curb on free market cable TV activities. I am pleased to see a majority of both the House and Senate are now admitting that that was a mistake.

Third, with respect to deregulation of local and long-distance phone service, I believe that the final provisions represent a workable and sensible approach. It is certainly our expectation that competition should improve local phone service for consumers.

However, many of us are aware that the transition period from a regulated to a deregulated environment may not be easy. I am pleased to see a stronger review role for the Department of Justice in the conference report, to assure that this transition period does not result in the domination by one provider, to the detriment of competition. As this process unfolds, we in Congress should monitor these national market developments closely to make sure that the promise of true local phone service competition is in fact met.

Finally, I am pleased to see the inclusion in the bill of a V-chip requirement in all new 13-inch and larger television sets. This was not included in the original House bill, but we prevailed in adding this provision by amendment. Increasingly, parents are becoming concerned about the content of television programming. The use of the V-chip gives parents increased control over what their children watch. It is a fair, economical approach to dealing with this problem.

Is this a perfect bill? I don't think there is a Member in this body that is satisfied with each and every provision in it. Can we absolutely predict that the telecommunications changes we are unleashing today will be a complete and total success? Again, no one can really know with certainty. However, this legislation is a balanced, well-thought-out proposal that is long overdue. To wait any longer is to see our laws fall increasingly behind the rapidly moving forces of change that we see in all areas of telecommunications. This is a very good bill that should become law now.

Mr. PORTMAN. Mr. Speaker, I rise today to express my support for the Communications Act of 1995 and, more specifically, provisions in the conference report which preserve the ability of local authorities to protect their rights-of-way and public property.

As you may recall, 1 year ago, I stood before this body to ask for your support in passing H.R. 5, the Unfunded Mandates Act of 1995, in order to bring a new level of accountability to the Federal Government. This legislation, the principal provisions of which took effect on January 1, 1996, forces Congress to end the increasing practice of imposing crippling mandates on States and local governments without regard for their costs. Now the Federal Government must work cooperatively with State and local governments to avoid new mandates.

Today, the Unfunded Mandates Reform Act of 1995 passed its first real test, the Communications Act of 1995. Thanks to local governments, the National League of Cities, the National Association of Counties, the U.S. Conference of Mayors, and the Congressional Budget Office, all of whom assisted in identifying legitimate concerns about potential unfunded mandates in this bill, we were prepared to raise points of order on the floor to stop the mandates.

The Commerce Committee has worked with us, representatives of the State and local governments and other interested parties to avoid potential unfunded mandates and protect local control over public property and rights-of-way. We secured language that ensured local governments retained their control over rights-of-way. The language included in the Communications Act now adequately addresses the key concerns that have been raised by State and local governments about potential unfunded mandates. As proponents of unfunded mandates reform and protecting local control over rights-of-way, we were pleased to see this result.

I would like to express my gratitude to my mandates counterpart and original cosponsor on the other side of the aisle, Representative CONDIT, for his assistance as well as Representative JOE BARTON, and Representative BART STUPAK, true champions of State and local rights.

Mr. Speaker, unfunded mandates reform is a reality and I look forward to working with all my colleagues committed to reflecting the concerns of State and local governments in Federal legislation.

Ms. PELOSI. Mr. Speaker, while I support many of the provisions in this conference report, I have serious concerns about computer censorship provisions included in the telecommunications agreement. In response to a strong lobby by the Christian Coalition, conferees voted 17–16 to include a provision which would make it a felony to put indecent material on a computer where a person under 18 can get It. Because indecent has not been defined by the Congress or the courts, the potential for abuse is great.

I do not believe the Federal Government should be involved in using a very loosely defined to test to judge communications between individuals. It is wrong to have the Christian Coalition judge what is appropriate speech on the Internet or anywhere else.

I am particularly concerned about the potential impact of this provision on HIV-prevention programs. The indecent provision has the potential to ban explicit HIV-prevention materials from the Internet.

The Internet has great potential as a tool in HIV prevention. It has the potential to provide accurate information that could be used by young people to protect themselves from HIV and other sexually transmitted diseases. According to the Centers for Disease Control and Prevention [CDC], other than abstinence, the most effective way to prevent HIV transmission is the consistent and proper use of condoms.

Organizations currently provide detailed information on the proper use of condoms. The question remains whether individuals working for these AIDS organizations in California could be arrested and extradited to more conservative parts of the country because this information was obtained by an individual under 18 years of age.

Banning HIV-prevention information does not protect young people. In fact, it can have the opposite effect. This computer censorship provision is wrong and should not be part of this legislation.

I am pleased that this legislation will empower parents by requiring the development of the V-chip. This chip will allow parents to block television programming they do not want their children to see. The V-chip will provide parents with a tool to help in the positive upbringing of their children.

Mr. Speaker, there are provisions of the bill that have a significant affect on cities, including the city of San Francisco. I am pleased that section 253(c) recognizes the historic authority of State and local governments to regulate and require compensation for the use of public rights of way. It further recognizes that States and local governments may apply different management and compensation requirements to different telecommunications providers' to the extent that they make different use of the public rights of way. Section 253(c) also makes clear that section 253(a) is inapplicable to right of way management and compensation requirements so long as those entitles that make similar demands on the public rights of way are treated in a competitively neutral and nondiscriminatory manner. As for the issue of FCC preemption, I am pleased that the committee agreed to support the Senate language which authorizes the Commission to preempt the enforcement only of State or local requirements that violate subsection (a) or (b), not (c). The courts, not the Commission, will address disputes under section 253(c).

The overwhelming vote in the House on Representative BARTON and Representative STUPAK's amendment, as well as the unanimous acceptance of Senator GORTON's amendment in the Senate, indicate that the Congress wishes to protect the legitimate authority of local governments to manage and receive compensation for use of the rights of way.

Mr. Speaker, I support the telecommunications reform legislation.

Mr. WATTS of Oklahoma. Mr. Speaker, this is a truly historic day for the American people. We are engaged in a discussion of a bill that fundamentally controls a business that is the fastest growing segment in our economy—telecommunications.

I welcome the opportunity to debate the merits of this ground-breaking legislation. Specifically, I would like to point out my concerns over the definition of facility-based competition. To be effective, any market entry test must contain standards that clearly define the presence of local competition. Real competition will occur only when there are facilities-based companies serving many customers in major markets throughout the State of Oklahoma.

As rules that define facilities-based competition are developed and implemented, I expect those charged with that responsibility to make certain: There are periodic studies of the degree of actual competition in local exchange markets to determine whether the incumbent exchanges' market power has been constrained enough to relax some of the regulations intended to safeguard against the abuse of market power; all local exchange service providers provide service to all customers who request service, provide line-side interconnection and unbundling of the local loop into its functional sub-elements—feeder and distribution, obey the equal rules that are in place, cap prices for exchange access services and reciprocal termination at the rates charged by the incumbent exchanges, and allow full resale of all service offerings.

I thank the Speaker for the opportunity to add my concerns to this debate. I will not oppose this report and hope its passage results in quantum improvements to telecommunications access and a better standard of living for the American people.

Mr. BUYER. Mr. Speaker, I rise in strong support of the conference report on S. 652, the Telecommunications Act of 1996. This report represents one of the most monumental, deregulatory, and sweeping legislation ever considered in the history of Congress. I commend my colleagues, Senators PRESSLER and HOLLINGS, and Congressmen BLILEY, HYDE, FIELDS, and DINGELL for their relentless efforts to produce such unprecedented policy in a balanced and thoughtful manner. I consider it a great privilege to have been a member of this conference committee which took upon the task of examining every aspect of the converging telecommunications industry.

Mr. Speaker, this is a historic moment. Today, with passage of this legislation, this Congress is breaking the shackles of repressive government regulations. It is forging a new era where consumer choice, technological development, innovation, and competition control the marketplace, while we keep a watchful eye upon monopoly power.

This legislation marks only the second time the Government has addressed telecommunications policy. The Communications Act of 1934, representing the first time, was enacted when our Nation was highly dependent upon telegraph, and believed radio and telephone technology to be luxuries. Frankly, the Communications Act has governed telecommunications policy for far too long. Readily available and highly used technologies of today, such as digital overt analog transmission, cellular and wireless technology, as well as digital compression and interactive data transmission were not even within the realm of imagination of society in 1934.

I am here today to acknowledge that over the past several months I have had the opportunity to observe and examine advanced technologies which are not yet available to consumers. That is why I will be the first to admit that it would be impossible for us to predict what technologies and their applications will be available next year. This legislation was crafted fully aware of the fact and the stranglehold the Government was placing upon its development. I firmly believe that this legislation will unleash such competitive forces and innovation that our Nation will see more technological development and deployment in the next 5 years than we have already seen in this century. With that technological development will come hundreds of thousands of new jobs and tens of billions of private industry dollars being invested in infrastructure and technology in an explosive, yet steady, manner.

This landmark legislation is predicated upon two things: competition and the consumer. Our society is founded on the belief that competition produces new technologies, new applications for those technologies, and new services, all at a lower cost to the consumer. S. 652 puts the consumer in control. Cable companies, local telephone companies, long-distance companies, broadcast stations, wireless providers, utility companies, among many others, will all be competing for the consumer's business, offering new technologies, better services, and more choices at a lower cost.

Much of my support for this legislation is based on not only the consumer benefits gained through lower costs and better services, but through the access and availability to services and technologies in rural areas such as the Fifth Congressional District of Indiana. The impact of this nationwide network and universal access in rural areas will be revolutionary. We're not talking about just making sure small communities have cable services and can order a pizza from their television sets. This legislation will bring the world's leading heart surgeon into the surgery room at Jasper County Hospital and other rural hospitals. It will allow hog farmers in rural Carroll County to access the latest veterinary research to diagnose their herd's disease. Classrooms in Cass County can have access to the libraries of Oxford University. We will be bringing precision farming technology to Benton County, IN, through the use of global positioning satellites.

All of these extraordinary services and benefits are being obtained by ending the strangle-hold of Government on the telecommunications industry. I truly believe that the Telecommunications Act of 1996 represents one of the greatest proconsumer, job creation, and infrastructure investment bill ever considered by Congress. I fully support this measure and urge my colleagues to do the same.

Mr. GOODLATTE. Mr. Speaker, I would like to address the concerns raised by some over the language in the bill protecting minors from indecent communications over the Internet.

At a meeting of House conferees I offered the compromise language replacing a harmful-to-minors standard with indecency and it was adopted as the House proffer on cyberporn.

I am appalled by the unjustified hue and cry that this indecency provision will chill free speech and is therefore unconstitutional. This indecency standard has survived First Amendment scrutiny by the U.S. Supreme Court as applied in a wide variety of circumstances. In *FCC* v. *Pacifica Foundation* (1978) the Supreme Court held that the broadcast of indecent material could be banned during hours when children were likely to be viewers or listeners. In stating why broadcast indecency could be restricted Justice Steven who delivered the opinion pointed to the facts that broadcasts extend into the privacy of the home and is uniquely accessible to children. The Internet is very similar to the broadcast medium in those respects—it extends into the privacy of the home and it is uniquely accessible to children.

Some have even claimed that an indecency standard will keep great literary works such as "Catcher in the Rye" off the Internet. I strongly disagree and I believe that the definition of indecency, which is very narrow, makes this clear. The exact definition of indecency is "any material that in context depicts or describes, in terms patently offensive as measured by contemporary community standards, sexual or excretory activities or organs."

The context of the material cannot be disregarded when making a determination of indecency. Therefore, if someone transmits the entire novel "Catcher in the Rye" they would not be violating an indecency standard, but if they transmit only certain passages out of context they might. Indecency is not an inherent attribute of words or pictures, but rather a matter of context and conduct. In addition, it must be evaluated by prevailing community standards, not the views of just a few individuals.

We need to maintain a high standard when it comes to protecting children from exposure to pornography. The indecency provision in this legislation is right on target. It will keep smut away from children and protect on-line services or information providers who make a good-faith effort to keep indecent material away from children.

In addition, a very important factor cannot be overlooked—the battle over cyberporn threatened to completely throw the progression of telecommunications legislation off track. By bringing the House proffer on cyberporn closer to that contained in the Senate bill, my compromise prevented conferees from getting bogged down in this debate and allowed today's debate to come to pass.

REGARDING SECTION 271(D)(2)(A) (CONSULTATION WITH THE ATTORNEY GENERAL)

The conference agreement provides that the FCC must notify the Attorney General promptly when an application is filed by a Bell operating company for in-region interLATA relief. Before making its determination on the merits of the application, the FCC must consult with the Attorney General. In this regard, the Attorney General may submit an evaluation to the FCC using any antitrust standard that the Attorney General believes the FCC should consider in assessing the application. This requirement recognizes the special expertise of the Attorney General in antitrust and competitive matters.

However, this paragraph expressly provides that the Attorney General's evaluation does not have a preclusive effect on the FCC. In other words, the FCC is not required to adopt or even agree with that evaluation or with the conclusions of the Attorney General. While the FCC must give the Attorney General's evaluation substantial weight, it is not required to follow the Attorney General's views. Moreover, the FCC is free to give substantial weight—indeed greater weight if justified by the proffer—to the evidence offered by the applicant, Bell operating company. This is also true both of the conclusions and the recommendations concerning public interest, convenience and necessity or concerning competitive issues.

This provision is also not intended to give the views of the Attorney General any special weight or entitle them to any special deference upon judicial review of an FCC decision under this subsection. The critical determination under this subsection is the FCC's determination whether the Bell operating company has met the requirements of the Act. The courts will accord that FCC determination "full *Chevron* deference" as provided for in *Chevron* v. *National Resources Defense Council*, 467 U.S. 837 (1984).

Mr. UNDERWOOD. Mr. Speaker, I rise today to commend the conferees for their work on this important legislation which will shepherd in a new era of technological advancement and opportunity for all Americans. My focus on this telecommunications legislation has been on ensuring that Guam has the same access to telecommunications technology and advances in the information superhighway as other U.S. citizens.

In this regard, the universal service provision is an important statement of principle. It ensures that consumers in all regions of the Nation, including insular areas, should have access to telecommunications and information services and at rates that are reasonably comparable to rates charged for similar services in Urban area.

When the universal service provision was first drafted, it neglected to mention whether or not it applied to insular areas. After I brought this oversight to the attention of Chairman Pressler on the Senate Commerce, Science and Transportation Committee, he acknowledged that the addition of "insular" in the universal service section was an important clarification and agreed to clarify this definition.

The addition of the universal service provision is an important statement of principle at a time when Guam and the Commonwealth of the Northern Mariana Islands [CNMI] are pursuing inclusion in the North American Numbering Plan [NANP]. NANP inclusion would help to overcome both domestic and international misconceptions about the political status of Guam and the CNMI, ensure that the U.S. citizens on these islands have the same opportunities as all other Americans and improve access to the information superhighway. The inclusion of "insular" in the universal service section reinforces the need to include Guam and the CNMI in the NANP.

Again, I want to thank the conferees for their attention to this important clarification and for their inclusion of the universal service provision in the final legislation.

Mr. LARGENT. Mr. Speaker, I want to commend both Chairman BLILEY and Chairman FIELDS for the leadership they have shown, as well as the diligence and perseverance exhibited in shepherding this long overdue telecommunications bill through the legislative process. This conference report represents the first major overhaul of the communications industry in the last 60 years. This historic legislation reduces the Federal regulatory burden on the communications industry, and as a consequence of more competition and less regulation, American consumers should benefit from a greater choice of telecommunications services with lower prices and higher quality than is presently available.

Currently, consumers of many telecommunication services in America do not benefit from the innovation of new services and constant pressure for lower prices that characterize competitive markets. For example, providers of local telephone services are currently protected from direct competition by a complex web of Federal, State, and local laws. This legislation, if it remains true to its intent, will cut through that inertia and allow competitors to offer local telephone services. We have already seen what real competition has done to long distance rates—I can only hope the same is true for local rates.

This historic act has the potential to be the largest job creation bill in a decade. It is estimated that it will lead to $30 to $50 billion in consumer and business benefits and will hasten America's entry into the information age. The Telecommunications Act will unleash American ingenuity and free American entrepreneurs to bring innovative, exciting new products and services to market. It's about time that technological advances will be tested in the marketplace, and not in Washington or the Federal courts.

Mr. GILCHREST. Mr. Speaker, I rise in support of the conference agreement, and I request permission to revise and extend my remarks.

Mr. Speaker, unless I miss my guess, the bill before us will probably be the most historically important piece of legislation this Congress will consider. The telecommunications industry is growing rapidly in size and significance, primarily because telecommunication is about information and information is the future.

The law currently governing telecommunications, the Communications Act of 1934, was written for the era of radio, and while it has been amended several times since, it still maintains an outdated regulatory structure designed for an era where sources of information were scarce. But technology has blurred the lines among telephone, television, computer, and newspaper, to the point where all three can potentially be the same thing.

And with the advent of the information age, we need to recognize the need for competition among information media so that the free marketplace of ideas can be communicated through a free marketplace of information outlets. This bill seeks to exploit the market's ability to maximize quality, maximize consumer choice, and minimize prices.

Mr. Speaker, I supported the Contract With America. But years after the the contract is a footnote in history, the significance of this law will still be obvious, for this is Congress' most important step ever toward embracing the information era. And through this legislation, we embrace it with the freedom and efficiency that only the free market can provide. I urge my colleagues to support this bill.

Mr. BORSKI. Mr. Speaker, I rise today to speak about S. 652 to ensure that its provisions are implemented in a manner that ensures fair competition in the telecommunications marketplace.

A major objective of S. 652, the Telecommunications Act of 1996, is the creation and maintenance of competition in local markets. Since States will play a key role in implementing this Federal legislation, it is vital that they act consistently with this Federal aim.

More specifically, section 253 of S. 652 provides that States and local governments shall not impose any requirement that prohibits or has the effect of prohibiting the ability of any entity to provide telecommunications services, and permits the FCC to preempt any actions that violate or are inconsistent with this policy. Because new entry is a fundamental of competition, it is most important that the FCC act expeditiously on any complaint that alleges a violation of this provision. Further, the Commission must ensure that any State or local requirement fully conforms to the act's standard.

I want to assure all my colleagues that I will closely follow the FCC's implementation of this

provision to ensure it meets the spirit of this new law.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I rise today in support of the conference report on S. 652, although I do not do so without reservation.

As this legislation was being worked out, many of the concerns I had were dealt with in a positive manner. Agreements have been reached which give my home of Dallas needed language regarding rights-of-way, a matter of concern to me throughout the negotiation process regarding telecommunications reform.

Additionally, I have had some concern about the possibility of the regional Bell operating companies using this legislation as a basis to engage in massive downsizing. Although I realize that some change in the operations of these companies is inevitable, I have been most interested in protecting valuable jobs in my district. Because of assurances that I have received concerning the position of Southwestern Bell with respect to these jobs, I am pleased to add my support, and my vote, to pass this historic legislation.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I must rise to express my views on this important piece of legislation, the Telecommunications Act of 1996. This is a comprehensive bill that will allow us to enter into the technological revolution of the 21st century.

I am pleased with many provisions of the bill. For example, I believe that it is important that the Justice Department has a strong role in advising the Federal Communications Commission on whether competition exists in local markets. I would like to have seen a stronger role; however, the FCC must give the Justice Department's views substantial weight, which is a recognition of the Department's strong history and expertise in antitrust matters. The original versions of the bill would have given little or no role for the Justice Department.

The bill also allows the telephone companies to enter the long-distance market as soon as there is actual competition in the local market. The Bell companies are also required to open up their networks to local competitors. The bill raises the limit on radio or television stations that an individual or ownership group may own. The limit, however, is reasonable and not as large as the original House version.

Furthermore, the bill creates a telecommunications development fund that is designed to facilitate participation by small businesses in the industry. I hope that the officials that manage the telecommunications fund will utilize this opportunity to develop strong outreach measures toward minority- and women-owned businesses that have been underrepresented in the telecommunications industry.

Another positive aspect to the bill is the universal service provisions that make sure that this telecommunications revolution leaves no one behind. There are strong provisions relating to access to residents in rural areas, access by schools and libraries, and access to individuals with disabilities.

The provisions relating to the requirement that the larger television sets contain V-chip technology is extremely important as we transmit moral and cultural values to America's children. This V-chip technology will allow parents to block out certain programs that they find objectionable. Moreover, the FCC will be required to formulate some rating guidelines that can assist parents with respect to television programs.

As with any bill, I do not agree with all of the provisions. I am concerned about the deregulation of cable rates by March 1999. Many of us can cite incidents in which cable companies have been slow in providing quality service at a reasonable price. I hope that the FCC will encourage the cable companies to continue to develop ways to improve the quality of cable service and to work with local municipalities to ensure fair treatment for cities and counties.

I am also concerned about some of the provisions relating to obscenity. Some of these provisions may need to be clarified in a technical corrections bill. For example, we would not want to prevent a physician from discussing an abortion procedure on the Internet. I believe, additionally, that the question of auctioning the spectrum needs further review.

Mr. Speaker, I believe that for the most part, this bill is a good bill. It will be good for the telecommunications industry, good for consumers, and good for the country. It has been a major struggle to get this bill to the floor. Many Members have been working on some form of this bill for the last 3 years.

We may go forward today; however, it should not be without a commitment to revisit this legislation to make this bill a better bill.

Mr. COSTELLO. Mr. Speaker, I rise today in support of the conference report on the telecommunications reform bill.

I originally opposed the measure when it came before the House last August because I felt the managers' amendment weakened the standards to promote effective competition and provide fair, reasonable rates for consumers. I am pleased that the conference report includes a reasonable checklist of requirements and requires that an FCC public interest test be met before applying for long-distance entry.

I commend the committee and its leadership as well for including language urging the FCC to give substantial weight to the views of the U.S. Justice Department in determining Bell entry into long distance. I feel that judgment from outside the regulating agency is critical to making a fair decision that is in the best interest of the individual market served.

One of the main reasons I voted against the bill last summer was the way in which it would have weakened consumer power in keeping cable rates in check. It has taken several years to effectively implement the Cable Act of 1992, legislation which has worked in many ways to keep cable rates from skyrocketing. I did not want to see Congress' proconsumer efforts weakened. I am pleased that the conference report, while not perfect in this area, has made better strides than the original House bill toward keeping consumer protections in regard to cable prices and rates.

I am pleased that the conference committee retained the House position on installation of the V-chip on all 13-inch and larger television sets. The average American child watches an estimated 27 hours of television per week, and one study estimates that before finishing elementary school a child will watch over 8,000 murders and 10,000 acts of violence on television. The inclusion of a V-chip will give parents an additional safeguard to protect children from objectionable or qusestionable programming.

This is the most comprehensive communications bill since the 1930's. As we move toward the 21st century, the ability to communicate in a rapid, cost-effective manner will continue to be important to all Americans. I am pleased that working together we have achieved a framework, while not perfect, that will serve to guide our communication policy both now and in the future.

Mrs. COLLINS of Illinois. Mr. Speaker, I would like to commend Chairman FIELDS along with the distinguished gentleman from Massachusetts [Mr. MARKEY], and the Telecommunications and Finance staff for the hard work and long hours you've all spent crafting this legislation and moving it expeditiously to the floor today. Your earnest efforts have resulted in an agreement that, while certainly not flawless, will begin to pave the roads of the information superhighway with increased competition and assist in promoting greater economic opportunities for more Americans as we head into the 21st century.

Back in August 1995, I voted against H.R. 1555 because of numerous concerns I had with the bill particularly in the areas of cable rate deregulation and mass media ownership concentration. I am now convinced that, due to significant bipartisan cooperation on these matters, many of my concerns have been addressed sufficiently enough that I will support the conference report we have before us.

With respect to cable, this conference report modifies original language in H.R. 1555 that would have gutted the 1992 Cable Act by lifting cable rate regulation on the most popular cable programming 15 months after enactment of the bill for the largest operators, regardless of the competitive nature of their markets. After prolonged discussions, conferees agreed to redraft this section of the bill to ensure that true competition exists prior to deregulation of today's heavily monopolistic cable markets. By 1999 rate requirements will be lifted for all cable systems across the country.

This is an important compromise, Mr. Speaker. According to the General Accounting Office, blanket deregulation of the cable industry prior to effective competition in 1984 resulted in a monumental rise in cable rates at three times the rate of inflation. Given the fact that, today, effective competition exists in less than one-half of 1 percent of all cable systems nationwide and affordable cable TV alternatives for 99.5 percent of consumers from phone companies or satellite providers is not yet fully feasible, swiftly opening up these markets as provided in the original bill would only have spurred price gouging against consumers.

Also, the conference report's provisions on mass media ownership are much more reasonable than the extreme language in last August's bill. That language would have virtually guaranteed that power would have been concentrated among a select few communications megacorporations, sacrificing the key tenets of communications policy—community control and variety of viewpoints. That legislation repealed all ownership limits on radio stations, allowed one network to control programming

reaching 50 percent of all households nationwide, gave one major communications entity the ability to own newspapers, cable systems, and television stations in a single town. This type of excessive media control is not a healthy prescription for competition.

Thankfully, these provisions were altered by lowering to 35 the percentage of all national television viewers that one network's programming could reach. In addition, this conference report keeps intact current restrictions that prevent one media giant from owning two television stations in one locality or owning newspapers in combination with ration stations, cable holdings, or TV interests in the same market.

However, I am most pleased about certain provisions designed to assist our Nation's smallest telecommunications providers which are included in this conference report.

As I have said on numerous occasions, while we should all look forward to the opportunities presented by new, emerging technologies, we cannot disregard the lessons of the past and the hurdles we still face in making certain that everyone in America benefits equally from our country's maiden voyage into cyberspace. I refer to the well-documented fact that minority and women-owned small businesses continue to be extremely under represented in the telecommunciations field.

In the cellular industry, which generates in excess of $10 billion a year, there are a mere 11 minority firms offering services in this market. Overall, barely 1 percent of all telecommunciations companies are minority-owned. Of women-owned firms in the United States, only 1.9 percent fall within the communications category.

Several of the provisions included in this bill will begin the process of eradicating these inequities.

I am very pleased to see that Representative RUSH's amendment to help to advance diversity of ownership in the telecommunications marketplace, which is similar to a provision I included in last year's telecommunications legislation, was retained in conference. It requires the Federal Communications Commission to identify and work to eliminate barriers to market entry that continue to constrain all small businesses, including minority and women-owned firms, in their attempts to take part in all telecommunications industries. Underlying this amendment is the obvious fact that diversity of ownership remains a key to the competitiveness of the U.S. telecommunications marketplace.

In addition, I fully support the telecommunications development fund language included in the conference report. This language ensures that escrow deposits the FCC receives through auctions be placed in an interest-bearing account and the interest from such deposits be used to increase access to capital for small telecommunications firms. This fund seeks to increase competition in the telecommunications industry by making loans, investments, or other similar extensions of credit to eligible entrepreneurs.

Finally, antiredlining provisions that prohibit all telecommunications providers from discriminating against individuals and communities on the basis of race, gender, creed, and so forth address a genuine concern of mine that the information superhighway must not be allowed to bypass those groups most in need of its benefits.

For all these reasons, Mr. Speaker, I urge my colleagues to vote in favor of this conference report.

Mr. POSHARD. Mr. Speaker, I voted against H.R. 1555, the House-passed Telecommunications reform bill, in August. I believe the conference report before us today is a much improved piece of legislation that deserves our support.

This bill contains the important V-chip technology that will allow parents to control what programs are viewed by their children. This parental control device will be of great benefit as consumer access to a seemingless endless number of new television channels enter the market place.

I believe this conference report has addressed in a fair manner the issue of cable deregulation. I represent a rural district and was greatly concerned about the negative impacts H.R. 1555 would have had on cable consumers I represent. I understand the importance of free and open markets, but in rural America competition if often slow in coming. The conference report before us today ensures consumer protection until real and meaning cable competition exists.

The telecommunications reform conference report before us today is not a perfect bill, but it is a very good bill. This legislation allows for true competition among local and long distance phone companies, protects cable consumers, and provides needed measures that make it illegal to intentionally communicate obscene materials over a computer network.

Mr. Speaker, we hear a lot about America being ready to embark on the information superhighway. This bill allow us to do that. Last week during the President's State of the Union address he referenced the importance of this legislation. I am proud that members on both sides of the aisle have worked together to produce a bill that is truly bipartisan. I commend the work of Chairman BLILEY, Mr. DINGELL, and the other members of the conference committee for working together to produce this historic legislation. I urge my colleagues to join with me in supporting this bill.

Mr. UPTON. Mr. Speaker: I would like to express my support for S. 652, the Telecommunications Act conference report, as I believe it is an important step forward in the development of our telecommunications policy. The issues we are discussing today—involving local and long distance phones service, cable TV, cellular phones, and more—will truly touch the lives of all Americans. As a member of the Commerce Committee which drafted and approved this bill last year, I'm pleased that we are finally on the verge of seeing this legislation enacted.

The national telecommunications network will play a very central role as we prepare to enter the 21st century. Throughout Michigan and the entire Nation, we must prepare ourselves to take advantage of the latest technology and do our best to see that there are no potholes on the information superhighway.

There are many important issues in the bill before us today. Let me just take a moment to take note of an issue of particular concern to the people of southwest Michigan—local marketing agreements, also known as LMA's.

A very successful LMA is in existence between two stations in western Michigan, WOOD–TV in Grand Rapids and WOTV in Battle Creek. In 1991, WOTV has suffered millions of dollars of losses and was forced to terminate their news operation and layoff many employees while they searched for a buyer.

In late 1991, WOTV was able to enter into an LMA and bring the station back to financial stability. They now have a fully staffed news department dedicated to bringing local news to their viewers. Additionally, they are very active in community affairs such as events at Western Michigan University and the Kalamazoo Air Show.

I am fully in support of efforts to allow for the continuation of LMA's in the future and I'm pleased that these provisions are part of S. 652.

I believe that under this bill, we are preparing our nation for the wave of the future and leading the world into the 21st century.

Mr. CASTLE. Mr. Speaker, this legislation represents the first comprehensive overhaul of our Nation's communications policy since 1934. Telecommunications technology has advanced beyond the wildest dreams of the visionaries of 1934, and yet the regulatory structure has remained unchanged. The present regulatory structure restricts competition in telecommunications markets and industries, thus stifling innovation, raising costs, and delaying the introduction of new products and services to consumers. Government regulators, rather than consumers, determine which companies can offer which services, and, in some cases, at what price. This bill will unshackle the telecommunications industry from the tenacious grasp of Federal, State, and local regulations, thus unleashing a broad array of new telecommunications services at lower costs.

This profoundly important and far-reaching legislation recognizes the legacy of decades of regulation, and thus does not simply eliminate all regulations overnight for a brutal battle in the marketplace. While on first examination this may appear to make sense, the present regulatory structure has positioned some industries to do remarkably well under such a scenario, while others would find themselves severely handicapped. Thus, immediate and total deregulation could possibly inhibit competition rather than encourage it. Instead, the legislation has sought to ensure that different industries will be competing on a level playing field.

This legislation is the product of years of analysis and negotiation, and is a fair and realistic bill which promotes and encourages competition in cable and telephony markets. In Delaware, for example, the local phone company will be able to offer consumers long distance services and other telecommunications products. The local phone company, however, will no longer operate as a monopoly, and will face competition from other companies. For the first time Delawareans will have a choice of telecommunications providers, and as companies compete for their business, they will reap significant benefits.

I also support provisions that would ensure our Nation's schools and libraries have affordable access to educational telecommunications services. Schools can use telecommunications to ensure that all students, regardless of economic status, have access to the same rich learning resources. Libraries can ensure that every community has a publicly accessible means of electronic access to support classroom instruction, to communicate with the world-wide library community, to facilitate small business development, to access employment listings and Government databases, among other uses. It is in the Nation's best interest to ensure that all schools and libraries, even those in rural areas, are active participants in the Information Age.

The impact of this legislation, of course, extends far beyond the borders of Delaware. Everyone, from an elementary school child exploring the world beyond his or her local community, to an elderly person benefiting from the expert advice of a physician 1000 miles away via Telemedicine, to a business seeking to become more efficient, to a parent wishing to telecommute to work, to a couch potato channel surfing through 500 channels, to an innovative entrepreneur seeking to provide new telecommunications services—everyone stands to benefit enormously from this legislation. Consequently, I give it my strong support and urge my colleagues to do the same.

Mr. BILIRAKIS. Mr. Speaker, I rise in strong support of the landmark legislation which we are considering today. S. 652 is the culmination of years of work to overhaul Federal telecommunications policy and position America as a world leader in the dawning information age.

While this bill contains many important provisions, I want to address one area in particular—the issue of "Telemedicine." As chairman of the Commerce Health Subcommittee, I have a special interest in this subject.

Although it is subject to different interpretations, the term "Telemedicine" generally refers to live, interactive audiovisual communication between physician and patient or between two physicians. Telemedicine can facilitate consultation between physicians and serve as a method of health care delivery in which physicians examine patients through the use of advanced telecommunications technology.

One of the most important uses of Telemedicine is to allow rural communities and other medically under-served areas to obtain access to highly-trained medical specialists. It also provides access to medical care in circumstances when possibilities for travel are limited or unavailable.

Despite widespread support for Telemedicine in concept, many critical policy questions remain unresolved. At the same time, the Federal Government is currently spending millions of dollars on Telemedicine demonstration projects with little or no congressional oversight. In particular, the Departments of Commerce and Health and Human Service have provided sizable grants for projects in a number of States.

Therefore, I drafted a provision which is included in the conference report to require the Department of Commerce, in consultation with other appropriate agencies, to report annually to Congress on the findings of any studies and demonstrations on Telemedicine which are funded by the Federal Government.

My provision is designed to provide greater information for Federal policymakers in the areas of patient safety, quality of services, and other legal, medical and economic issues related to Telemedicine. With the enactment of this provision, I am hopeful that we can shed light on the potential benefits of Telemedicine, as well as existing roadblocks to its use.

I urge my colleagues to support the conference report to S. 652, this legislation will prove critical in defining our Nation's leadership role and economic viability in the 21st century.

Mr. TAUZIN. Mr. Speaker, as the principal author of section 365 of the conference report, I rise to amplify the limited description of this provision in the statement of managers. In essence, this provision will permit a large ocean-going American-flag vessel operating in accordance with the Global Maritime Distress and Safety System [GMDSS] of the SOLAS Convention to sail without a radio telegraphy station operated by a radio officer or operator.

In implementing this section, the Coast Guard can rely on the Federal Communications Commission to determine that a large-ocean going vessel has GMDSS equipment installed and operating in good working condition. We do not contemplate the Coast Guard conducting a rulemaking, public hearings, or other lengthy regulatory process. Rather, we contemplate a simple adaptation of current, well-established Commission certification procedures.

Under section 359 of current law, the Federal Communications Commission is authorized to issue a certificate of compliance to the operator of a vessel demonstrating that the vessel is in full compliance with the radio provisions of the SOLAS Convention. By law, this certificate must be carried on board the vessel at all times the ship is in use. Thus, once a vessel operator has installed the necessary GMDSS equipment and demonstrated to the satisfaction of the Commission that the equipment is operating in good working condition, the operator will obtain a new or modified certificate of compliance from the Commission. By confirming that a vessel has on board such a valid certificate, the Cost Guard would fulfill its responsibilities under section 365.

Let me emphasize, as well, that this provision does not alter the Commission's manning or maintenance requirements in any respect. Vessel operators, for example, will continue to be able to adopt two of the three permitted maintenance options: on-shore maintenance and equipment duplication.

For too long, American-flag vessels have been saddled with the antiquated telegraphy station requirements of the 1934 act. Through our action today, we hope to help American-flag operators become more internationally competitive and to speed the introduction of the satellite-based GMDSS technology.

Mr. SENSENBRENNER. Mr. Speaker, I support the conference report before the House today. I am hopeful this legislation will ensure that our telecommunications markets remain the most competitive in the world. The Justice Department's role in the success of the legislation before us is critical. For over a decade, the Justice Department has fostered competition in these markets and the bill requires that the Federal Communications Commission, as part of its interest review, will give "substantial weight" to the Justice Department's evaluation of a Bell Operating Company's application for entry into long distance.

The role included in this bill for the Department of Justice is truly essential to the ultimate success of this bill. In particular, the bill requires the FCC to rely on the Department's expertise to assess the overall competitive impact of the RBOCs entry into long distance. Clearly, there are other public interest factors which are entitled to their proper weight, and the FCC's reliance on the Justice Department is limited to antitrust related matters. In those instances when the cumulative effect of all other factors clearly and significantly outweighs the Justice Department's competitiveness concerns, the FCC should not be precluded from acting accordingly. However, I expect the FCC will not take actions that, in the Justice Department's view, would be harmful to competition.

Second, I strongly opposed a provision included in the House passed bill that would have allowed the Federal Communications Commission [FCC] to issue rules that would preempt local zoning on where to site cellular communications towers. Cellular communications companies would have been allowed to place towers in any location, regardless of local concerns and the actions of local city councils and planning commissions, provided that they had obtained approval from an FCC bureaucrat in Washington. It is estimated 100,000 towers will be sited across the country by the year 2000. I have consistently supported the rights of local governments to decide zoning questions and I opposed this bill because it dramatically infringed on the rights of local government with respect to zoning. I am pleased a compromise has been reached on this issue and the FCC will be prevented from infringing on the rights of local and State land use decisions. The authority of State and local governments over zoning and land use matters is absolutely essential and must be preserved.

I congratulate Chairmen HYDE, BLILEY, and FIELDS for their tireless work on this historic legislation.

Mr. HOLDEN. Mr. Speaker, the Telecommunications Act of 1996 furthers the vital local telecommunications competition goal by prohibiting States and local governments from erecting barriers to new entrants providing service. This is an excellent provision, but, because it is a general mandate, there may be creative attempts to get around it. At the very least, such attempts to skirt the law would result in lengthy litigation, which would slow investment and competition. It is for that reason that I would like to spell out in more detail the types of requirements that State and local governments should not be able to impose: A State or local government should not be able to require that any provider:

Demonstrate that its provision of service would not harm the competitive position of any current or future providers of service, would be beneficial to consumers, or would not affect universal service;

Show that its provision of service would not harm the network of any provider, other than

agreeing to abide by uniform technical requirements;

Agree to provide service in, or build out, all or any parts of a franchise territory;

Show financial capabilities not relevant to the service to be provided and not required of other providers;

Limit its offering of service until another provider obtains regulatory relief, that is, withhold offering a service until the incumbent provider receives pricing flexibility.

I hope this list proves useful to State and local governments in their efforts to implement this new law and to the FCC in its oversight of this provision.

Mr. PAXON. Mr. Speaker, I want to address section 702 of the conference report that adds a new section 222(e) to the Communications Act which would require that subscriber list information be provided to independent telephone directory publishers on nondiscriminatory and reasonable rates, terms, and conditions. This is a simple requirement to protect an area of telecommunications where there has been competition for more than a decade, but where service providers have used pricing and other terms to try to limit that competition. Now we are prohibiting such anticompetitive behavior.

This provision is one of those covered by section 257 of the conference report that requires that the FCC make rules that identify and remove barriers to entry for companies involved with providing telephone and information services.

Since the FCC will soon be considering how to interpret the language in section 222(e) to prevent future problems with the sale of subscriber list information to independent publishers, I would like to emphasize one key point. I have consistently sought to assure that in determining what constitutes a reasonable rate under this bill, the most significant factor should be the incremental cost of delivering that listing to the requesting party.

I appreciate this opportunity to clarify this important provision.

Mr. OXLEY. Mr. Speaker, I would like to take a minute to talk about section 275 of the telecommunications conference report concerning alarm monitoring services. Section 275 generally restricts Bell operating companies and their affiliates from providing alarm monitoring services for 5 years from the date of enactment. It does, however, allow BOC's that were lawfully engaged in the alarm monitoring business on or before November 30, 1995, to continue to provide such services. There are no prohibitions under current law barring Bell operating companies from providing alarm monitoring, and those companies that have chosen to enter this business in reliance on current law should not be unduly penalized after such lawful entry. Moreover, such companies should be permitted to operate and expand their business just like any other company in our free market system. Restrictions on growth deny consumers the benefits that additional competition will bring.

The only restriction on grandfathered BOC's contained in the conference report is that such companies may not acquire any equity interest in or obtain financial control of an unaffiliated alarm monitoring company. Let me be perfectly clear, as is the language of the conference report: This restriction does not encompass customer or asset acquisitions. There is no restriction on acquisitions of customer accounts or the assets of unaffiliated alarm companies by a Bell operating company that was offering alarm monitoring services on or before November 30, 1995. After 5 years, the limited restriction on acquiring an equity interest or obtaining financial control will be lifted and there will be no entry, equity, or financial control restrictions whatsoever on Bell operating company provision of alarm monitoring services.

Mrs. LOWEY. Mr. Speaker, although I support the conference report for H.R. 1555, the Communications Act of 1995, I must rise in opposition to the provision in the bill that bans discussions about abortion on the internet. This is a high-technology gag rule, and it is unacceptable.

Section 507 will apply portions of the Comstock Act to the internet. In addition to banning the dissemination of obscene materials, the Comstock Act also bans the dissemination of information about abortion. As a result, section 507 of H.R. 1555 will ban both the sending and the receipt of information about abortion on the internet.

This ban will have a chilling effect on the rights of millions of Americans. Violation of the ban bill be a felony, punishable by 5 years for the first offense and 10 years for each subsequent offense. Obviously, most American women will not risk a jail term, even to share necessary information about abortion—a legal medical procedure that is an integral part of basic women's health care.

Proponents of this provision have argued that because this provision is old and has not been enforced for decades, it will have no impact on women's speech about abortion. They say that it is dead letter law, and at worst case it only bans some types of advertisements and commercial speech.

Unfortunately, we have no way of knowing whether the proponents of this provision are right about whether this provision will be interpreted very narrowly—as they claim—or very broadly. Either interpretation is possible, because the provision's scope is unclear. That is what makes this provision so dangerous. No one knows what it will do.

One problem is that no court has addressed this provision since the Supreme Court's decision in Roe versus Wade. In fact, the only Court decision directly addressing this ban on information about abortion was decided in 1915. Obviously, quite a lot has changed since then—most notably, the Supreme Court has held that abortion was a constitutionally protected right. What does this provision mean in a world where abortion is legal?

Would H.R. 1555 ban all discussion of abortion on the internet? Or, would it only apply to information about unlawful abortions, as the court in the 1915 held? And what, in 1996, does unlawful abortion mean? For example, abortion laws vary greatly from State to State. If a person receives information about abortion services that are legal in her State, but illegal in the State from which the information was sent, would she go to jail?

Would the provision only apply to advertisements and commercial speech, as some proponents claim? If it does, this provision potentially bars the providers of reproductive health services from having websites detailing the medical services they offer. This could also potentially bar many internet discussions of RU–486—discussions which could be described as facilitating the sale of a drug for use in producing abortions. Whatever its breadth, this provision—by limiting the information that women can get about abortion—puts the health of American women at direct risk.

Including this restriction on speech concerning the reproductive rights of Americans in the telecommunications reform bill—a bill that has nothing to do with abortion—will impede the reproductive rights of all American women. To bar all internet users from discussing abortion is outrageous. To bar any American from discussing a medical procedure flies in the face of every ideal that we hold dear as Americans.

Unfortunately, under parliamentary rules, I cannot offer an amendment to the conference report to strike this provision. However, I have already begun discussions with many of my colleagues about working to have this provision repealed on a future technical corrections bill. Again, although I support this conference report, I urge all of my colleagues to join me in working to remove this ban on discussions about abortion on the internet. This high-technology gag rule must not stand.

Mr. FORBES. Mr. Speaker, I rise to today to comment on the passage of the Telecommunications Act of 1996. This legislation, if properly implemented, has the potential to usher in an era of truly fair competition in all aspects of telecommunications. A decade or so ago, Judge Greene broke up Ma Bell, and consumers enjoyed a precipitous decline in the cost of long-distance service made possible by competition among 500 providers of long-distance service.

However, today we do not have competition in the local market. This legislation seeks to change that, and so I am pleased to see the President sign it into law.

But, Mr. Speaker, before any regional Bell company enters the long-distance market, there must be competition in its local market. That is what fair competition is all about.

Our job is not finished. Rather, it is vital that Congress keep vigilant oversight over the implementation of this act. If, instead of unleashing full blown competition, this legislation starts us on the path of having seven monopolies dominate local and long-distance service, we must intervene. I am very hopeful, that will not be necessary. The best way to ensure that this does not happen is if the FCC heeds the counsel of the Attorney General, who will be evaluating Bell company applications to enter the long-distance market.

Again, if implemented properly, the Telecommunications Act of 1996 will give consumers more choices for local telephone service without jeopardizing the benefits of competition they already enjoy in long distance.

Mr. PAXON. Mr. Speaker, the conference agreement provides that, in order for a Bell operating company to receive in-region interLATA relief, either the company must have entered into an interconnection agreement contemplated under section 271(c)(1)(A) with a facilities-based carrier or, if there has been no request for such an agreement, must

have provided the statement of interconnection terms contemplated under section 271(c)(1)(B) (approved by a State under section 252(f)). Either the agreement or the statement must meet the requirements of section 271(c)(2)(B), which itemizes the competitive checklist, and must include each of the items in the checklist.

The purpose of these provisions is to ensure that a new competitor has the ability to obtain any of the items from the checklist that the competitor wants. It is very possible that every new competitor will not want every item on that list. In such cases, the legislation would not require the Bell operating company to actually provide every item to a new competitor under the agreement contemplated in section 271(c)(1)(A) in order to obtain in-region relief.

Under these circumstances, the Bell operating company would satisfy its obligations by demonstrating, by means of a statement similar to that required by section 271(c)(1)(B), how and under what terms it would make those items available to that competitor and others when and if they are requested. It would be entirely appropriate under this legislation for the Federal Communications Commission to determine under section 271(d)(3)(A) that the Bell operating company has fully implemented the competitive checklist.

Quite simply, Congress did not intend to permit the Bell operating companies' competitors to delay their entry into the in-region interLATA market by refusing to include checklist items in the interconnection agreements. Refusal for such reasons would not constitute good-faith negotiations by the competitors. Where the Bell operating company has offered to include all of the checklist items in an interconnection agreement and has stated its willingness to offer them to others, the Bell operating company has done all that can be asked of it and, assuming it has satisfied the other requirements for in-region interLATA relief, the Commission should approve the Bell operating company's application for that relief.

Mr. BLILEY. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

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

RECORDED VOTE

Mr. BLILEY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 414, noes 16, not voting 4, as follows:

[Roll No. 25]

AYES—414

Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bellenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mfume
Mica
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—16

Abercrombie
Conyers
DeFazio
Evans
Frank (MA)
Hilliard
Hinchey
Johnson (SD)
Nadler
Peterson (MN)
Sanders
Schroeder
Stark
Volkmer
Williams
Yates

NOT VOTING—4

Bryant (TX)
Chapman
Filner
Rose

□ 1623

Mr. MOAKLEY and Mr. YOUNG of Florida changed their vote from "no" to "aye."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid of the table.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2924, THE SOCIAL SECURITY GUARANTEE ACT

Mr. GOSS, from the Committee on Rules, submitted a privileged report (Rept. No. 104–460) on the resolution (H. Res. 355) providing for the consideration of the bill (H.R. 2924) to guarantee the timely payment of Social Security benefits in March 1996, which was referred to the House Calendar and ordered printed.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1963

Mrs. KELLY. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 1963.

The SPEAKER pro tempore (Mr. HAYWORTH). Is there objection to the request of the gentlewoman from New York?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1963

Mr. DAVIS. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 1963.

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

There was no objection.

PRIVILEGES OF THE HOUSE—PROTECTING THE CREDITWORTHINESS OF THE UNITED STATES GOVERNMENT AND AVOIDING DEFAULT

Mr. GEPHARDT. Mr. Speaker, pursuant to rule IX, I rise to a question of the privileges of the House and offer a resolution (H. Res. 356) to protect the creditworthiness of the United States and avoid default of the U.S. Government.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 356

Whereas, the inability of the House to pass an adjustment in the public debt limit unburdened by the unrelated political agenda of either party, an adjustment to maintain the creditworthiness of the United States and to avoid disruption of interest rates and the financial markets brings discredit upon the House;

Whereas, the failure of the House of Representatives to adjust the federal debt limit and keep the nation from default impairs the dignity of the House, the integrity of its proceedings and the esteem the public holds for the House; Now, therefore, be it

Resolved, That upon the adoption of this resolution the enrolling clerk of the House of Representatives shall prepare an engrossment of the bill, H.R. 2409. The vote by which this resolution is adopted by the House shall be deemed to have been a vote in favor of such bill upon final passage in the House of Representatives. Upon engrossment of the bill, it shall be deemed to have passed the House of Representatives and been duly certified and examined; the engrossed copy shall be signed by the Clerk and transmitted to the Senate for further legislative action; and (upon final passage by both Houses) the bill shall be signed by the presiding officers of both Houses and presented to the President for his signature (and otherwise treated for all purposes) in the manner provided for bills generally.

The SPEAKER pro tempore. The gentleman from Missouri [Mr. GEPHARDT] is recognized on the question of privilege.

Mr. GEPHARDT. Mr. Speaker, let me explain why this is a question of privilege and why this Congress must act to extend the debt limit, with no threats or conditions, to preserve the integrity of this entire Government.

□ 1630

Rule IX of this House states very clearly that matters of privilege are those affecting the House collectively, those affecting its dignity and integrity, and those affecting the reputation of Members in their representative capacity.

I ask every Member of this Congress today, how can the dignity and integrity of this Congress be maintained if we tear down the dignity and integrity of this country? How can any single Member of the 104th Congress maintain our reputation and honor if we go down in the history books as the Congress that broke America's word, the very first Congress that dared to tarnish America's trust in the world.

Mr. Speaker, I know there are enough Democrats and Republicans to extend the debt limit and avoid this crisis right now, if we could only have that vote on the floor. It is unfair to all of us to have our rights, our reputations, our good names dashed for what I believe is a partisan purpose.

Some of our Republican colleagues are threatening to default on America's financial obligations, to turn our backs on seniors who need their Social Security checks, taxpayers who deserve their refunds, people throughout the world have invested in America.

There is no question that economic chaos would follow even a day of default. Interest rates on credit cards, car loans, and mortgages would skyrocket. The dollar would plummet. World financial markets could go into a tailspin. The damage would most likely be permanent, because such reckless delinquency would be without historical precedent in our country.

We had a bloody Civil War in the last century, when America was torn in half, probably our greatest crisis. But all through it and after it, we kept our credit whole. During two world wars when our economy was stretched to the limit, we found room to honor our word to the people who had invested in our debt. Through recessions and a great depression, we have guarded America's financial faith and integrity because it is as sacred as the Constitution itself.

This is not partisan hyperbole. Even the threat of default is damaging our credibility day by day, more and more with each passing day.

We cannot afford to play politics with that credibility. We cannot afford to delay to stand for our national word and honor.

What crisis is bigger than two world wars and the Great Depression? A disagreement over a budget. We Democrats think it is wrong to cut Medicare for huge tax breaks, especially since we think it is unnecessary to balance the budget. Republicans legitimately disagree. This is a valid debate. It is one we should resolve. But defaulting on our obligations, hurting millions of average Americans, damaging our most precious possession, our word and our credibility, is no way to resolve it.

After all, shutting down the Government twice did not resolve it. Why would an international economic crisis resolve it?

Mr. Speaker, parliamentary privilege exists for exactly this kind of crisis. This is more than an economic issue. It is a profoundly moral issue.

If we bargain away America's integrity for the latest political squabble, if we can bring millions of families to the brink of economic crisis because we cannot agree on this year's budget, then in my opinion we cease to serve the United States of America, and we no longer have honor to maintain.

This crisis, Mr. Speaker, is the very essence of privilege in this parliamentary body, and I urge the Chair, on behalf of our country and the promise and word of our country, to rule in its favor.

The SPEAKER pro tempore. (Mr. BARRETT of Nebraska). Do any other Members wish to be heard on the question of privilege?

Mr. KENNEDY of Massachusetts. Yes, Mr. Speaker, I wish to be heard.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Speaker, there can be no greater cause for a parliamentary privilege than the constitutional crisis that is being perpetrated by the elements of this House that have chosen a path to default on America's debt in order to get their particular view rammed through the House of Representatives and the Senate of the United States. Mr. Speaker, we have got to deal with this crisis.

The truth of the matter is that originally we were told that the reason why the Republicans so much wanted to have the debt default issue brought forward was to insist upon a balanced budget. President Clinton has agreed to a balanced budget.

We were then told, though, it was not a balanced budget, it was a balanced budget within 7 years. President Clinton agreed to a balanced budget within 7 years.

We were then told it was not a balanced budget within 7 years but it was with the CBO numbers. President Clinton agreed to a balanced budget in 7 years using CBO numbers.

Then we were told it was not a balanced budget, 7 years, CBO numbers, but it had to have a tax cut. President Clinton agreed to a tax cut.

It is not as big a tax cut as the one the Republicans want, so the Republicans are insistent upon challenging the debt of this country, breaking the back of 200 years of history, breaking the parliamentary process that has been set up that says if we have disagreements between bills passed by the House of Representatives and the United States Senate, that we have in fact a President that can sign that bill or he can veto that bill. If he vetoes the bill, we have the right to override that veto. If we do not have the votes to override, we then compromise.

Mr. WALKER. Mr. Speaker, I demand regular order.

Mr. KENNEDY of Massachusetts. The truth of the matter is there is no willingness to compromise.

Mr. WALKER. Mr. Speaker, I demand regular order.

The SPEAKER pro tempore. Will the gentleman suspend. The Chair would remind the gentleman to confine his remarks to the question of privilege, please.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I am talking about a question of privilege. I am talking about my dignity and my integrity, the integrity of this body, the integrity of every Member on the Democratic and Republican side.

Mr. WALKER. Mr. Speaker, I demand the regular order.

Mr. KENNEDY of Massachusetts. You are willing to break the back, break the debt of America in order to ram through your narrow political guerrilla tactics. It is time for a little dignity on the floor of this House, Mr. Speaker, and I want to be heard.

The SPEAKER pro tempore. Members must confine their remarks to the question of privilege.

Mr. WALKER. I demand the regular order, Mr. Speaker.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I believe very strongly that this is an issue of parliamentary privilege. I could not agree more strongly with the words of the gentleman from Missouri [Mr. GEPHARDT], that this is an issue, the most important issue we have faced this year, the most important issue that we have faced in many years.

If we allow the debt of this country to be defaulted upon, we will hurt the future of our country's borrowing, we will hurt the future of our country's children, and we will hurt our senior citizens.

Please pass a full debt extension. Allow us to pay our bills as every generation prior to ours has done throughout the history of this country.

The SPEAKER pro tempore. The Chair recognizes the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, in the interest of time, I will make the argument brief as to why this resolution does not constitute a question of privilege under House rule IX, but just as I do that, let me preface those remarks by calling attention to the bill that will be on the floor directly after we finish with these two issues here. It states in the line 6, "Congress intends to pass an increase in the public debt limit before March 1, 1996," and let me say that they will do this over my objections because I am just appalled that we are once again going to extend this debt limit.

But having said that, let us talk about this issue. The precedents are absolutely clear that a resolution raising a question of privilege may not be used to change those rules. This resolution would change House rules by automatically passing a specified bill. Nowhere in House rules is it contemplated or specified that legislation may be called up, let alone passed, by means of a question of privileged resolution. The Chair has already so ruled on numerous occasions during the last several weeks. I therefore would urge that this resolution be ruled out of order, Mr. Speaker.

The SPEAKER pro tempore. Does the gentleman from Pennsylvania desire to be heard on this question?

Mr. KANJORSKI. Mr. Speaker, I rise on the question of privilege.

The SPEAKER pro tempore. The gentleman from Pennsylvania may proceed.

Mr. KANJORSKI. Mr. Speaker, I know that this is an issue that other parliamentarians have ruled on in the history of this great House, but as we reflect, my friends on both sides, and to remove this from a partisan issue, the issue of the Constitution and the issue of the House of Representatives predates the existence of either parties that exercise influence in this House today.

We are in the 208th year of the American Constitution, the 104th Congress of the United States. We are here by virtue of the fact that our constituents elected us to come here and present ourselves under article I of the Constitution of the United States and take an oath of office that Constitution. Article I provides for the powers of the House of Representatives, one of which is to provide for the debt of the United States. Those of us in this House today, more than a majority, I daresay, because I have a letter addressed to the Speaker signed by more than 191 members of the minority side of the House, and I am aware of the fact that several dozen of my good friends on the majority side join me in this cause.

So clearly if a resolution for the raising of the debt limit presented to the House clean, it could and would receive a majority vote of the House of Representatives honoring the commitment we made in our oath of office under article I of the Constitution of the United States.

For the leadership of the House, for the Rules Committee or for the rules of the House to frustrate article I and the individual oath and the collective oath of this entire House and to argue that this does not fall within the purview of the privilege of the House going to the integrity and the dignity of individual Members or collectively of this House is the most fallacious and ridiculous argument I have ever heard in my years in public life.

I argue that we put aside today as we are about to leave on a 3-week vacation and send a message to America that the House of Representatives is going to pursue and follow its oath of office, the article I of the American Constitution, and allow for an open vote a resolution allowing for the provision to pay the debts of the U.S. Government under the existing Constitution of the United States.

□ 1645

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Does the gentleman from New York wish to be recognized?

Mr. RANGEL. Mr. Speaker, I would like to be recognized on the question of privilege.

The SPEAKER pro tempore. The Chair recognizes the gentleman from New York on the question of privilege.

Mr. RANGEL. Mr. Speaker, I am going to try desperately hard to be nonpartisan in my remarks, because I think we have reached that point as a Congress that the general public is just fed up with all of us and are not taking the time to determine whether it is the so-called Republican leadership or whether it is the House of Representatives, the Senators or even whether it is the Government of the United States.

All of us have had the opportunity to explain what our job is here in the House, and we are honored to serve in this House, and whether we are dealing with adults or whether we deal with children, compromise has never been a dirty word in explaining the work of the subcommittees, the full committees, what we do in conference and what we send to the President of the United States. If we are going to change the rules here, you are changing the rules not just for individuals and parties, you are changing the rules for every one of the Members of this House whether they are participating in this or whether they are not, and you are not giving them choices. You are not playing by the rules. You are not playing by the rules we were sworn in to endorse. Those rules are simple rules.

You do not like what the President has done. You do not like the veto; you override the veto, that is what you do, and if you cannot override the veto, you try to come back and work out something.

Oh, I know, you are in a hurry. You cannot talk about it. You cannot talk about compromise. All of a sudden this beautiful word has now become a stigma, because a handful of people have snatched what they think is principle, and they are threatening the United States of America's integrity throughout this world.

You can do what you want with your party or with your members. But it is unfair, and it takes away from our prerogative as sworn Members of this House to threaten the economic life of the United States of America and the free world by holding a debt extension hostage in order to reach your political end.

Politics are played at the polls, and they should not be the reputation of the United States that is being played on parliamentary maneuvers.

The SPEAKER pro tempore. The Chair is prepared to rule on the resolution offered by the distinguished minority leader.

The resolution offered by the gentleman from Missouri alleges that the failure of the House to take a specified legislative action brings it discredit and lowers it in public esteem. On that premise it resolves that the House be considered to have passed a legislative measure.

Under rule IX, questions of the privileges of the House are those "affecting the rights of the House collectively, its safety, its dignity, [or] the integrity of its proceedings." But a question of the privileges of the House may not be invoked to effect a change in the rules of the House or to prescribe a special order of business for the House. This principle has been upheld on several occasions cited in section 664 of the House Rules and Manual, including June 27, 1974 where a resolution directing the Committee on Rules to consider reporting a special order was held not to present a question of privilege.

In this Congress, resolutions have been offered that attempt to advance legislative propositions as questions of privileges of the House on February 7 and December 22, 1995, on January 3, 1996, and, in particular, on January 24, 1996. The latter resolution similarly deemed a legislative measure passed to redress previous inaction. When ruling out that resolution as not constituting a question of privilege, the Chair posited that permitting a question of the privileges of the House under rule IX based on allegations of perceived discredit by legislative action or inaction would permit any Member to advance virtually any legislative proposal as a question of privileges of the House.

Applying the precedents just cited, the Chair holds that the resolution offered by the Gentleman from Missouri does not affect "the rights of the House collectively, its safety, dignity, [or] the integrity of its proceedings" within the meaning of clause 1 of rule IX. Rather, it proposes to effect a special order of business for the House—deeming it to have passed a legislative measure—as an antidote for the alleged discredit of previous inaction.

The resolution does not constitute a question of privilege under rule IX.

Mr. VOLKMER. Mr. Speaker, I appeal the ruling of the Chair.

The SPEAKER pro tempore. The question is, Shall the decision of the Chair stand as the judgment of the House?

MOTION TO TABLE OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Speaker, I move to table the appeal of the ruling of the Chair.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York [Mr. SOLOMON] to lay on the table the appeal of the ruling of the Chair.

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

RECORDED VOTE

Mr. VOLKMER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 229, noes 187, not voting 17, as follows:

[Roll No. 26]

AYES—229

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Billey
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Molinari
Moorhead
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Parker
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Solomon
Souder
Spence
Stearns
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—187

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Bellenson
Bentsen
Berman
Bevill
Bishop
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Cardin
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gonzalez
Gordon
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Luther
Maloney
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Roybal-Allard
Rush
Sabo
Sawyer
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—17

Becerra
Bryant (TX)
Chapman
Filner
Green
Hayes
Johnson (SD)
Lewis (CA)
Manton
Meyers
Packard
Radanovich
Rose
Sanders
Seastrand
Smith (WA)
Stockman

□ 1710

So the motion to lay on the table the appeal of the ruling of the Chair was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PRIVILEGES OF THE HOUSE—KEEPING THE HOUSE IN SESSION TO CONSIDER BILL REGARDING DEBT CEILING TO AVOID DEFAULT OF FULL FAITH AND CREDIT OF THE UNITED STATES

Ms. JACKSON-LEE of Texas. Mr. Speaker, I offer a privileged resolution (H. Res. 354) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 354

Whereas the inability of the House to pass a bill to raise the public debt limit will cause the Federal Government to default on its obligations and affect the dignity and integrity of House proceedings; and

Whereas the inability of the House to pass a bill to raise the public debt limit will cause severe hardship on Federal employees, Federal contractors, and the American people and cause millions of American citizens to hold the House in disrepute: Now, therefore, be it

Resolved, That upon the adoption of this resolution, the Speaker of the House shall take such action to keep the House in session until the House considers a clean bill regarding the debt ceiling to avoid default of the full faith and credit of the United States.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). This question is similar to questions previously raised, and, as indicated on page 321 of the manual, debate on questions of order is for the information of the Chair, and is thus within his discretion.

□ 1715

Ms. JACKSON-LEE of Texas. Mr. Speaker, I would like to be heard on the privileged resolution.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The Chair will hear from the gentlewoman from Texas, and one other Member who would care to speak on the matter, and from two Members from the other side, if that should be the case, or whether the resolution constitutes a question of privilege.

PARLIAMENTARY INQUIRIES

Ms. JACKSON-LEE of Texas. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentlewoman will state it.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I would ask your indulgence. This question is a weighty question. Several Members have asked permission to speak on the privileged resolution because it is quite distinct from the previous one in that it asks that we not recess in order to work on this matter. I would ask the Speaker's indulgence on adding at least another Member to speak on each side. I would appreciate the Speaker's indulgence on that.

The SPEAKER pro tempore. Inasmuch as a line has been pretty well determined because of the prior resolution, and the similarity of this resolution, it would be the hope of the Chair that he could limit discussion on the procedural question to the two Members per side.

Ms. MCKINNEY. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentlewoman will state it.

Ms. MCKINNEY. Mr. Speaker, who made that determination that the debate on this privileged resolution would be limited?

The SPEAKER pro tempore. It is the Chair's discretion as indicated on page 321 of the manual.

The Chair recognizes the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas. Mr. Speaker, although appreciating the ruling, I disagree and believe that this is, in fact, singular and distinct.

Mr. Speaker, rule IX, section 1 in particular, speaks to questions of privilege affecting the rights of the House collectively, its safety, dignity, and the integrity of its proceedings.

But second, Mr. Speaker, it talks about affecting the rights, reputation and conduct of Members individually. And, therefore, we can see in that rule that there may be actions taken collectively by this body that would put this House in ill repute in the eyes of its constituents, in the eyes of other Members, and in the eyes collectively, of the American people.

Mr. Speaker, I would affirm that recessing this House in light of the failure of the leader's privileged resolution to pass a clean debt ceiling will befall upon this House in the eyes of the American people a reputation that we would not be proud of. The House of Representatives will be held in disrepute by world leaders, international financial institutions, and most importantly the citizens of this country, if it does not pass a bill relating to the debt ceiling.

Mr. Speaker, it is my contention that this is a grave matter, and in many ways affects the dignity and integrity of these House proceedings. The Secretary of the Treasury has stated that the Federal Government will be in default of its financial obligations if the debt ceiling limit is not raised and a $5.8 billion interest payment made very soon.

In accordance with the responsibilities of his office, Secretary Rubin has already sent a letter on January 22, 1996, to the congressional leadership stating under the current conditions the U.S. Treasury will no longer be able to fulfill all of its financial obligations.

Clearly, Mr. Speaker, we have been on notice and we are on notice that actions by this body would put it in disrepute and have it viewed as not performing its responsibilities.

As we are aware, Mr. Speaker, the financial reputation of an organization is based solely upon the financial history it has established. Mr. Speaker, it has been an undeniable fact that this House was given 38 days of notice of the impending financial dilemma. If this body fails to pass a bill, which we have already done so by rejecting the leader's privileged resolution, then we would not be in good standing.

May I remind the Speaker that rule IX of the House states questions of privilege go to the dignity and reputation of this House.

Mr. Speaker, might I also say that, if on February 26, when we have the obligation of sending out to millions of Americans Social Security checks, I can tell my colleagues that if those checks go out with no clean debt ceiling, they will bounce. If that is not a blight on the integrity of this House, then I do not know what is.

Mr. Speaker, if I may personally say, having had the privilege of going to Bosnia, visiting with the people of those nations, Bosnia, the former Yugoslavia and Croatia, when making a very weighty decision by this body as to whether we would go in as peacekeeping troops in this effort, I had the privilege of talking to the men and women who are now serving in Bosnia. The only thing they asked of us is: Will the American people be with us?

Mr. Speaker, here we stand on the House floor about to recess and go home and jeopardize the opportunity and the responsibility to pay those military personnel by March 1. Mr. Speaker, I think that we have come to a point legitimately under rule IX that we must stand up because we provide a harm to the American people. That harm is the inability to pay Social Security; the inability to pay veterans' benefits; the inability to pay our military personnel; and, yes, the disrepute that will fall upon this House and this Nation when it is not able to pay its responsibilities and uphold the full faith and credit of this Nation.

Mr. Speaker, I would ask that we not recess and we stand with the American people. Do not bring a lack of dignity on this House on the American people.

The SPEAKER pro tempore. Does any other Member wish to be heard on the question of privilege?

Ms. WOOLSEY. Mr. Speaker, I rise to address the question of privilege.

Mr. Speaker, here we go again. The folks who brought two Government shutdowns are now threatening to bring our Nation to the brink of default one more time. They are doing this in one more attempt to force their extreme agenda on the American people.

That is right, once again the Gingrich Republicans have the Nation teetering on the edge of crisis, and instead of working to avoid disaster, the Speaker and his gang want to leave town this weekend.

My colleagues heard me. They want to leave the Nation's full faith and credit, as well as the fate of millions of

Social Security and veterans' beneficiaries, hanging by a thread until Congress reconvenes 3 weeks from now.

Mr. SOLOMON. Regular order.

The SPEAKER pro tempore. The Chair would remind the gentlewoman to confine her remarks to the question of privilege.

Ms. WOOLSEY. Mr. Speaker, that is right. Mr. Speaker, I would like to ask why the motion to adjourn is a privilege and the resolution to prevent adjournment is not a privilege. I would suggest that we be able to speak on either side of adjourning or not adjourning, equally. And I would hope that I could then have another Member of our caucus speak to this same issue.

The SPEAKER pro tempore. Has the gentlewoman completed her statement?

Ms. WOOLSEY. Mr. Speaker, I would like to ask why, if the motion to adjourn is a privilege, that the motion not to adjourn is not the same privilege.

The SPEAKER pro tempore. Are there other Members who wish to speak to the matter?

The gentleman from New York [Mr. SOLOMON] is recognized.

Mr. SOLOMON. Mr. Speaker, it is not appropriate for me to refer to the next bill on Social Security that will come up, but I will advise my colleagues to look at it after we finish.

Mr. Speaker, I rise to argue briefly that the resolution does not constitute a question of the privileges of the House under rule IX.

As recently as 4:50 p.m. today, a few minutes ago, the Chair rules against a resolution purporting to raise a question of privilege, on the grounds that it effected a change in House rules by providing for passage of a specified bill.

The resolution before us is only a slight modification of the previous resolution, by requiring the Speaker to take action to keep the House in session until the House considers certain legislation. As such, the resolution attempts to change House rules by altering the duties of the Speaker as specified in House rule number I.

Presumably, the Speaker would even be required to not recognize anyone who offered a constitutionally privileged motion to adjourn. This is not only changing House rules, but it actually violates the Constitution of the United States. I would, therefore, urge the Chair to rule against the resolution in conformity with the Chair's previous rulings and House precedents, and I would urge the Speaker to rule.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, the resolution is obviously a resolution of the same nature as those that have been ruled on previously by Speakers extending back for several decades.

The cause being brought by the gentlewoman from Texas [Ms. JACKSON-LEE] is under rule IX. This is obviously not a question of privilege under the provisions of rule IX, and so, therefore, I request that the Chair rule against this matter as a question of privilege.

The SPEAKER pro tempore. The Chair is prepared to rule.

PARLIAMENTARY INQUIRY

Ms. MCKINNEY. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentlewoman will state it.

Ms. MCKINNEY. Mr. Speaker, is it not true that there is probably a rule in the rule book for anything trying to obstruct what we are trying to do over here?

Mr. SOLOMON. Regular order. That is ridiculous.

Ms. MCKINNEY. Is that not true, Mr. Speaker?

The SPEAKER pro tempore. That is not a parliamentary inquiry.

The Chair is prepared to rule on this matter. The resolution offered by the gentlewoman from Texas alleges that the failure of the House to take a specified legislative action impairs its dignity and the integrity of its proceeding and lowers it in public esteem. On that premise, it resolves that the Speaker keep the House in session until it considers a pertinent legislative measure.

The resolution offered by the gentlewoman from Texas, like those offered on February 7, and December 22, 1995, and on January 3 and January 24, 1996, and earlier today, attempts to advance a legislative proposition as a question of the privileges of the House.

For the reasons just stated by the Chair when ruling that the resolution offered by the gentleman from Missouri did not constitute a question of privileges of the House, the Chair holds that the resolution offered by the gentlewoman from Texas [Ms. JACKSON-LEE] does not affect the rights of the House collectively, its safety, dignity, or the integrity of its proceedings within the meaning of clause 1 of rule IX. Rather, it proposes to impose a particular legislative schedule on the House, precluding an adjournment of the House until a specified legislative measure is considered, as an antidote for the alleged disrepute of previous inaction.

Therefore, the resolution does not constitute a question of privilege under rule IX.

Ms. JACKSON-LEE of Texas. Mr. Speaker, because I believe that we should not recess but should work, I appeal the ruling of the Chair.

The SPEAKER pro tempore. The question is: Shall the decision of the Chair stand as the judgment of the House?

Mr. SOLOMON. Mr. Speaker, I move to table the appeal of the ruling of the Chair.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York [Mr. SOLOMON] to lay on the table the appeal of the ruling of the Chair.

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

Ms. JACKSON-LEE of Texas. 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 229, nays 181, not voting 23, as follows:

[Roll No. 27]

YEAS—229

Allard	Flanagan	McCollum
Archer	Foley	McCrery
Armey	Forbes	McDade
Bachus	Fowler	McHugh
Baker (CA)	Fox	McInnis
Ballenger	Franks (CT)	McIntosh
Barr	Franks (NJ)	McKeon
Barrett (NE)	Frelinghuysen	Metcalf
Bartlett	Frisa	Mica
Barton	Funderburk	Miller (FL)
Bass	Gallegly	Molinari
Bateman	Ganske	Moorhead
Beilenson	Gekas	Morella
Bereuter	Gilchrest	Myers
Bilbray	Gillmor	Myrick
Bilirakis	Gilman	Nethercutt
Bliley	Goodlatte	Neumann
Blute	Goodling	Ney
Boehlert	Goss	Norwood
Boehner	Graham	Nussle
Bonilla	Greenwood	Oxley
Bono	Gunderson	Parker
Brownback	Gutknecht	Paxon
Bryant (TN)	Hancock	Petri
Bunn	Hansen	Pombo
Bunning	Hastert	Porter
Burr	Hastings (WA)	Portman
Burton	Hayes	Pryce
Buyer	Hayworth	Quillen
Calvert	Hefley	Quinn
Camp	Heineman	Ramstad
Campbell	Herger	Regula
Canady	Hilleary	Riggs
Castle	Hoekstra	Roberts
Chabot	Hoke	Rogers
Chambliss	Horn	Rohrabacher
Chenoweth	Hostettler	Ros-Lehtinen
Christensen	Houghton	Roth
Chrysler	Hunter	Roukema
Clinger	Hutchinson	Royce
Coble	Hyde	Salmon
Coburn	Inglis	Sanford
Collins (GA)	Istook	Saxton
Combest	Jacobs	Scarborough
Cooley	Johnson (CT)	Schaefer
Cox	Johnson, Sam	Schiff
Crane	Jones	Sensenbrenner
Crapo	Kelly	Shadegg
Cremeans	Kim	Shaw
Cubin	King	Shays
Cunningham	Kingston	Shuster
Davis	Klug	Skaggs
Deal	Knollenberg	Skeen
DeLay	LaHood	Smith (MI)
Diaz-Balart	Largent	Smith (NJ)
Dickey	Latham	Smith (TX)
Doolittle	LaTourette	Smith (WA)
Dornan	Laughlin	Solomon
Dreier	Lazio	Souder
Duncan	Leach	Stearns
Dunn	Lewis (KY)	Stump
Ehlers	Lightfoot	Talent
Ehrlich	Linder	Tate
Emerson	Lipinski	Tauzin
English	Livingston	Taylor (MS)
Ensign	LoBiondo	Taylor (NC)
Everett	Longley	Thomas
Ewing	Lucas	Thornberry
Fawell	Manzullo	Tiahrt
Fields (TX)	Martini	Torkildsen

Upton	Weldon (FL)	Wolf
Vucanovich	Weldon (PA)	Young (AK)
Waldholtz	Weller	Young (FL)
Walker	White	Zeliff
Walsh	Whitfield	Zimmer
Wamp	Wicker	
Watts (OK)	Wilson	

NAYS—181

Abercrombie	Gibbons	Olver
Ackerman	Gonzalez	Ortiz
Andrews	Gordon	Orton
Baesler	Gutierrez	Owens
Baldacci	Hall (OH)	Pallone
Barcia	Hall (TX)	Pastor
Barrett (WI)	Hamilton	Payne (NJ)
Bentsen	Harman	Payne (VA)
Berman	Hastings (FL)	Pelosi
Bevill	Hefner	Peterson (FL)
Bishop	Hilliard	Peterson (MN)
Bonior	Hinchey	Pickett
Borski	Holden	Pomeroy
Boucher	Hoyer	Poshard
Brewster	Jackson (IL)	Rahall
Browder	Jackson-Lee (TX)	Rangel
Brown (CA)	Jefferson	Reed
Brown (FL)	Johnson, E. B.	Richardson
Brown (OH)	Johnston	Rivers
Cardin	Kanjorski	Roemer
Clay	Kaptur	Roybal-Allard
Clayton	Kennedy (MA)	Rush
Clement	Kennedy (RI)	Sabo
Clyburn	Kennelly	Sawyer
Coleman	Kildee	Schroeder
Collins (IL)	Klink	Schumer
Collins (MI)	LaFalce	Scott
Conyers	Lantos	Serrano
Costello	Levin	Sisisky
Coyne	Lewis (GA)	Skelton
Cramer	Lincoln	Slaughter
Danner	Lofgren	Spratt
de la Garza	Lowey	Stark
DeFazio	Luther	Stenholm
DeLauro	Maloney	Stokes
Dellums	Markey	Studds
Deutsch	Martinez	Stupak
Dicks	Mascara	Tanner
Dingell	Matsui	Tejeda
Dixon	McCarthy	Thompson
Doggett	McDermott	Thornton
Dooley	McHale	Thurman
Doyle	McKinney	Torres
Durbin	McNulty	Torricelli
Edwards	Meehan	Towns
Engel	Meek	Traficant
Eshoo	Menendez	Velazquez
Evans	Mfume	Vento
Farr	Miller (CA)	Visclosky
Fattah	Minge	Volkmer
Fazio	Mink	Ward
Fields (LA)	Moakley	Waters
Flake	Mollohan	Watt (NC)
Foglietta	Montgomery	Waxman
Ford	Moran	Williams
Frank (MA)	Murtha	Wise
Frost	Nadler	Woolsey
Furse	Neal	Wyden
Gejdenson	Oberstar	Wynn
Gephardt	Obey	Yates
Geren		

NOT VOTING—23

Baker (LA)	Hobson	Packard
Becerra	Johnson (SD)	Radanovich
Bryant (TX)	Kasich	Rose
Callahan	Kleczka	Sanders
Chapman	Kolbe	Seastrand
Condit	Lewis (CA)	Spence
Filner	Manton	Stockman
Green	Meyers	

□ 1746

So the motion to lay on the table the appeal of the ruling of the Chair was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I wish to raise a matter that involves a question of privileges of the House. Mr. Speaker, I affirm that the U.S. House of Representatives will be held in disrepute by world leaders, international financial institutions, and most importantly, the citizens of this country, if it does not pass a bill relating to the debt ceiling. It is my contention that this is a grave matter that in many ways affects the dignity and integrity of the House proceedings and I am more than able to prove this point unequivocably.

The Secretary of the Treasury has stated that the Federal Government will be in default of its financial obligations if the debt ceiling limit is not raised and a $5.8 billion interest payment made very soon. In accordance with the responsibilities of his office, Secretary Rubin sent a letter on January 22, 1996, to the congressional leadership stating that under the current conditions, the U.S. Treasury will no longer be able to fulfill all of its financial obligations very soon.

Throughout our country's history, investors have relied upon the words "the full faith credit of the United States" to guarantee the financial stability of this country. As you are fully aware, the financial reputation of an organization is based solely upon the financial history it has established. Mr. Speaker, it is an undeniable fact that this House was given 38 days notice of the impending financial dilemma and if this body fails to consider a bill regarding the debt ceiling and the impending debt payment not made on time, then the standing of the House will indeed be harmed.

May I remind the Speaker that Rule IX of the House rules states that questions of privilege are those which affect the rights of the House collectively, its safety, dignity, and the integrity of its proceedings. As specified in the dictionary, the word dignity relates to "The quality or condition of being worthy," as well as "The respect and honor associated with an important position."

Hence, this body's decision not to address the debt limit problem will put into question, in the eyes of our creditors and our constituents, the reputation and fiscal integrity of this collective House. As evidence, it was announced last week by Moody's Investors Service that it is considering lowering the credit rating of the U.S. Treasury bonds for the first time in history. Under Rule IX of the House rules, this series of events and their repercussions would certainly cause our creditors, constituents, and international partners to hold this House responsible.

In addition to the irreparable damage that will be suffered, by the House, great harm will be done to millions of innocent American lives, young and old alike. The U.S. Government must make a $30 million payment to Social Security or these beneficiaries, dependent upon their monthly stipend for food, heat, and medicine, will be left without funds to meet these basic necessities of life. Also, 2.2 million veterans with service-connected disabilities and 300,000 survivors of veterans may receive for the first time in history bad checks effectively written by every Member of the House.

Mr. Speaker, there is significant concern by many economists that our economy is headed for a recession, and any default caused by our inaction will certainly drive us to it. The default of this Government will create uncertainly and anxiety in the financial, business, and consumer markets; as a result, investments will slow, capitol spending will wither, and consumer confidence will die. The reactions will only exacerbate any recession tendencies within the economy, propelling the United States into an economic dive, no one wishes. Taken together with the additional effects already mentioned, it is plainly evident that this crisis affects the very financial underpinning of our country.

The American people will be severely affected by any inability of this body to bring forth legislation to increase the debt ceiling. I contend that as a result, they will hold us, collectively and individually, responsible for their needless suffering and trauma. If that occurs, the reputation and conduct of each of us, in our representative capacity, will be called into question. Under rule IX, this too would be sufficient justification for my privileged resolution.

Treasury Secretary Robert Rubin has nearly exhausted all other measures to avoid a Government default. This resolution must be considered privileged because the reputation of the House is at stake. American citizens are tired of the partisan wrangling that has echoed through these halls. They want the Government to fulfill its responsibilities and meet its obligations, just as they must. With complete certainty, the U.S. House of Representatives will be held responsible and the integrity of everything that we do here will be questioned for our failure to consider a bill relating to the debt ceiling.

The House has voted to rise or extend the debt limit 33 times over the last 15 years to keep intact the good will, dignity and reputation of the U.S. Government and more specifically, this House; I do not see why we should now shirk the obligations we accepted upon our oath of office. We should not recess at this time, when America needs us to work to avoid a default on our debt.

Mr. HALL of Texas. Mr. Speaker, I rise in support of the resolution not to adjourn until a debt limit extension has been approved—and yet I believe the resolution does not go far enough. I regret that we are even having to consider a debt limit extension—rather than a balanced budget proposal or, at the very least, the remaining appropriations bills that should have been approved 4 months ago. I regret that this Congress plans to adjourn for a 3-week break when we have so much work left to do.

Mr. Speaker, we should not go home until all the appropriations bills have been passed and approved by the President. We should not go home until this Congress produces a balanced budget proposal that can be supported by both parties and by the President. A majority of Americans want a balanced budget—a budget that makes the most use of their tax dollars and a budget that also is kind and fair to our seniors, our children, and our less fortunate citizens.

Throughout the past year, Congress has had a golden opportunity to streamline Government, enact some needed reforms, and produce a balanced budget. But the shifting sands of time and politics have eroded that opportunity, and we are losing ground fast.

Let us not let another opportunity pass to discharge our responsibility to our fellow citizens. Let's stay and work until we've accomplished our Nation's important business.

PROVIDING FOR CONSIDERATION OF H.R. 2924, THE SOCIAL SECURITY GUARANTEE ACT

Mr. GOSS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 355 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 355

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House the bill (H.R. 2924) to guarantee the timely payment of social security benefits in March 1996. The bill shall be debatable for one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. The previous question shall be considered as ordered on the bill to final passage without intervening motion except one motion to recommit. The motion to recommit may include instructions only if offered by the Minority Leader or his designee.

The SPEAKER pro tempore. The gentleman from Florida [Mr. GOSS] is recognized for 1 hour.

Mr. GOSS. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Texas [Mr. FROST], pending which I yield myself such time as I may consume. During consideration of this resolution, all time given is for the purpose of debate only.

Mr. Speaker, this is a straightforward, fair rule that allows for consideration of H.R. 2924, a bill to ensure that Social Security payments will not be needlessly delayed by the administration. Let me repeat that, Mr. Speaker. This is a bill to ensure that Social Security payments will not be needlessly delayed by the administration. In other words, the checks are going to go out, they are going to go out on time, they are going to be paid in full.

Mr. Speaker, because this legislation involves a matter of simple fairness, and due to the predicted impending winter storm, we are bringing it up under the expedited authority granted earlier by this House. The rule provides for 1 hour of general debate, and preserves the right of the minority to offer a motion to recommit, with or without instructions.

Mr. Speaker, we should not really have to be working on this matter at all. Despite the fact that this Congress will pass a responsible debt limit increase prior to the March 1 deadline, and despite the fact that the President has already vetoed two debt limit increases, the administration has suddenly called into question its ability to pay for the March Social Security benefits. President Clinton made suggestive remarks along these lines at State of the Union. Well Mr. Speaker, passage of H.R. 2924 will make absolutely clear that the Secretary of the Treasury has the authority to process and send these Social Security benefit checks—which are printed in late February. I find it appalling that the sanctity of the Social Security System should be brought into question in such a cynical manner. Yet we have listened to the President and some in this body employ similar scare tactics for: School lunches, Meals on Wheels, Medicare, and so on. Each time they resort to these threats, I think their credibility drops, and certainly the President's ability to work in good faith with the majority of this Congress diminishes.

I would like to address the concerns raised by those who claim that Congress is somehow acting less than responsibly by going into a district work period before passing a full debt limit increase. I disagree—the truth is that this Congress has passed two debt limit measures, both vetoed by President Clinton. So, it is clear that in order to produce a bill that will pass Congress and be signed by the President, it must be negotiated. And these negotiations have not concluded. It makes little sense to keep Members in town waiting for the Clinton administration to get its act together, while Members could be spending time usefully working in their districts. That is where I am planning to spend the bulk of the upcoming work period—and the truth is that even when we are back in our districts we are still on call, ready to return at a moment's notice to deal with the people's business. So I would urge my colleagues to ignore the Clinton scare story du jour and support this rule and this bill which ensures Social Security checks are sent out on time payable in full.

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

Mr. FROST. Mr. Speaker, before I proceed any further, I yield 30 seconds to the gentlewoman from Oregon [Ms. FURSE].

CONGRATULATIONS TO SENATOR-ELECT WYDEN

Ms. FURSE. Mr. Speaker, this is obviously a very important bill, and I would love to talk about it, but what I really want to talk about is the dean of my delegation, the Oregon delegation, and congratulate him for having become the newest Senator from the State of Oregon [Mr. WYDEN].

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

Mr. Speaker, I listened with great interest to my friend and colleague, the gentleman from Florida [Mr. GOSS], trying to blame the administration for what is going on here today. This, of course, is a classic case of the person who kills his parents and throws himself on the mercy of the court because he is an orphan.

What the majority has done is stubbornly refused to schedule a clean debt ceiling vote prior to February 26. It is their refusal to schedule a vote before February 26 which jeopardizes, potentially jeopardizes Social Security checks being sent out. They are the ones that have caused this crisis, and now they are coming to the Congress and saying, we have to pass this bill because we want these Social Security checks to go out. If they had scheduled a debt ceiling vote in a timely manner, this would not be necessary.

Mr. Speaker, why can we not just do the Nation's business? Why do we have to continue to play these games? Why can we not just vote on a clean debt ceiling?

I, for one, would like the House to have that opportunity this afternoon. At this hour, it appears the only option open to us is to amend this rule. In order to do that, we must defeat the previous question. It is my intention, therefore, to oppose ordering the previous question.

Mr. Speaker, there seems to be no other way to bring a clean debt ceiling increase to a vote. I urge each and every Member of this body to oppose the previous question so that we can vote up or down on a debt ceiling increase.

Mr. Speaker, the intentions of this legislation are honorable, but rather than perpetuating this Government by piecemeal funding, the far better course of action would be just to take up a clean debt ceiling tonight and pass it. If we do not defeat the previous question, we are passing up a golden opportunity to do the responsible thing. We should not continue to play chicken with the full faith and credit of the United States of America.

Mr. Speaker, we are supposed to be here to do the Nation's business, and the most pressing piece of business before us is to pass a debt ceiling to ensure that our Nation does not, for the first time in its 200-plus-year history, default on its obligations.

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

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

I would suggest that the full faith and credit of the United States of America would be better served if we got our budget into balance.

Mr. Speaker, I yield 3 minutes to the distinguished gentleman from New Jersey [Mr. SAXTON].

Mr. SAXTON. Mr. Speaker, I would like to shed some light on this issue in terms of the recent history of what we have been through, vis-a-vis the administration and claims made by the administration. As everybody knows, this rule is here, and the subsequent legislation, because the administration has stated that come February 26, they will be unable, because of the way the law is written, to cut the checks for Social Security beneficiaries.

Obviously, everybody on our side of the aisle and, I assume, everybody on the other side of the aisle wants people to get their Social Security checks come the last day of this month or the first day of next.

Now, the recent history of what this administration has done is that this

action by the administration, as claimed by the administration, is simply not unparalleled. On November 12 and 13 and 14 of this year, Secretary Rubin told us and the American people that we had to pass a debt ceiling because default on our inability to pay our bills would be unthinkable, and we agreed.

What Secretary Rubin did not tell the American people was that there was already a plan in place to permit the United States Government to pay its bills by borrowing from trust funds. In other words, the Secretary went out of his way to create a situation in which the American people thought that the United States Government was going to default, knowing full well the entire time that they had been working since June 24 at least to put in place a mechanism and a plan whereby the trust funds would be tapped to avoid default and still claiming to tell us, the Congress of the United States and the American people, that we were going to face a horrible default.

□ 1800

Of course they wanted a clean debt ceiling. Now we hear just a few days ago that if we do not pass a clean debt ceiling, we will not be able to send out the Social Security checks. We are not going to let that happen. If there is a problem with the law, this bill straightens it out. We know that it is not a dollars problem. We know there is enough money there to do it. So the Secretary now claims that under the statutes as they presently exist, he does not have the flexibility to send out the Social Security checks for older Americans, Social Security beneficiaries, and therefore, we are now in another state of alarm where we have to pass a clean debt ceiling.

This bill fixes the problem for the Secretary that he claims he has. I doubt if there is really a problem there any more than there was a real problem the last time around. But in this event, in this case, the rule permits the consideration of a bill to make sure that there is no reason why the Social Security checks cannot be mailed out.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Speaker, I would like to address the remarks of the former speaker with regard to the issue of raiding the Social Security Trust Fund. Secretary Rubin has done everything humanly possible to try to avoid the default on the debt of this country that the Republican Congress has insisted upon.

It was Secretary Rubin who wrote a letter to this Congress saying that he would not under any circumstances allow the Social Security Trust Fund to be raided for the purposes of continuing to pay our bills, No. 1.

No. 2, there were elements of the Republican Party, on your side of the aisle, that started a movement to impeach Secretary Rubin for the very actions of him trying to avoid default.

So here you come onto the House floor and condemn Secretary Rubin for his efforts to try to keep the country afloat. You suggest that he is the one who is trying to raid the Social Security trust fund. You do not have the willingness to enter into a debate or a colloquy with me to discuss the truth of what has actually occurred.

The truth of what has occurred is very simply that a group of ideological zealots in the Republican Party have tried very hard to get an agenda called the contract on American passed. They have failed because the American people did not believe in the kinds of changes that the Republican contract called for.

But rather than agreeing to the procedures of this House of Representatives that allow us to formulate compromise, you have gone back and insisted upon guerrilla tactics to force your own views on how this country's budget ought to be balanced. It is not enough to balance the budget, it is not enough to do it in 7 years. It is not enough to do it with CBO numbers, it is not enough to do it with a tax cut, it has to be with the biggest tax cut that takes the money out of the pockets of working families and hands it to the richest people in the country.

Only if that balanced budget, raiding the Medicare fund, raiding the Medicaid fund, is passed, will you allow the debts of this country to be paid. You ought to be ashamed.

Mr. GOSS. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from Texas, Mr. SAM JOHNSON.

Mr. SAM JOHNSON of Texas. Mr. Speaker, this bill became necessary really because the President, Mr. Panetta, and Secretary Rubin have used our seniors as political pawns in the public debate. Instead of working on solving the problems remaining, the President has resorted to scare tactics, pure and simple, demagoguery to try to frighten our seniors on a variety of issues.

But we as Americans cannot stand by while this administration blatantly misstates the facts to make seniors believe that their Social Security checks are in jeopardy. I find this outrageous. Leon Panetta himself back in 1993, believe it or not, said it is important to tie the debt limit to other disciplines people would like to put in place.

Maybe he forgot about saying that, but I bet Leon did not forget about voting "no" against debt limit increases two times back there because it did not have anything tied to it. These comments are ridiculous. I urge my colleagues to pass this bill, not only to reassure our seniors but to prevent the President from playing the scare game once again. The purpose of this bill is to ensure that seniors continue, as they have for the past 55 years, to receive their checks without fail. This will be another Republican promise that will not be broken, which is more than the President can say.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. MOAKLEY].

Mr. MOAKLEY. Mr. Speaker, this bill is a very very bad sign. It means it's time to hold onto your hats, the Republicans are going to try it again.

But this time, instead of closing down the Government for political reasons, they are going to try something else. They are going to force the country to default on its loans, for political reasons.

And how do we know this, Mr. Speaker? Because this bill we are considering today will not avert the disastrous consequences of massive Federal default. It doesn't even come close. It simply says, "Stop us before we hurt 43 million American seniors."

With this bill my Republican colleagues are admitting, "We're gong to make the Government default, but we want you to raid the Social Security trust fund when we do."

Mr. Speaker, this is outrageous. It's irresponsible, and it's no way to run the Congress.

The American people are sick and tired of these political games. They didn't like their Government held hostage for the sake of politics, and they are going to like it even less when they find out what congressional Republicans are about to do to their mortgages.

And it won't stop there.

For the sake of politics my Republican colleagues will stop benefits for 3.2 million veterans.

For the sake of politics they will not pay our troops in Bosnia.

For the sake of politics they will delay pensions for 4.1 million civilian and military retirees.

For the sake of politics they will leave bond holders holding worthless paper.

And for the sake of politics they will hurt any and every American who tries to borrow money for a car, a house, or a college education.

In fact, if you have a loan now, look out. Your interest rate may be about to go through the roof.

I ask my colleagues, on behalf of a lot of very frustrated American citizens, stop these games. Congressional Republicans can't possibly want to be remembered as the people who made the United States of America default on its loans for the first time in history.

Such dangerous games would have far-reaching, devastating consequences for the entire country for years to come, and it's definitely not something to write home about.

Mr. Speaker, the American people don't want their mortgage rates to go

up. They want to get college loans, and they expect and deserve their military benefits.

I urge my colleagues to defeat the previous question so that we can offer a clean debt limit extension and stop these games.

The creditworthiness of the United States, and all of its consequences, is no place to pursue budget politics.

Mr. GOSS. Mr. Speaker I yield myself such time as I may consume.

It is important to note and the record should show that the distinguished gentleman from Massachusetts, who just spoke, voted for and attached to the 1993 debt limit bill the largest tax increase in history. There was nothing clean about that debt limit bill, I am sure he would agreed.

Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Glens Falls, NY [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, I thank the gentleman from Sanibel, FL for yielding me this time and I join him in urging the adoption of this rule.

Mr. Speaker, I sit here and I listen to this debate, and I just wonder if many of these people could really earn a living outside the beltway of this Congress, this Washington, unless of course they are lawyers, in which they pass all these doggone laws and people have to go and hire them then to defend them. I just quite do not understand it.

This bill, and I would just say to the previous speaker and others, if you do not want to vote for this bill, vote it down. This bill says that we are going to enact a public debt limit extension before March 1. If you do not want to do that, vote it down. This bill guarantees that Social Security checks are going to go out on time. If you do not want them to go out on time, vote it down.

Mr. Speaker, this bill is being brought forward to deal with an emergency situation raised by the President and the Secretary of the Treasury, and that is the threat of not sending out Social Security checks until the debt limit has been increased. That is what this is all about.

Mr. Speaker, while the crisis may have been fabricated to scare seniors, we have to take the administration at their word, that they will carry out their threat whatever their motivations might be. We will take them at their word.

Mr. Speaker, the bill this rule makes in order first restates the commitment made by the leaders of both Houses that we will enact a debt limit prior to March 1. That is what this bill says. The bill goes on to assure our country's senior citizens that in the interim they will receive their Social Security checks on a timely basis in March. That is what this bill does.

The bill then gives the Secretary of the Treasury the legal authority needed to issue obligations prior to March 1, and we checked with Secretary Rubin, to ask him if he needed this authority, and he said yes, in an amount equal to the monthly Social Security benefits payable in March of this year, estimated at $30 billion. To further amplify on the legal status of this authority, this bill, which the Secretary of the Treasury Mr. Rubin says he needs, makes clear that this transaction will not count against the legal debt limit now in existence.

Are you listening to that?

Mr. Speaker, I think this is an important interim step to take in assuring our Nation's seniors of the seriousness of our intention and commitment to not let their benefits lapse. But more importantly, it also signals to the rest of the country our clear intention not to let this Nation default on its obligations. We will increase the public debt limit.

Mr. Speaker, why, as our Democratic colleagues have asked, do we not just raise the debt limit today? That is a good question. And I am here to answer it.

The answer is that a majority of this House, including me, do not want to continue to raise the debt limit over and over and over again without taking decisive action to begin to reverse the curse of continuing deficit spending for as far as the eye can see. That is sickening, what you are doing to my children and my grandchildren. Instead of a glide path to a balanced budget, we are currently embarked on a collision course with financial disaster.

At the very least, we need a substantial downpayment on a balanced budget that is agreeable to the Congress and the President. It is what Ronald Reagan used to do. He used to sit down with this Congress and negotiate. That agreement will not be easy to come by, but I am convinced we can have something that is acceptable prior to March 1 if we sit down and work together.

In the meantime, we do need this interim measure to ensure that Social Security benefit checks will go out and to assure our citizens and the world that this Government will not default on this Nation's obligations. I cannot imagine that any Member of this House opposes or disagrees with those two very lofty yet critical essential purposes of this legislation. It is very clear in this bill. I therefore strongly urge adoption of the previous question and the rule and then the overwhelming passage of this bill.

I want all of you standing up here with all of this rhetoric to come over here and tell me you are going to vote against this bill. You are not going to do it. You are going to vote for the bill because the bill is right and the American people want it.

□ 1815

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. GIBBONS].

Mr. GIBBONS. Mr. Speaker, this rule should ultimately pass, this resolution should ultimately pass. But it is not because it is a good rule, and it is not because it is a good resolution. It is because the Republicans will not let us do anything else.

Since early this morning, I have been working with the Committee on Rules and with other people here in the House trying to get permission for the Democrats just to simply say we would like to have a vote on a permanent extension against default to the end of this fiscal year, and they will not let us have that vote. It is simply just a simple vote, like that. Now, we would not win that vote, but you know, we would at least have the opportunity to vote, but they have cut off our right to vote on that simple question.

This resolution they present is the silliest thing I have ever seen. Ultimately, all it does is raise the debt ceiling by $29 billion until March 15, and then it snaps it back to where it is now. That is all it does. It has got a lot of other verbiage in it. It is the darndest dance I have ever seen. It runs all around the bush like I am doing right now, but it comes back to the same place, right back to the same place, they raise the debt ceiling. They cannot do that, because politically it is embarrassing for them to do that, and so we have got to dance this crazy dance. We have got to dance this crazy dance for their purposes.

Mr. Speaker, I am willing to limit the debate here tonight. I am willing to cut out all of this garbage. Let us protect the credit of the United States. Let us not force our good country into default. I think we can all agree to that.

If the Republicans will only let us have it until March 15, it may give them a little time for them to think their way out of this mess that they have gotten themselves into and they have gotten our country into, but you know, this is the silliest operation that I think I have ever seen in my 34 years around here.

It should ultimately pass, but the rule is lousy. I would hope that by some luck, and it would be luck, that we could amend the rule, but you know, that is not going to happen.

I would hope that they would allow just a simple vote on this floor that we could get over in 5 minutes to vote on whether or not we want this crazy dance or whether we want a permanent.

I am trying to limit, cut out all of this long talk and get on and get to a vote. There is a snowstorm approaching. I would feel terrible if my long-winded talk led to the death of some Member of this House or some member of this fine staff.

We ought to get our business done and get it over with and get out of here.

Mr. GOSS. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. WELDON].

Mr. WELDON of Florida. Mr. Speaker, the record should show that the gentleman from Florida who just spoke voted for and attached to the 1993 debt limit bill the largest tax increase in history. I do not believe that was a clean debt ceiling increase.

This is a good rule on a good bill. It is going to make sure Social Security's recipients get their Social Security checks.

I have a lot of elderly seniors in my district who rely on those checks. This is a good bill. Everybody in the body should support this.

We are getting bogged down talking about how the minority wants a clean debt ceiling increase. Prior to coming to the Congress as a physician, I had the opportunity to treat AIDS patients, some of whom had acquired their AIDS through drug abuse. I had the opportunity to deal with drug addicts. I have to say there are some Members of this body who are addicted to spending taxpayers' dollars, addicted to spending money that is not theirs, and it is just wrong.

We put on the President's desk two increases in the debt ceiling, and they had attached to them provisions that would get us to a balanced budget, and he vetoed them twice on two occasions, he said, "No," and now we hear all of this clamor about a clean debt ceiling from a party that has Members like Senator CHRIS DODD in 1987, who is now the general chairman of the Democratic National Committee, who said it does not take any imagination, when he was attempting to pass a controversial financial industry legislation, questioned by the Reagan administration, he said, "I can attach an amendment to the debt ceiling bill which he has to sign, and the vote will be overwhelming." In 1984, Senator TED KENNEDY tried to force his nuclear freeze legislation onto the debt limit, justifying his amendment as the most important issue of the day.

PARLIAMENTARY INQUIRY

Mr. FROST. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. WALKER). The gentleman will state his parliamentary inquiry.

Mr. FROST. Mr. Speaker, the gentleman in the chair is an authority on the rules of the House and I believe under the rules of the House, we may not mention individual Members of the other body by name. Is that correct?

The SPEAKER pro tempore. The gentleman is correct. Members are not supposed to refer to Members of the other body by name nor actions of the other body as a part of their remarks.

Mr. FROST. I urge the speaker in the well discontinue those actions.

The SPEAKER pro tempore. The gentleman from Florida is recognized to proceed in order.

Mr. WELDON of Florida. Mr. Speaker, If I could conclude, let me just say in 1982, in 1983, again in 1985 and 1986, the minority party has attached legislation to a debt ceiling increase. To hand this President a debt ceiling increase that does not have provisions in it to get us to a balanced budget would be to turn our backs on the people who voted us in as the majority party in November 1994, saying they want the budget balanced.

Support this rule. It is a good rule.

Mr. FROST. Mr. Speaker, I insert extraneous material at this point in the RECORD, as follows:

FLOOR PROCEDURE IN THE 104TH CONGRESS; COMPILED BY THE RULES COMMITTEE DEMOCRATS

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 1*	Compliance	H. Res. 6	Closed	None.
H. Res. 6	Opening Day Rules Package	H. Res. 5	Closed; contained a closed rule on H.R. 1 within the closed rule	None.
H.R. 5*	Unfunded Mandates	H. Res. 38	Restrictive; Motion adopted over Democratic objection in the Committee of the Whole to limit debate on section 4; Pre-printing gets preference.	N/A.
H.J. Res. 2*	Balanced Budget	H. Res. 44	Restrictive; only certain substitutes	2R; 4D.
H. Res. 43	Committee Hearings Scheduling	H. Res. 43 (OJ)	Restrictive; considered in House no amendments	N/A.
H.R. 2*	Line Item Veto	H. Res. 55	Open; Pre-printing gets preference	N/A.
H.R. 665*	Victim Restitution Act of 1995	H. Res. 61	Open; Pre-printing gets preference	N/A.
H.R. 666*	Exclusionary Rule Reform Act of 1995	H. Res. 60	Open; Pre-printing gets preference	N/A.
H.R. 667*	Violent Criminal Incarceration Act of 1995	H. Res. 63	Restrictive; 10 hr. Time Cap on amendments	N/A.
H.R. 668*	The Criminal Alien Deportation Improvement Act	H. Res. 69	Open; Pre-printing gets preference; Contains self-executing provision	N/A.
H.R. 728*	Local Government Law Enforcement Block Grants	H. Res. 79	Restrictive; 10 hr. Time Cap on amendments; Pre-printing gets preference	N/A.
H.R. 7*	National Security Revitalization Act	H. Res. 83	Restrictive; 10 hr. Time Cap on amendments; Pre-printing gets preference	N/A.
H.R. 729*	Death Penalty/Habeas	N/A	Restrictive; brought up under UC with a 6 hr. time cap on amendments	N/A.
S. 2	Senate Compliance	N/A	Closed; Put on Suspension Calendar over Democratic objection	None.
H.R. 831	To Permanently Extend the Health Insurance Deduction for the Self-Employed.	H. Res. 88	Restrictive; makes in order only the Gibbons amendment; Waives all points of order; Contains self-executing provision.	1D.
H.R. 830*	The Paperwork Reduction Act	H. Res. 91	Open	N/A.
H.R. 889	Emergency Supplemental/Rescinding Certain Budget Authority	H. Res. 92	Restrictive; makes in order only the Obey substitute	1D.
H.R. 450*	Regulatory Moratorium	H. Res. 93	Restrictive; 10 hr. Time Cap on amendments; Pre-printing gets preference	N/A.
H.R. 1022*	Risk Assessment	H. Res. 96	Restrictive; 10 hr. Time Cap on amendments	N/A.
H.R. 926*	Regulatory Flexibility	H. Res. 100	Open	N/A.
H.R. 925*	Private Property Protection Act	H. Res. 101	Restrictive; 12 hr. time cap on amendments; Requires Members to pre-print their amendments in the Record prior to the bill's consideration for amendment, waives germaneness and budget act points of order as well as points of order concerning appropriating on a legislative bill against the committee substitute used as base text.	1D.
H.R. 1058*	Securities Litigation Reform Act	H. Res. 105	Restrictive; 8 hr. time cap on amendments; Pre-printing gets preference; Makes in order the Wyden amendment and waives germaneness against it.	1D.
H.R. 988*	The Attorney Accountability Act of 1995	H. Res. 104	Restrictive; 7 hr. time cap on amendments; Pre-printing gets preference	N/A.
H.R. 956*	Product Liability and Legal Reform Act	H. Res. 109	Restrictive; makes in order only 15 germane amendments and denies 64 germane amendments from being considered.	8D; 7R.
H.R. 1158	Making Emergency Supplemental Appropriations and Rescissions	H. Res. 115	Restrictive; Combines emergency H.R. 1158 & nonemergency 1159 and strikes the abortion provision; makes in order only pre-printed amendments that include offsets within the same chapter (deeper cuts in programs already cut); waives points of order against three amendments; waives cl 2 of rule XXI against the bill, cl 2, XXI and cl 7 of rule XVI against the substitute; waives cl 2(e) od rule XXI against the amendments in the Record; 10 hr time cap on amendments. 30 minutes debate on each amendment.	N/A.
H.J. Res. 73*	Term Limits	H. Res. 116	Restrictive; Makes in order only 4 amendments considered under a "Queen of the Hill" procedure and denies 21 germane amendments from being considered.	1D; 3R
H.R. 4*	Welfare Reform	H. Res. 119	Restrictive; Makes in order only 31 perfecting amendments and two substitutes; Denies 130 germane amendments from being considered; The substitutes are to be considered under a "Queen of the Hill" procedure; All points of order are waived against the amendments.	5D; 26R.
H.R. 1271*	Family Privacy Act	H. Res. 125	Open	N/A.
H.R. 660*	Housing for Older Persons Act	H. Res. 126	Open	N/A.
H.R. 1215*	The Contract With America Tax Relief Act of 1995	H. Res. 129	Restrictive; Self Executes language that makes tax cuts contingent on the adoption of a balanced budget plan and strikes section 3006. Makes in order only one substitute. Waives all points of order against the bill, substitute made in order as original text and Gephardt substitute.	1D.
H.R. 483	Medicare Select Extension	H. Res. 130	Restrictive; waives cl 2(1)(6) of rule XI against the bill; makes H.R. 1391 in order as original text; makes in order only the Dingell substitute; allows Commerce Committee to file a report on the bill at any time.	1D.
H.R. 655	Hydrogen Future Act	H. Res. 136	Open	N/A.
H.R. 1361	Coast Guard Authorization	H. Res. 139	Open; waives sections 302(f) and 308(a) of the Congressional Budget Act against the bill's consideration and the committee substitute; waives cl 5(a) of rule XXI against the committee substitute.	N/A.
H.R. 961	Clean Water Act	H. Res. 140	Open; pre-printing gets preference; waives sections 302(f) and 602(b) of the Budget Act against the bill's consideration; waives cl 7 of rule XVI, cl 5(a) of rule XXI and section 302(f) of the Budget Act against the committee substitute. Makes in order Shuster substitute as first order of business.	N/A.

FLOOR PROCEDURE IN THE 104TH CONGRESS; COMPILED BY THE RULES COMMITTEE DEMOCRATS—Continued

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 535	Corning National Fish Hatchery Conveyance Act	H. Res. 144	Open	N/A.
H.R. 584	Conveyance of the Fairport National Fish Hatchery to the State of Iowa.	H. Res. 145	Open	N/A.
H.R. 614	Conveyance of the New London National Fish Hatchery Production Facility.	H. Res. 146	Open	N/A.
H. Con. Res. 67	Budget Resolution	H. Res. 149	Restrictive; Makes in order 4 substitutes under regular order; Gephardt, Neumann/Solomon, Payne/Owens, President's Budget if printed in Record on 5/17/95; waives all points of order against substitutes and concurrent resolution; suspends application of Rule XLIX with respect to the resolution; self-executes Agriculture language.	3D; 1R.
H.R. 1561	American Overseas Interests Act of 1995	H. Res. 155	Restrictive; Requires amendments to be printed in the Record prior to their consideration; 10 hr. time cap; waives cl 2(1)(6) of rule XI against the bill's consideration; Also waives sections 302(f), 303(a), 308(a) and 402(a) against the bill's consideration and the committee amendment in order as original text; waives cl 5(a) of rule XXI against the amendment; amendment consideration is closed at 2:30 p.m. on May 25, 1995. Self-executes provision which removes section 2210 from the bill. This was done at the request of the Budget Committee.	N/A.
H.R. 1530	National Defense Authorization Act FY 1996	H. Res. 164	Restrictive; Makes in order only the amendments printed in the report; waives all points of order against the bill, substitute and amendments printed in the report. Gives the Chairman en bloc authority. Self-executes a provision which strikes section 807 of the bill; provides for an additional 30 min. of debate on Nunn-Lugar section; Allows Mr. Clinger to offer a modification of his amendment with the concurrence of Ms. Collins.	36R; 18D; 2 Bipartisan.
H.R. 1817	Military Construction Appropriations; FY 1996	H. Res. 167	Open; waives cl. 2 and cl. 6 of rule XXI against the bill; 1 hr. general debate. Uses House passed budget numbers as threshold for spending amounts pending passage of Budget.	N/A.
H.R. 1854	Legislative Branch Appropriations	H. Res. 169	Restrictive; Makes in order only 11 amendments; waives sections 302(f) and 308(a) of the Budget Act against the bill and cl. 2 and cl. 6 of rule XXI against the bill. All points of order are waived against the amendments.	5R; 4D; 2 Bipartisan.
H.R. 1868	Foreign Operations Appropriations	H. Res. 170	Open; waives cl. 2, cl. 5(b), and cl. 6 of rule XXI against the bill; makes in order the Gilman amendments as first order of business; waives all points of order against the amendments; if adopted they will be considered as original text; waives cl. 2 of rule XXI against the amendments printed in the report. Pre-printing gets priority (Hall) (Menendez) (Goss) (Smith, NJ).	N/A.
H.R. 1905	Energy & Water Appropriations	H. Res. 171	Open; waives cl. 2 and cl. 6 of rule XXI against the bill; makes in order the Shuster amendment as the first order of business; waives all points of order against the amendment; if adopted it will be considered as original text. Pre-printing gets priority.	N/A.
H.J. Res. 79	Constitutional Amendment to Permit Congress and States to Prohibit the Physical Desecration of the American Flag.	H. Res. 173	Closed; provides one hour of general debate and one motion to recommit with or without instructions; if there are instructions, the MO is debatable for 1 hr.	N/A.
H.R. 1944	Recissions Bill	H. Res. 175	Restrictive; Provides for consideration of the bill in the House; Permits the Chairman of the Appropriations Committee to offer one amendment which is unamendable; waives all points of order against the amendment.	N/A.
H.R. 1868 (2nd rule)	Foreign Operations Appropriations	H. Res. 177	Restrictive; Provides for further consideration of the bill; makes in order only the four amendments printed in the rules report (20 min. each). Waives all points of order against the amendments; Prohibits intervening motions in the Committee of the Whole; Provides for an automatic rise and report following the disposition of the amendments.	N/A.
H.R. 1977 *Rule Defeated*	Interior Appropriations	H. Res. 185	Open; waives sections 302(f) and 308(a) of the Budget Act and cl 2 and cl 6 of rule XXI; provides that the bill be read by title; waives all points of order against the Tauzin amendment; self-executes Budget Committee amendment; waives cl 2(e) of rule XXI against amendments to the bill; Pre-printing gets priority.	N/A.
H.R. 1977	Interior Appropriations	H.Res. 187	Open; waives sections 302(f), 306 and 308(a) of the Budget Act; waives clauses 2 and 6 of rule XXI against provisions in the bill; waives all points of order against the Tauzin amendment; provides that the bill be read by title; self-executes Budget Committee amendment and makes NEA funding subject to House passed authorization; waives cl 2(e) of rule XXI against the amendments to the bill; Pre-printing gets priority.	N/A.
H.R. 1976	Agriculture Appropriations	H. Res. 188	Open; waives clauses 2 and 6 of rule XXI against provisions in the bill; provides that the bill be read by title; Makes Skeen amendment first order of business, if adopted the amendment will be considered as base text (10 min.); Pre-printing gets priority.	N/A.
H.R. 1977 (3rd rule)	Interior Appropriations	H. Res. 189	Restrictive; provides for the further consideration of the bill; allows only amendments preprinted before July 14th to be considered; limits motions to rise.	N/A.
H.R. 2020	Treasury Postal Appropriations	H. Res. 190	Open; waives cl. 2 and cl. 6 of rule XXI against provisions in the bill; provides the bill be read by title; Pre-printing gets priority.	N/A.
H.J. Res. 96	Disapproving MFN for China	H. Res. 193	Restrictive; provides for consideration in the House of H.R. 2058 (90 min.) And H.J. Res. 96 (1 hr). Waives certain provisions of the Trade Act.	N/A.
H.R. 2002	Transportation Appropriations	H. Res. 194	Open; waives cl. 3 Of rule XIII and section 401 (a) of the CBA against consideration of the bill; waives cl. 6 and cl. 2 of rule XXI against provisions in the bill; Makes in order the Clinger/Solomon amendment waives all points of order against the amendment (Line Item Veto); provides the bill be read by title; Pre-printing gets priority. ***RULE AMENDED***.	N/A.
H.R. 70	Exports of Alaskan North Slope Oil	H. Res. 197	Open; Makes in order the Resources Committee amendment in the nature of a substitute as original text; Pre-printing gets priority; Provides a Senate hook-up with S. 395.	N/A.
H.R. 2076	Commerce, Justice Appropriations	H. Res. 198	Open; waives cl. 2 and cl. 6 of rule XXI against provisions in the bill; Pre-printing gets priority; provides the bill be read by title..	N/A.
H.R. 2099	VA/HUD Appropriations	H. Res. 201	Open; waives cl. 2 and cl. 6 of rule XXI against provisions in the bill; Provides that the amendment in part 1 of the report is the first business, if adopted it will be considered as base text (30 min.); waives all points of order against the Klug and Davis amendments; Pre-printing gets priority; Provides that the bill be read by title.	N/A.
S. 21	Termination of U.S. Arms Embargo on Bosnia	H. Res. 204	Restrictive; 3 hours of general debate; Makes in order an amendment to be offered by the Minority Leader or a designee (1 hr); If motion to recommit has instructions it can only be offered by the Minority Leader or a designee.	ID.
H.R. 2126	Defense Appropriations	H. Res. 205	Open; waives cl. 2(l)(6) of rule XI and section 306 of the Congressional Budget Act against consideration of the bill; waives cl. 2 and cl. 6 of rule XXI against provisions in the bill; self-executes a strike of sections 8021 and 8024 of the bill as requested by the Budget Committee; Pre-printing gets priority; Provides the bill be read by title.	N/A.
H.R. 1555	Communications Act of 1995	H. Res. 207	Restrictive; waives sec. 302(f) of the Budget Act against consideration of the bill; Makes in order the Commerce Committee amendment as original text and waives sec. 302(f) of the Budget Act and cl. 5(a) of rule XXI against the amendment; Makes in order the Bliely amendment (30 min.) as the first order of business, if adopted it will be original text; makes in order only the amendments printed in the report and waives all points of order against the amendments; provides a Senate hook-up with S. 652.	2R/3D/3 Bipartisan.
H.R. 2127	Labor/HHS Appropriations Act	H. Res. 208	Open; Provides that the first order of business will be the managers amendments (10 min.), if adopted they will be considered as base text; waives cl. 2 and cl. 6 of rule XXI against provisions in the bill; waives all points of order against certain amendments printed in the report; Pre-printing gets priority; Provides the bill be read by title.	N/A.
H.R. 1594	Economically Targeted Investments	H. Res. 215	Open; 2 hr of gen. debate. makes in order the committee substitute as original text	N/A.
H.R. 1655	Intelligence Authorization	H. Res. 216	Restrictive; waives sections 302(f), 308(a) and 401(b) of the Budget Act. Makes in order the committee substitute as modified by Govt. Reform amend (striking sec. 505) and an amendment striking title VII. Cl 7 of rule XVI and cl 5(a) of rule XXI are waived against the substitute. Sections 302(f) and 401(b) of the CBA are also waived against the substitute. Amendments must also be pre-printed in the Congressional record.	N/A.
H.R. 1162	Deficit Reduction Lock Box	H. Res. 218	Open; waives cl 7 of rule XVI against the committee substitute made in order as original text; Pre-printing gets priority.	N/A.
H.R. 1670	Federal Acquisition Reform Act of 1995	H. Res. 219	Open; waives sections 302(f) and 308(a) of the Budget Act against consideration of the bill; bill will be read by title; waives cl 5(a) of rule XXI and section 302(f) of the Budget Act against the committee substitute. Pre-printing gets priority.	N/A.
H.R. 1617	To Consolidate and Reform Workforce Development and Literacy Programs Act (CAREERS).	H. Res. 222	Open; waives section 302(f) and 401(b) of the Budget Act against the substitute made in order as original text (H.R. 2332), cl. 5(a) of rule XXI is also waived against the substitute. provides for consideration of the managers amendment (10 min.) If adopted, it is considered as base text.	N/A.

FLOOR PROCEDURE IN THE 104TH CONGRESS; COMPILED BY THE RULES COMMITTEE DEMOCRATS—Continued

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 2274	National Highway System Designation Act of 1995	H. Res. 224	Open; waives section 302(f) of the Budget Act against consideration of the bill; Makes H.R. 2349 in order as original text; waives section 302(f) of the Budget Act against the substitute; provides for the consideration of a managers amendment (10 min.) If adopted, it is considered as base text; Pre-printing gets priority.	N/A.
H.R. 927	Cuban Liberty and Democratic Solidarity Act of 1995	H. Res. 225	Restrictive; waives cl 2(L)(2)(B) of rule XI against consideration of the bill; makes in order H.R. 2347 as base text; waives cl 7 of rule XVI against the substitute; Makes Hamilton amendment the first amendment to be considered (1 hr). Makes in order only amendments printed in the report.	2R/2D
H.R. 743	The Teamwork for Employees and managers Act of 1995	H. Res. 226	Open; waives cl 2(l)(2)(b) of rule XI against consideration of the bill; makes in order the committee amendment as original text; Pre-printing get priority.	N/A.
H.R. 1170	3-Judge Court for Certain Injunctions	H. Res. 227	Open; makes in order a committee amendment as original text; Pre-printing gets priority	N/A.
H.R. 1601	International Space Station Authorization Act of 1995	H. Res. 228	Open; makes in order a committee amendment as original text; pre-printing gets priority	N/A.
H.J. Res. 108	Making Continuing Appropriations for FY 1996	H. Res. 230	Closed; Provides for the immediate consideration of the CR; one motion to recommit which may have instructions only if offered by the Minority Leader or a designee.	
H.R. 2405	Omnibus Civilian Science Authorization Act of 1995	H. Res. 234	Open; self-executes a provision striking section 304(b)(3) of the bill (Commerce Committee request); Pre-printing gets priority.	N/A.
H.R. 2259	To Disapprove Certain Sentencing Guideline Amendments	H. Res. 237	Restrictive; waives cl 2(l)(2)(B) of rule XI against the bill's consideration; makes in order the text of the Senate bill S. 1254 as original text; Makes in order only a Conyers substitute; provides a senate hook-up after adoption.	1D
H.R. 2425	Medicare Preservation Act	H. Res. 238	Restrictive; waives all points of order against the bill's consideration; makes in order the text of H.R. 2485 as original text; waives all points of order against H.R. 2485; makes in order only an amendment offered by the Minority Leader or a designee; waives all points of order against the amendment; waives cl 5© of rule XXI (⅗ requirement on votes raising taxes).	1D
H.R. 2492	Legislative Branch Appropriations Bill	H. Res. 239	Restrictive; provides for consideration of the bill in the House	N/A.
H.R. 2491 H. Con. Res. 109	7 Year Balanced Budget Reconciliation Social Security Earnings Test Reform.	H. Res. 245	Restrictive; makes in order H.R. 2517 as original text; waives all pints of order against the bill; Makes in order only H.R. 2530 as an amendment only if offered by the Minority Leader or a designee; waives all points of order against the amendment; waives cl 5© of rule XXI (⅗ requirement on votes raising taxes).	1D
H.R. 1833	Partial Birth Abortion Ban Act of 1995	H. Res. 251	Closed	N/A.
H.R. 2546	D.C. Appropriations FY 1996	H. Res. 252	Restrictive; waives all points of order against the bill's consideration; Makes in order the Walsh amendment as the first order of business (10 min.); if adopted it is considered as base text; waives cl 2 and 6 of rule XXI against the bill; makes in order the Bonilla, Gunderson and Hostettler amendments (30 min.); waives all points of order against the amendments; debate on any further amendments is limited to 30 min. each.	N/A.
H.J. Res. 115	Further Continuing Appropriations for FY 1996	H. Res. 257	Closed; Provides for the immediate consideration of the CR; one motion to recommit which may have instructions only if offered by the Minority Leader or a designee.	N/A.
H.R. 2586	Temporary Increase in the Statutory Debt Limit	H. Res. 258	Restrictive; Provides for the immediate consideration of the CR; one motion to recommit which may have instructions only if offered by the Minority Leader or a designee; self-executes 4 amendments in the rule; Solomon, Medicare Coverage of Certain Anti-Cancer Drug Treatments, Habeas Corpus Reform, Chrysler (MI); makes in order the Walker amend (40 min.) on regulatory reform.	5R
H.R. 2539	ICC Termination	H. Res. 259	Open; waives section 302(f) and section 308(a)	
H.J. Res. 115	Further Continuing Appropriations for FY 1996	H. Res. 261	Closed; provides for the immediate consideration of a motion by the Majority Leader or his designees to dispose of the Senate amendments (1hr).	N/A.
H.R. 2586	Temporary Increase in the Statutory Limit on the Public Debt	H. Res. 262	Closed; provides for the immediate consideration of a motion by the Majority Leader or his designees to dispose of the Senate amendments (1hr).	N/A.
H. Res. 250	House Gift Rule Reform	H. Res. 268	Closed; provides for consideration of the bill in the House; 30 min. of debate; makes in order the Burton amendment and the Gingrich en bloc amendment (30 min. each); waives all points of order against the amendments; Gingrich is only in order if Burton fails or is not offered.	2R
H.R. 2564	Lobbying Disclosure Act of 1995	H. Res. 269	Open; waives cl. 2(l)(6) of rule XI against the bill's consideration; waives all points of order against the Istook and McIntosh amendments.	N/A.
H.R. 2606	Prohibition on Funds for Bosnia Deployment	H. Res. 273	Restrictive; waives all points of order against the bill's consideration; provides one motion to amend if offered by the Minority Leader or designee (1 hr non-amendable); motion to recommit which may have instructions only if offered by Minority Leader or his designee; if Minority Leader motion is not offered debate time will be extended by 1 hr.	N/A.
H.R. 1788	Amtrak Reform and Privatization Act of 1995	H. Res. 289	Open; waives all points of order against the bill's consideration; makes in order the Transportation substitute modified by the amend in the report; Bill read by title; waives all points of order against the substitute; makes in order a managers amend as the first order of business, if adopted it is considered base text (10 min.); waives all points of order against the amendment; Pre-printing gets priority.	N/A.
H.R. 1350	Maritime Security Act of 1995	H. Res. 287	Open; makes in order the committee substitute as original text; makes in order a managers amendment which if adopted is considered as original text (20 min.) unamendable; pre-printing gets priority.	N/A.
H.R. 2621	To Protect Federal Trust Funds	H. Res.	Closed; provides for the adoption of the Ways & Means amendment printed in the report. 1 hr. of general debate.	N/A.
H.R. 1745	Utah Public Lands Management Act of 1995	H. Res. 303	Open; waives cl 2(l)(6) of rule XI and sections 302(f) and 311(a) of the Budget Act against the bill's consideration. Makes in order the Resources substitute as base text and waives cl 7 of rule XVI and sections 302(f) and 308(a) of the Budget Act; makes in order a managers' amend as the first order of business, if adopted it is considered base text (10 min.).	N/A.
H. Res. 304	Providing for Debate and Consideration of Three Measures Relating to U.S. Troop Deployments in Bosnia.	N/A.	Closed; makes in order three resolutions; H.R. 2770 (Dorman), H. Res. 302 (Buyer), and H. Res. 306 (Gephardt); 1 hour of debate on each.	1D; 2R
H. Res. 309	Revised Budget Resolution	H. Res. 309	Closed; provides 2 hours of general debate in the House	N/A.
H.R. 558	Texas Low-Level Radioactive Waste Disposal Compact Consent Act	H. Res. 313	Open; pre-printing gets priority	N/A.
H.R. 2677	The National Parks and National Wildlife Refuge Systems Freedom Act of 1995.	H. Res. 323	Closed; consideration in the House; self-executes Young amendment	N/A.
			PROCEDURE IN THE 104TH CONGRESS 2D SESSION	
H.R. 1643	To authorize the extension of nondiscriminatory treatment (MFN) to the products of Bulgaria.	H. Res. 334	Closed; provides to take the bill from the Speaker's table with the Senate amendment, and consider in the House the motion printed in the Rules Committee report; 1 hr. of general debate; previous question is considered as ordered.	N/A.
H.J. Res. 134 H. Con. Res. 131	Making continuing appropriations/establishing procedures making the transmission of the continuing resolution H.J. Res. 134.	H. Res. 336	Closed; provides to take from the Speaker's table H.J. Res. 134 with the Senate amendment and concur with the Senate amendment with an amendment (H. Con. Res. 131) which is self-executed in the rule. The rule provides further that the bill shall not be sent back to the Senate until the Senate agrees to the provisions of H. Con. Res. 131.	N/A.
H. R. 1358	Conveyance of National Marine Fisheries Service Laboratory at Gloucester, Massachusetts.	H. Res. 338	Closed; provides to take the bill from the Speaker's table with the Senate amendment, and consider in the House the motion printed in the Rules Committee report; 1 hr. of general debate; previous question is considered as ordered.	N/A.
H.R. 2924	Social Security Guarantee Act	H. Res. 355	Closed	N/A.

*Contract Bills, 67% restrictive; 33% open. **All legislation 1st Session, 56% restrictive; 44% open. ***Legislation 2d Session. 100% restrictive; 0% open. ****All legislation 104th Congress 60% restrictive; 40% open. *****Restrictive rules are those which limit the number of amendments which can be offered, and include so-called modified open and modified closed rules as well as completely closed rules and rules providing for consideration in the House as opposed to the Committee of the Whole. This definition of restrictive rule is taken from the Republican chart of resolutions reported from the Rules Committee in the 103d Congress. ******Not included in this chart are three bills which should have been placed on the Suspension Calendar. H.R. 101, H.R. 400, H.R. 440.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. RANGEL].

Mr. RANGEL. Mr. Speaker, I was just talking to my dear friend, the gentleman from New York [Mr. SOLOMON], who sits over there, but I asked him to yield when he was reading the paper there, because I wanted to make it abundantly clear that as he extends this debt limit, as he gives us the ability for the United States to pay off its obligations, that he is only doing it for the old people on Social Security, he says, he says.

So it means that these people have a lot of compassion, but they give it to us a little bit at a time. Who knows,

maybe the disabled veterans will get some political attention over there, and we will get another 15 days. How about the widows of those who died defending our country? How about the crippled, the veterans in the hospital? Oh, I know, you want to make Clinton change the rules. You do not want to do it at election time. You cannot do it with overriding a veto, and so what we are going to do is select who will receive their benefits.

Do you think the United States Congress should be doing this? And of all of the committees that is doing this to the American people, it is the Committee on Rules. What substance jurisdiction do you have to select one group of Americans, people who serve their country, which groups you decide will receive their checks on time? And we get 15 days. Well, thank you, Mr. Chairman for 15 days we get. Thank you. Maybe when we come back, the rest of the veterans and all the Americans who deserve their checks, you might give them 10 or 15 days, and ultimately the rest of the world would say, Can you trust the United States of America? Just as far as you can check with the chairman of the committee that determines when they pay their debts.

All I can say is this, if you think we screwed this place up for 40 years, you have broken the record, because you have brought to this Congress Members who are more anxious to change the policies that we have had in the last 40 years than to legislate. We are not doing this by legislating. We are doing it by fear, and it is wrong.

Mr. GOSS. Mr. Speaker, I yield 1 minute to the gentlemen from New York [Mr. SOLOMON], the distinguished chairman, who is making sure that everybody gets their paycheck.

Mr. SOLOMON. Mr. Speaker and my colleagues, do you know that every single day that passes by, the national debt goes up another $600 million? Think about that, $600 million a day. Every day it goes up $600 million, that means there are $600 million less to help all of those people that truly need it.

You people on that side of the aisle, more than anyone else, ought to be standing up here trying to put an end to this deficit spending that is actually ruining this country and turning it into a sea of red ink.

The Record should show the gentleman from New York voted for an attachment to the 1993 debt limit bill, the largest tax increase in history. There was nothing clean about that debt limit bill.

What is different now? Nothing.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. LEVIN], another member of the Committee on Ways and Means.

Mr. LEVIN. Mr. Speaker, I say to the gentleman from New York [Mr. SOLOMON], the answer is in 1993 the debt ceiling extension was part of an overall package. We were not trying to blackmail the White House. You are; you are.

Look, this is nothing but a 2-week extension. That is all this is. Yes, from March 1 to March 15, 2 weeks.

And why the reference to Social Security? It is because if there were no extension, Social Security payments would, indeed, be jeopardized, contrary to the earlier communications from your side. But, look, the other obligations are also going to be paid, not only Social Security.

So really you are voting for a 2-week straight debt ceiling extension. You put in Social Security, because some of your extremists do not want to vote for a debt extension of any kind, and then it says in here Congress intends to pass an increase in the public debt limit before March 1, 1996.

Why do you not pass it tonight? I will tell you why, you have got an addiction of some kind playing with fire. You have been burned twice in terms of the CR: You played with fire, twice burned, you want to burn yourself again.

But I think the main reason is you do not know what else to do, so you are doing the same thing all over again. That is the problem. You do not have a game plan, so you punt.

The trouble is this is not a game. This is the lives of Americans that you are playing with lightly.

Stop the blackmail. Pass a clean debt ceiling period, and do it tonight.

Mr. GOSS. Mr. Speaker, I yield 1½ minutes to the gentleman from Michigan [Mr. SMITH], a member of the Committee on the Budget.

□ 1830

Mr. SMITH of Michigan. Mr. Speaker, I just sort of handed out this sheet to both sides as a reminder to us that we have not given clean debt ceiling increases. So it seems like tonight, with this clean increase in borrowing authority for the Federal Government to make sure that we get by the rest of this month and into toward mid-March, that we should pass it and say, "Look, it is a good first step, let us move on."

Mr. Speaker, to the gentleman from Michigan, I would still like to point out that the last couple debt limit bills that we had represented a huge tax increase of $137 billion over the 5-year period in 1990 when there was pressure on President Bush. Again, there was a large $252 billion tax increase in 1993. Some of these put pressure on an administration. So the debt ceiling is not very wholesome, not being used as leverage.

As we researched the records, Treasury does not have the right to withhold Social Security payments. The trouble is they have not managed cash flow, so they are out of money right now. They have no legal authority to withhold payments for Social Security or any other trust fund when there are surpluses coming into those trust funds.

This action tonight is to give money back to Treasury because they have not had the kind of cash flow management that allows them to pay Social Security benefits and the other retirement benefits.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. BENTSEN].

Mr. BENTSEN. Mr. Speaker, just so I can set the record straight so my colleagues over here do not make a mistake, I was not here in 1993. In fact, I was in the private sector, in fact outside the Beltway, where I was earning a living in an industry very similar to what we are talking about. In fact, my friend from New York, I have been in the private sector for a while, while you have been in the Congress, in the public sector, since I have been in high school. Quite some time.

If I wanted to, I could come down here, we could come down here as Democrats and we could say fine, go ahead and crash the capital markets of the United States. You will make Herbert Hoover look like an economic genius if you do this. But that is wrong. It is wrong for this country. This is a scary situation.

My other colleague from Texas said it is scary. Yes, it is very scary, because if we allow the Nation's debt to default, we will pay forever. If we do it for a day, it will be like Chernobyl; it will last for years and years.

Moody's said over the years that you could invest in treasuries because they would not default. This is from 1994. They said last week that they think they are going to default now, and they are looking to downgrade the debt. That is going to affect at least $300 billion of State and local debt and school debt. Mr. Druckmiller, your expect, came out last week and said this was a failed strategy and you should not do it.

Now, let us understand this bill. You are going to give the Treasury $30 billion, but the Treasury needs another $55 billion to meet the payments. Now, I tried to find in the Washington Times so I could explain to you when Treasury bonds come due. They come due on the 1st and 15th of the month. The Washington Times does not carry the Treasury thing, maybe that is why there is a misunderstanding here. But the fact of the matter is that this is totally irresponsible.

My colleague talks about the private sector. If you were on the board of a corporation that had a debt payment coming due in 29 days and you decided that you were going to take the board to Hawaii instead of staying here and working on it, the stockholders would throw you out, and they would be right for doing it.

If you were a homeowner and you did not have the money to pay your mortgage and decided you would take a vacation instead, the bank would come and take your house and they would have the right to do that.

That is what we are doing. We are not going to deal with the problem; we are going to go on a vacation. I find that hard to believe, regardless of whether I am a Democrat or a Republican. What has gotten into us here? It is incredible. It is simply incredible.

You tell us by March 1 you will get this done. My friends, you did not make the date for the appropriations bills; you did not even bring half of them to the floor by the end of the fiscal year. How are we to believe you will do this by March 1? You know what you are going to do? You are going to default on the debt that our children, my children, your children, your grandchildren are going to have to pay for, for money you already spent in previous years. That is simply unconscionable.

Mr. GOSS. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. BOEHNER], the distinguished chairman of the conference.

Mr. BOEHNER. Mr. Speaker, the Congress of the United States and the Government of the United States is not going to default on its debt, not now nor in the future. But if we are at some point going to increase the debt limit, which we are going to do the last week of February, we are going to make a downpayment for the future of our children and theirs.

For 30 years politicians in this town have done the same thing, pile up the debt, pile up the debt, and imprison our children and theirs. So every child born in America today owes $19,000 as their share of the national debt. A child born this year will pay $187,000 over the course of their lifetime in taxes just to pay the interest on the national debt that their parents and their grandparents have left for them. That is unconscionable.

What is the President of the United States asking? Raise the debt limit. Let us have more debt. The fact is, it is time to get serious about balancing the budget of the United States and saving the future for our kids and theirs. Oh, but no, we do not want to do that. The President says we can agree on the numbers, but we will save the policies until later: The same kind of Washington gimmicks, the same kind of smoke and mirrors that have been used in this town to say one thing and do something else, year after year after year.

What we are saying on our side of the aisle is it is time to get serious. It is time for no more gimmicks, no more tricks. It is time to do the right thing to save the future for our kids and theirs, and we are going to do it.

Now, in the meantime we want a downpayment on extending the debt limit of this country. We ought to make some generous effort in a bipartisan way to move us toward saving the future, and we ought to do it over the next couple of weeks so that when we get back here on the 26th, we can have a bill that can be agreed to.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina [Mr. HEFNER].

Mr. HEFNER. Mr. Speaker, if I could enter into a colloquy with the previous speaker, could I ask a question of the gentleman from Ohio? The gentleman from Ohio just made a statement that the U.S. Government was not going to default now, not ever. Let me ask you this question: Suppose that you put the conditions on the extension of the debt and the President of the United States does not blink and refuses to sign the budget or whatever downpayment you call it. Are you going to let the United States default on its obligations?

Mr. BOEHNER. Mr. Speaker, will the gentleman yield?

Mr. HEFNER. I yield to the gentleman from Ohio.

Mr. BOEHNER. Mr. Speaker, I am sure the President of the United States would like to make a downpayment toward balancing the budget just as much as you would and we would.

Mr. HEFNER. Mr. Speaker, reclaiming my time, the gentleman just made a statement that we will not default on our obligations now, not ever. He had no qualifications; he was just taking for granted that everything is going to fall in place and they would yield to blackmail demands. What he is saying is unless they do, you will let the U.S. Government default. Enough is enough.

Mr. FROST. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, it is time to get serious and it is time to stop the blackmail. It is the extremists in the House Republican conference that are playing political chicken with the credit rating of the United States. That is what it is about, is our credit rating. This Government has always paid its bills. For 220 years, through a Civil War and a Great Depression.

Paying our bills is not just important to the bond market and to the investment bankers on Wall Street. If this nation defaults, the consequences will be most sharply felt by ordinary Americans. It is not only Wall Street, it is Main Street who pays the price. If this bill passes, Social Security checks will not bounce, and that is a good thing. But what about the countless other consequences of default? What about students whose college loan rates are set by the Government borrowing rate? What about people who bought their homes with adjustable rate mortgages, and what about those who hold credit cards?

At a time when too many Americans are swamped with bills, they are afraid that they cannot afford to pay their bills. These are people who have not seen a raise in their salaries in months and years. A Government default would make paying their bills all the more expensive. This tactic hits working families in their pocketbooks.

Mr. Speaker, we can easily avoid this crisis. Let us pass a bill that prevents default by lifting the debt ceiling and that protects the credit rating and the honor of this great Nation of ours.

Mr. FROST. Does the gentleman not have any speakers at this point?

Mr. GOSS. Mr. Speaker, may I inform the Chair and the distinguished gentleman from Texas that I have one other speaker who is on his way, and possibly we will have some stimulation in the debate here from somebody who is here. We are looking at winding down, but I am in the range of three or four Members.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Speaker, our Republican colleagues have, of course, already voted four times in this very Congress to adjust the debt limit to the full amount necessary. But now that it really counts, now that we are up against the line, they break their promise to the American people.

They whine and moan about a budget deficit, but as soon as the President proposes a balanced budget calculated by their numbers, the Speaker declares defeat. A broken promise. You see, that is the watchword of this Gingrich Republican leadership: Promises made, promises broken. The Republicans promised to give us a country that is governed responsibly, and then they come forward and waste $1.5 billion with two Government shutdowns that were totally unnecessary, which even Speaker GINGRICH has now confessed was an error.

They promised to guarantee the fiscal integrity of this country, and now they act in a way that constitutes the biggest broken promise in American economic history. They promise to breach the promise of the full faith and credit of this country.

Republican promises made and Republican promises broken, the whole story of the 104th Congress. They have broken so many promises in this Congress to the American people, they now want to go out and break somebody else's promise, and that is the promise that generations of Americans have stood by to protect the fiscal integrity of this country.

Can any responsible American, regardless of party, regardless of philosophy, conceivably be out there saying, Oh, go to Washington. Do not pay the bond holders. Do not pay those who rely on U.S. savings bonds. Just bring everything to a halt and default until you get your way?

Mr. Speaker, that is precisely what has been advocated here tonight. Nobody but a crackpot would advance

that point of view. But indeed, while that might have been true a few years ago, and though we just heard promises, let us listen to what the Speaker of the House of the United States said: "I don't care what the price is. I don't care if we have no bonds for 30 days."

Mr. GOSS. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Florida [Mr. MICA].

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

Mr. Speaker, tonight our action is really about choices. The administration and the other side of the aisle has made their choices. They would choose in fact to cut off payments for Social Security and maybe veterans at this point if in fact they run out of additional money to steal. In fact, the irony of this is they have been stealing and robbing Federal retirement trust funds to keep the indebtedness extended for this country.

□ 1845

So tonight is really about choices. We have seen on TV they are going to stop the printing presses. They do not want us to pay seniors.

Mr. Speaker, that is not what the Republicans want to do tonight. We want to see, in fact, that our seniors receive their check. We want to tell seniors that, in fact, we have made a different choice, that we think that we should choose in this budget whether people should continue to be paid for not working; whether we should pay illegal immigrants who come in and get better health and medical and housing benefits than our seniors and our veterans.

Those are some of the choices before us, and that is part of the choice in our budget, in our proposal. And we are going to face that measure and those choices.

So, tonight the choice is we stop the show, we stop printing the funny money or continue in a responsible fashion. We set a deadline, and that is what we have been doing and what we have been trying to do to get this Nation's finances in order. So our choice is to pay seniors tonight, to pass this rule, and to act responsibly, and we will meet our debt obligations; but we will not continue to drive this country further and further into debt, in an irresponsible fashion.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Speaker, this H.R. 2924 is about the most convoluted piece of legislation that I have seen in terms of what is going on. They say, the Republicans that they bring this bill to us, that they intend to extend the debt limit. Well, why do they not just do it? No, they bring this 2-week bill. In other words, the bad news is the fact that they feel the necessity for a 2 week measure.

If we take them at their word, the face value of what this bill says, we are going to avert the possibility that the Social Security checks are going to bounce March 1. We want them to go out, and we all want to be on the side of those receiving Social Security. But the bad news is that the veterans' checks are going to bounce, that they are not going to cash those, that the soldiers and sailors that get checks, even those in Bosnia, will not be able to cash them. The contractors who have done work in good faith will not be able to cash checks.

The fact is that this result would result in the ultimate Government shutdown. Already this year for 4 weeks out of 16, the irresponsibility in terms of the way that this majority Republican Party has run this Congress has resulted in partial shutdown of the Government. The fact is, yes, things were attached to the debt ceiling limit. But under Reagan and under Bush, and under Clinton, the Democrats got an agreement with them. We could find common ground and compromise to achieve this, so we averted the default of bonds, the credit rating of the country wasn't harmed.

We have been through Reagan and Bush and Clinton. We did it through World War I, then World War II, the Depression, the recessions, but all of a sudden now my Republican colleagues cannot do that. They cannot come to a agreement, and that is what the bad news is in terms of this bill.

Mr. Speaker, yes, we ought to protect Social Security, but we ought to protect the faith and credit of this Nation. We ought to really prevent the type of economic shock wave and damage that this proposal pretends to do through intention but not action. The fact that the Republicans want to pass just this measure of platitudes, shows that they do not understand what they are doing, I think this action unfortunately underlines the experience and the credibility of what has been said over here for 2 months. What has been said by the Speaker and their leader, over the past year that is in fact if default comes, it comes. Let us just accept it says Speaker GINGRICH. That is unacceptable says this Member. The only snow job is not the one outside; there is one going on in here tonight from the majority Republicans.

Mr. GOSS. Mr. Speaker, the record should show that the gentleman who just spoke so eloquently voted to attach to the 1993 debt limit bill the largest tax increase in history. There was nothing clean about that debt limit bill.

Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Florida [Mr. FOLEY].

Mr. FOLEY. Mr. Speaker, all the screaming needs to subside. This Government has been running deficit for a long time. Our credit card is about to be canceled. Our checkbook is dry.

In America's communities, if we had produced the types of budgets this Congress has over the last 40 years, we would have had our home foreclosed, our credit card canceled, our checkbook confiscated, and we would be sent to jail.

Everybody is yelling about the full faith and credit of this Government, and many Members that have been on this floor screaming have been the ones who have run up, through the use of their Member card, this card that they give us when we are sworn into office, the credit card of the United States, they have been running deficits each and every budget year. And now there is screaming going on about the full faith and credit of the United States of America.

People have to accept responsibility for being the ones that charged the balance. If we give our child a credit card with a $500 balance and they run out and use it in one day and we scream at them for not paying the bill, we have helped get them the credit. We have taught them to spend maybe recklessly.

I agree that the faith and credit of this Government is essential. This bill will allow the temporary borrowing of additional monies to cover Social Security. My grandmother depended on her Social Security before she died. She worked as a maid in a Travel Lodge motel. She was not a wealthy woman. She had $10,000 in the bank. That is all the money she had in her life. Social Security was important to her, as it is to every other American.

Mr. Speaker, we are allowing the debt limit to increase to provide for that, but we are not perpetrating the sham on the American public with $200 billion in excess spending year in and year out and call that democracy, call that compassion, call that good government. We need to stop the yelling, start working on the problems that face America.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Speaker, well, my colleagues know we have heard a lot of talking here. We just heard about giving a child a credit card. And what they are advocating on that side is once the child spends on the credit card, maybe the child should not have, the parents are saying we will not pay. That is un-American. That is being a deadbeat. That has nothing to do with resolving the child's behavior in the future. That has to do with the past obligation that was incurred by the family that people on this side are saying we will not pay.

Mr. Speaker, the average homeowner does not have the opportunity to renege on his or her mortgage. The average credit card purchaser does not have the opportunity to renege on his or her credit card. These people are struggling. They cannot do it, and at the height of irresponsibility, some of the

leaders of this Nation are saying, well our country can do it. What lesson is that to the child we are talking about? I would say that to the gentleman from Florida.

Mr. Speaker, is it happenstance that we are playing this ridiculous game of chicken? Is it just unbelievable that we could say we would renege on our debt? Let us listen to what Speaker GINGRICH said: "The President will veto a number of things and then we will put them all on the debt ceiling. And then he will decide how big a crisis he wants."

That is good government? That is responsibility? That is bullying at best, and lunacy, irresponsible lunacy at worst. Here is another quote from the Speaker: "I do not care what the price is, I do not care if we have no executive offices, and no bonds for 30 days. Not at this time."

He just said that in September. Mr. Speaker, there is a lot of blame going on. Some extremist, immature freshmen are saying let us let the country default on its debt. But it came from the Speaker. He should be ashamed of himself.

Mr. SMITH of Michigan. Regular order.

Mr. SCHUMER. He knows that the credit rating of the America is at stake. It is a shame.

Mr. GOSS. Mr. Speaker, the Record should show that the gentleman from New York who just spoke voted for an attached 1993 debt limit bill, the largest tax increase in history. There was certainly nothing clean about that debt limit bill either, and I suspect that the gentleman from New York would not agree with my conclusion that it is not responsible parenting to stop children from runaway spending.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Speaker, there was a lot of talk on the Republican side of the aisle tonight about scare tactics, but I have to tell my colleagues I am really scared tonight. Until this evening, I did not really believe that the Republicans would actually default on the debt. Now I believe that they will.

Mr. Speaker, I listened to what the gentleman from Ohio said, that in order to avoid default there would have to be a downpayment on the balanced budget. I listened to the gentleman from New York who said that, in order to prevent default, there would have to be certain commitments made by our side of the aisle by March 1.

Now I see a resolution coming before us that says that we will extend the debt ceiling with regard to Social Security. What is happening here is the same kind of hostage atmosphere that we saw with the Government shutdown. The Republicans are saying that we are going to go home. We are going to come back at the end of the month when there are a few days before March 1. And if we on the other side do not do certain things and make certain commitments, if we do not vote for certain things that they want, then they are going to default.

So I do not believe it when they say that they are not going to default. The bottom line is if they are willing to say tonight that they will only extend the debt ceiling for Social Security, I have no guarantee that they will extend the debt ceiling on anything else. I think that is the height of irresponsibility.

We are talking about defaulting on a debt that is going to downgrade the credit rating of these United States in a way that has never happened before. The bottom line is that if that happens, there is no precedent for it. There is no way of ever recovering from it, whether it is mortgage interest rates, whether it is interest rates on car payments, whether it is the securities in our general credit rating. Other countries that hold our Government bonds may decide they want to sell them.

We have no idea what kind of uncharted waters we will be walking into if we ever default on the debt. This resolution tonight says that Congress intends to pass an increase in the public debt limit before March 1, 1996. But if my colleagues listen to the other side, there is no reason to believe that.

Mr. GOSS. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON], the distinguished chairman of the Committee on Rules.

Mr. SOLOMON. Mr. Speaker, I am going to speak from this side because I am going to quote one of the most distinguished members in the Clinton administration when I finish.

But it is no coincidence, and I have been keeping track, that almost every single speaker that has spoken from the Democrat side of the aisle is listed by the National Taxpayers Union as the biggest spenders. They classify us. Biggest spenders in the Congress. Almost every one of them. That is important to note.

Let me read to my colleagues the Washington Post, March 25, 1993, that is about 2 years ago. Now listen carefully to this, because this is the statement that was made by the present chief of staff of President Clinton. Listen to this because it will really turn this thing around.

He said: The Clinton administration has waited as long as possible to seek an increase in the debt ceiling so that lawmakers, that is you and me, ladies and gentlemen, so that lawmakers can vote for budget resolutions designed to rein in deficits before being asked to increase Federal borrowing. Now, this is Mr. Leon Panetta. He said it is important to tie, listen to this, it is important to tie it, the debt limit, he says, to other discipline people would like to put in place.

That is what Leon Panetta said. That is exactly what we are doing here. Secretary Rubin has said he does not need this authority until March 1. We want to wait as long as we can to get as much of the savings as we can to put the fiscal house in order of the people of this country. That is what we are doing. Come over here and vote for this good bill.

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

Mr. Speaker, I urge a no vote on the previous question. If the previous question is defeated, I shall offer an amendment to the rule which would make in order an amendment in the nature of a substitute to provide for a clean debt ceiling.

This amendment consists of the text of H.R. 2409 and provides for a clean debt ceiling increase for a full year. This number is the same figure that was in the Republican budget resolution and reconciliation bill. Our country's economy is far too important to be used as a political pawn. We cannot risk the catastrophe that will occur should we default on our Nation's debts.

□ 1900

Let us stop the game playing and pass a clean debt ceiling. I urge Members on both sides of the aisle to take the moral high ground and to vote down the previous question, so the substitute amendment can be considered by the full House.

Mr. Speaker, I include for the RECORD a copy of the amendment:

The amendment referred to is as follows:

At the end of the resolution add the following new section:

"Section—. Notwithstanding any other provision of this resolution, it shall be in order without intervention of any point of order to consider an amendment in the nature of a substitute consisting of the text of H.R. 2409, if offered by the Minority Leader or his designee. The amendment shall be considered as read and shall be debatable for 60 minutes equally divided and controlled by the proponent and an opponent. The previous question shall be considered as ordered on the amendment.".

Mr. FROST. Mr. Speaker, again, I urge that we defeat the previous question. This is a very serious matter. It is the other side of the aisle that will not bring a debt ceiling vote to the floor this week. They bring only this little piece of it. It is an important piece, and we will want Social Security checks to go out, but they will not bring a debt ceiling increase.

Mr. Speaker, they want to take this right to the brink. They want to walk us up to 2 or 3 days before the deadline, and hope that the Perils of Pauline will somehow rescue the lady from the track, as the train heads to hear. If the people on the other side have miscalculated, and if the train in fact runs over that maiden on February 29, this country is in enormous, enormous trouble.

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

Mr. Speaker, I many times watched the Perils of Pauline, and I never actually saw the train run over the victim.

Mr. Speaker, I would like to close with a couple of points. First of all, this has been a very intriguing debate about the rule. I do not think I have heard the rule mentioned, more than in passing at the beginning, but we have had a pretty good debate on some other things.

I frankly have gotten to see my colleague, the gentleman from Florida, my good friend, the distinguished ranking member of the Committee on Ways and Means, show us that in addition to his extraordinary oratory, he has exemplary footwork as well in the well of the House, and I commend him on that. That was certainly a fresh moment in my experience in the U.S. Congress.

Mr. Speaker, some on the other side have mentioned that we are going on vacation. If Members are going on vacation over there, I wish them well. I do not believe anybody over here is planning to go on vacation. We have a considerable amount of work to do. We are doing some negotiating. We will be in our district in a work period. I know some of us will actually be here working on committee work as well, as is our custom. If those Members have time to go on vacation on the other side of the aisle and can work it into their schedules, they are fortunate, indeed.

Mr. Speaker, the next question I wanted to raise very briefly is this sort of switching of the debate from what is really adding on, piling onto a $5 trillion national debt an unlimited amount of money for the future without any kind of control. That is really what Members are proposing to do. What you are doing, however, is switching the subject and saying "My gosh, if we do not do that, we are affecting the full faith and credit of our country." I think that is very bizarre.

The people who keep score about full faith and credit are more interested in us getting control of our spending now. That is the signal they are looking for. I would suggest, Mr. Speaker, that if we do not do the responsible thing, we will in fact do more damage to the full faith and credit, which, or course, nobody wants to cause any problem for in any way.

The next thing that has happened, Mr. Speaker, my friend, the gentleman from New York, said we are going to have a big vote on this. We are indeed going to have a big vote on this. We are going to get probably a unanimous vote on this piece of legislation. Who would vote against sending out the Social Security checks? Who would vote against making sure those checks were not going to bounce? It seems to me that is a pretty good proposition to vote for. We have a good rule, we have a good proposition to vote for. I am having a little trouble understanding what, therefore, the problem really is.

Mr. Speaker, we have heard a lot of talk about gloom and doom and the sky falling. I would suggest, Mr. Speaker, that those who are talking about all this red hot partisan rhetoric, self-fulfilling rhetoric I hope it is not, about the world ending and the full faith and credit coming apart and so forth, need to go back and look at their voting records. I did not read them all because of time, but most everybody, as the chairman has said, who got the low rating from the NTU for being big spenders are also the people who, by and large, have voted for the largest tax increase in history, and that was attached to a debt limit bill, so let us get real.

The other point I would make is I would suggest that Alan Greenspan's pulse rate is probably more important to the interest rates than the debate we are having here today in terms of the well-being of our economy, so I urge that we pass this rule and get on with it. We will then pass this legislation and remove anxiety.

Mr. Speaker, I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

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

Mr. FROST. 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.

Pursuant to the provisions of clause 5 of rule XV, the Chair announces that he will reduce to a minimum of 5 minutes the period of time which a vote by electronic device, if ordered, will be taken on the question of the adoption of the resolution.

The vote was taken by electronic device, and there were—yeas 229, nays 178, not voting 26, as follows:

[Roll No. 28]

YEAS—229

Allard
Archer
Armey
Bachus
Baker (CA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Boucher
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Molinari
Moorhead
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Parker
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Sensenbrenner
Shadegg
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—178

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Bellenson
Bentsen
Berman
Bevill
Bishop
Bonior
Borski
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Cardin
Clayton
Clement
Clyburn
Coleman
Collins (MI)
Conyers
Costello
Coyne
Cramer
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gonzalez
Gordon
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Luther
Maloney
Markey
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez

Miller (CA)	Poshard	Stupak
Minge	Rahall	Tanner
Mink	Rangel	Tejeda
Moakley	Reed	Thompson
Mollohan	Richardson	Thornton
Montgomery	Rivers	Thurman
Moran	Roemer	Torres
Murtha	Roybal-Allard	Torricelli
Nadler	Rush	Towns
Neal	Sabo	Traficant
Oberstar	Sawyer	Velazquez
Obey	Schroeder	Vento
Olver	Schumer	Visclosky
Orton	Scott	Volkmer
Owens	Serrano	Ward
Pallone	Sisisky	Waters
Pastor	Skaggs	Watt (NC)
Payne (NJ)	Skelton	Waxman
Payne (VA)	Slaughter	Williams
Pelosi	Spratt	Wise
Peterson (FL)	Stark	Woolsey
Peterson (MN)	Stenholm	Wyden
Pickett	Stokes	Yates
Pomeroy	Studds	

NOT VOTING—26

Baker (LA)	Green	Packard
Becerra	Harman	Radanovich
Bryant (TX)	Kolbe	Rose
Callahan	Lewis (CA)	Sanders
Chapman	Manton	Seastrand
Clay	Martinez	Shaw
Collins (IL)	Meyers	Wilson
Filner	Mfume	Wynn
Gibbons	Ortiz	

□ 1922

So the previous question was ordered.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mrs. COLLINS of Illinois. Mr. Speaker, during rollcall vote No. 28 on House Resolution 355 I was unavoidably detained. Had I been present, I would have voted "nay".

The SPEAKER pro tempore (Mr. WALKER). The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed with an amendment a bill of the House of the following title:

H.R. 2657. An act to award a congressional gold medal to Ruth and Billy Graham.

REQUEST TO DISCHARGE COMMITTEE ON AGRICULTURE AND COMMITTEE ON WAYS AND MEANS FROM FURTHER CONSIDERATION OF H.R. 2854, AGRICULTURE MARKET TRANSITION ACT

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that the Committees on Agriculture and Ways and Means be discharged from further consideration of the bill H.R. 2854, the Agriculture Market Transition Act, and that it shall be in order today to consider the bill in the House, and that all points of order against the bill and against its consideration be waived; and that the previous question be considered as ordered on the bill and any amendment thereto to final passage without intervening motion except: (1) one hour of debate on the bill, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture; (2) one amendment, if offered, by Representative DE LA GARZA of Texas or his designee, said amendment to be debatable for not to exceed 1 hour, to be equally divided and controlled by the proponent and a Member opposed thereto, and all points of order against the amendment be waived; and (3) one motion to recommit, with or without instructions.

The SPEAKER pro tempore. Under the guidelines consistently issued by successive speakers and recorded on page 534 of the House Rules Manual, the Chair is constrained not to entertain the gentleman's request until it has been cleared by the bipartisan floor and committee leaderships.

PARLIAMENTARY INQUIRY

Mr. ROBERTS. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. ROBERTS. Mr. Speaker, I know that the Agriculture Market Transition Act, H.R. 2854, has been cleared for floor consideration by the Republican side. Am I to understand that the Democrat side has objection to consideration of this bill?

The SPEAKER pro tempore. The Chair cannot respond to that. That is not an appropriate parliamentary inquiry.

Mr. ROBERTS. It may not be appropriate, but it sure as hell is true.

Mr. VOLKMER. Regular order, Mr. Speaker, Regular order.

The SPEAKER pro tempore. The Chair is attempting to keep order. The gentleman from Missouri and his comrades are not helping at the moment.

PROVIDING FOR ADJOURNMENT OF THE HOUSE FROM THURSDAY, FEBRUARY 1, 1996, TO MONDAY, FEBRUARY 26, 1996, AND ADJOURNMENT OR RECESS OF THE SENATE FROM THURSDAY, FEBRUARY 1, 1996, OR THEREAFTER, TO MONDAY, FEBRUARY 26, 1996

Mr. SOLOMON. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 141) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 141

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on the legislative day of Thursday, February 1, 1996, it stand adjourned until 12:30 p.m. on Monday, February 26, 1996, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, which-ever occurs first; and that when the Senate recesses or adjourns at the close of business on Thursday, February 1, 1996, Tuesday, February 6, 1996, Wednesday, February 7, 1996, Thursday, February 8, 1996, Tuesday, February 13, 1996, Wednesday, February 14, 1996, or Thursday, February 15, 1996, pursuant to a motion made by the majority leader or his designee in accordance with this resolution, it stand recessed or adjourned until 3 p.m. on Monday, February 26, 1996, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Speaker of the House and the majority leader of the Senate, acting jointly after consultation with the minority leader of the House and the minority leader of the Senate, shall notify the Members of the House and Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. The question is on the concurrent resolution.

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

RECORDED VOTE

Mr. FRANK of Massachusetts. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 207, noes 199, answered not voting 28, as follows:

[Roll No. 29]

AYES—207

Allard	Diaz-Balart	Hilleary
Archer	Dickey	Hobson
Armey	Doolittle	Hoekstra
Bachus	Dornan	Hoke
Baker (CA)	Dreier	Horn
Ballenger	Duncan	Hostettler
Barr	Dunn	Houghton
Bartlett	Ehlers	Hunter
Barton	Ehrlich	Hutchinson
Bass	Emerson	Hyde
Bateman	English	Inglis
Bilbray	Ensign	Istook
Bilirakis	Everett	Johnson, Sam
Bliley	Ewing	Jones
Blute	Fields (TX)	Kasich
Boehlert	Flanagan	Kelly
Boehner	Foley	Kim
Bonilla	Forbes	King
Bono	Fowler	Kingston
Bryant (TN)	Fox	Klug
Bunning	Franks (CT)	Knollenberg
Burr	Franks (NJ)	LaHood
Burton	Frelinghuysen	Largent
Buyer	Frisa	LaTourette
Calvert	Funderburk	Laughlin
Camp	Gallegly	Lazio
Campbell	Gekas	Lewis (KY)
Canady	Gilchrest	Linder
Castle	Gillmor	Livingston
Chabot	Gilman	LoBiondo
Chambliss	Gingrich	Longley
Chenoweth	Goodlatte	Lucas
Chrysler	Goodling	Manzullo
Clinger	Goss	Martini
Coble	Graham	McCollum
Coburn	Gunderson	McCrery
Collins (GA)	Gutknecht	McDade
Cooley	Hancock	McHugh
Cox	Hansen	McInnis
Crapo	Hastert	McIntosh
Cremeans	Hastings (WA)	McKeon
Cubin	Hayes	Metcalf
Cunningham	Hayworth	Mica
Davis	Hefley	Miller (FL)
Deal	Heineman	Molinari
DeLay	Herger	Moorhead

Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Oxley
Parker
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Regula
Riggs
Rogers
Rohrabacher
Roth
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Sensenbrenner
Shadegg
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Tiahrt
Torkildsen
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—199

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (NE)
Barrett (WI)
Bellenson
Bentsen
Bereuter
Berman
Bishop
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bunn
Cardin
Christensen
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Costello
Coyne
Cramer
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Ganske
Gejdenson
Gephardt
Geren
Gonzalez
Gordon
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Latham
Leach
Levin
Lewis (GA)
Lightfoot
Lincoln
Lipinski
Lofgren
Lowey
Luther
Maloney
Markey
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Miller (CA)
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murtha
Nadler
Neal
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Rahall
Ramstad
Rangel
Reed
Richardson
Rivers
Roberts
Roemer
Roukema
Roybal-Allard
Rush
Sabo
Sawyer
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Thornberry
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—28

Baker (LA)
Becerra
Bevill
Bryant (TX)
Callahan
Chapman
Crane
Dingell
Fawell
Filner
Gibbons
Green
Greenwood
Kolbe
Lewis (CA)
Manton
Martinez
Meyers
Mfume
Packard
Peterson (FL)
Radanovich
Ros-Lehtinen
Rose
Sanders
Seastrand
Shaw
Wilson

□ 1948

Mr. CHRISTENSEN and Mr. NUSSLE changed their vote from "aye" to no."

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

THE SOCIAL SECURITY GUARANTEE ACT

Mr. ARCHER. Mr. Speaker, pursuant to House Resolution 355, I call up the bill (H.R. 2924) to guarantee the timely payment of Social Security benefits in March 1996, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The text at H.R. 2924 is as follows:

H.R. 2924

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

SECTION 1. TIMELY PAYMENT OF MARCH 1996 SOCIAL SECURITY BENEFITS GUARANTEED.

(a) FINDINGS.—

(1) Congress intends to pass an increase in the public debt limit before March 1, 1996.

(2) In the interim, social security beneficiaries should be assured that social security benefits will be paid on a timely basis in March 1996.

(b) GUARANTEE OF SOCIAL SECURITY BENEFIT PAYMENTS.—In addition to any other authority provided by law, the Secretary of the Treasury may issue under chapter 31 of title 31, United States Code, obligations of the United States before March 1, 1996, in an amount equal to the monthly insurance benefits payable under title II of the Social Security Act in March 1996.

(c) OBLIGATIONS EXEMPT FROM PUBLIC DEBT LIMIT.—

(1) IN GENERAL.—Obligations issued under subsection (b) shall not be taken into account in applying the limitation in section 3101(b) of title 31, United States Code.

(2) TERMINATION OF EXEMPTION—Paragraph (1) shall cease to apply on the earlier of—

(A) the date of the enactment of the first increase in the limitation in section 3101(b) of title 31, United States Code, after the date of the enactment of this Act, or

(B) March 15, 1996.

The SPEAKER pro tempore (Mr. WALKER). Pursuant to House Resolution 355, the gentleman from Texas [Mr. ARCHER] will be recognized for 30 minutes, and the gentleman from New York [Mr. RANGEL] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas [Mr. ARCHER].

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 2924, the bill now under consideration.

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

There was no objection.

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

Mr. Speaker, the debate we are entering into today really should not have to occur at all.

Our Nation is a great nation. We are financially sound, and our credit is secure. We always have, and we always will pay our bills on time and in full.

Regardless of the occasional wrangling that goes on between the White House and the Congress, we have always found a way to protect the full faith and credit of the United States of America, and this year will be no different. Republicans in Congress have pledged that we will take action to raise the debt limit prior to March 1. We will fulfill our responsibility, and I am confident that the President will fulfill his by signing the legislation that will come before the end of this month.

That is why I deeply regret President Clinton and his advisers have fanned the political flames of fear by raising the specter that Social Security checks will not go out as a result of the current debate.

Mr. Speaker, the bill before us is designed to protect America's seniors from the scare campaign President Clinton and his allies have been waging for political purposes. The Social Security checks will go out, and everyone knows it. The President is wrong to scare senior citizens, and he should not use them as pawns in this budget debate.

But in an effort to reassure our seniors, this bill will give them a guarantee that they will get their checks no matter what President Clinton does. With the passage of this bill, President Clinton has no excuse not to send out Social Security checks. Seniors have worked all of their lives and have already paid for their Social Security checks. The Social Security fund contains their money. Seniors deserve peace of mind, and this bill gives it to them.

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

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

Mr. Speaker, there is no need to debate this bill. I do not see where there is any need to debate what is going on here when the whole world knows exactly what it is.

This has nothing to do with protecting the full faith and credit of the United States of America.

The majority party has seen fit to select who they want to protect, so this

week it is the Social Security beneficiaries. Who knows, three weeks from now it may be the widows, those that are left behind from our veterans or those that are disabled. Who knows how they want to issue their compassion?

The only question we should have to vote on is whether this Congress is prepared to pass a clean long-term debt ceiling bill. The majority, without consultation, without compromise, have decided themselves that the only thing they want to do is to extend it for a couple of weeks to protect the Social Security beneficiaries. I hope, Mr. Speaker, and Members of the other side, that over this so-called break when we should be here working that you might decide that you want to extend that compassion to each and every American who deserves not only their check but deserves to know that the full faith and credit of the United States of America will stand tall, notwithstanding the fact that there is a serious disagreement between both sides of the aisle on what our policy should be. This should be clean.

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

Mr. ARCHER. Mr. Speaker, with the understanding and agreement that we have had with the minority, I have no further speakers, but I will close and will yield myself the balance of my time with that understanding.

Mr. Speaker, the individuals that the gentleman from New York just referred to will also have their checks protected by this legislation. Let that be understood.

But this debate is really not about Social Security, and it is not about default. It is about our Nation's debt. Our debt stands at over $4.9 trillion and growing.

For a family of 4, their share is $72,000, increasing each week by $89, each month by $383, and each year by $4,594. Sometime, someday, someone has to pay this debt, and that someone is today's younger workers, their children, and their children's children.

What do the Democrats want to do with this debt problem? They want us to respond by sending more debt to our children. It is business as usual. They want us to pass a so-called clean debt limit.

Most of them do not support a balanced budget, and they want to borrow our Nation's way into deeper debt and eventual bankruptcy and default, and that is why we believe it is highly appropriate to attach to the 1995 debt limit bill legislation that puts a down payment on deficit reduction and tax relief.

Their strategy is borrow, default and blame Republicans. Democrats used the 1993 debt limit bill to pass the largest tax increase in history, an increase even President Clinton admitted was "too much." The Democrats think it is OK to pass tax hikes on debt limit bills, but they oppose reducing spending, shrinking the Federal Government, and leaving more money in the taxpayers' pockets as a part of the 1995 debt limit bill.

□ 2000

Republicans believe that there is nothing clean, Mr. Speaker, about leaving more debt to our children. It is wrong to give our children more debt, and if the President's State of the Union speech was more than idle words, he will agree with our plan to put a reasonable and responsible down payment on the deficit, on the debt limit bill later this month.

We have kept in this House of Representatives every promise we made to the American people, and today we can assure them we will pass a debt limit bill before the first of March. We need to pass this bill now to assure and guarantee to senior citizens that their Social Security checks will go out.

Mr. GILMAN. Mr. Speaker. I rise to speak in support of H.R. 2924, the Social Security Guarantee Act. As Congress continues to negotiate with the administration on how to balance the budget if is imperative that we ensure that Social Security benefits will be paid on time.

It is not right that our Nation's seniors be held hostage to any partisan bickering and the failure of the administration to come forward with a credible, workable balanced budget. Instead, Congress should be doing all it can to ensure that our seniors receive their Social Security checks on time. As many of us know, their Social Security check is all some of our seniors have to help pay for their food and shelter.

Accordingly, I urge my colleagues to fully support this important measure.

Mr. SMITH of Michigan. Mr. Speaker, the Secretary of Treasury has repeatedly warned of the impending collapse of our financial system if Republicans did not give up on their quest for a balanced budget and simply increase the debt limit. His lack of credibility is now established.

His recent statements about not having enough cash to make retirement payments on March 1 is again designed to put political pressure on the Congress in hopes that Congress will abandon the balanced budget and allow the addition of more debt to the trillions that our children will be responsible for.

This bill will ensure that Social Security payments must be made on March 1. It does not add to the debt, but it does allow Treasury to overcome a timing problem that they have created by their claim that they cannot manage the cash of this country.

Under normal circumstances Treasury would sell bonds a few days before benefit payments are due with a settlement date the same as the benefit payment date. Then the trust fund is disinvested and the debt limit has returned to what it was. Because we are at the debt limit Treasury cannot use this normal procedure.

Because the Social Security Trust is void of any cash, Treasury must sell securities to make benefit payments that come due. This bill will allow these securities to be sold outside the debt limit, then as the benefit payments are met the trust fund securities will be redeemed. The securities which were sold will then come under the debt limit, so by March 15, when all benefit checks have been paid, the debt will be the same as it was before.

Congress makes the decision about what the pattern of debt will be in the future. The current Congress, however, no longer directly controls the amount of spending that will occur in the near future. This is because of the growth of entitlement programs. In 1955, nearly nine-tenths of the Federal budget was discretionary programs. Today only about one-third of the budget is discretionary. Congress can only alter the spending pattern to match its wishes with regard to the time path of debt by amending statutes which authorize the entitlement programs. Although it is true through budget reconciliation Congress does authorize mandatory spending, and can thus make changes, Congress recently offered such legislation under the guise of the Balanced Budget Act of 1995. This legislation was vetoed by the President. Unlike an appropriations bill, which if vetoed results in no spending and no additional debt, a veto of a reconciliation bill, or changes in mandatory spending through new authorizing legislation, results in continued spending under the old programs. The results is that, in the case of mandatory spending, Congress cannot affect a change and alter the time path of debt without the consent of the President, unless it has a two-thirds majority to override the President's veto.

Due to the inextricable link between the entitlement programs and the future debt of the Federal Government, there is an inextricable link between the budget bills and the debt limit. To argue that the debt limit is not to be tied into the budget process is to miss this vital point. Congress's last hold on its authority to borrow money under article 1, section 8 is the debt limit. Because the amount of debt that will be needed in the future is directly related to the amount of spending that will occur, the authority to borrow under section 8 is tied directly to Congress' authority to spend under article 1, section 9. It is quite appropriate to link budget bills to debt limit increases.

Historically, this has been the case. Indeed, with the decrease in the share of the budget that is accounted for by discretionary spending, the linkage has become ever closer. In 1993, H.R. 2264 raised the debt limit in the Omnibus Budget Reconciliation Act, which included a tax increase of $250 billion.

In 1990, the debt limit increase incorporated the Omnibus Reconciliation Act of 1990, which also included large tax increases.

In 1987 and 1985 the debt limit increases were included in the debate over Gramm-Rudman I and II. In recent years, a clean permanent increase in the debt limit simply doesn't occur.

Thomas Jefferson: I place economy among the first and most important of Republican virtues, and public debt as the greatest of dangers to be feared.

Mr. STOKES. Mr. Speaker, I rise to strongly urge my colleagues to support the passage of a clean debt limit extension bill. The American

people must clearly understand why this is so critical. If the Congress fails to pass the measure before the first of March, the Government will not be able to pay its bills.

For the first time in history, Social Security and Veterans' benefits checks could bounce, citizens' tax refunds could be withheld, those doing business with the Government could not be paid including hospitals, and mortgage payments could increase.

With so much work left to be done on critical pieces of legislation—especially the debt limit, I strongly urge my colleagues on the other side of the aisle not to recess. This irresponsible approach to the management of the Government must end. The Republicans' politically contrived shutdown of the Federal Government has already cost the country over $1.5 billion. This did not reduce the deficit, it increased the deficit. Such blatant waste must not be tolerated.

The GOP majority in Congress is continuing to recklessly and needlessly place the country's economic future and seniors', veterans', and children's quality of life and standard of living at risk in order to give a tax break to the rich.

This hostile takeover must end. We would not tolerate such threats to our economy, our national security, and our children's future from our foreign colleagues, and the American people must not tolerate political tactics that could lead to economic ruin from our colleagues on the other side of the aisle.

Mr. Speaker, the House must not adjourn. We are 4 months into the 1996 fiscal year, and it is now time to start action on the fiscal year 1997 budget, yet action is still pending on 5 of the 13 fiscal year 1996 appropriations bills.

I strongly urge my colleagues to stop holding the American people hostage, put an end to operating the Government on piecemeal continuing resolutions—pass a clean debt limit extension bill, and complete action on the remaining fiscal year 1996 appropriations bills.

Mr. STOKES. Mr. Chairman, we choose not to respond, and I yield back the balance of my time.

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

The SPEAKER pro tempore (Mr. WALKER). Pursuant to House Resolution 355, the previous question is ordered.

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 aye appeared to have it.

Mr. ARCHER. 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 396, nays 0, not voting 37, as follows:

[Roll No. 30]

YEAS—396

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Beilenson
Bentsen
Bereuter
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Buyer
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Evans
Everett
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manzullo
Markey
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meek
Menendez
Metcalf
Mica
Miller (CA)
Miller (FL)
Minge
Mink
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Shadegg
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—37

Baker (LA)
Becerra
Berman
Bevill
Bryant (TX)
Burton
Callahan
Calvert
Chapman
Diaz-Balart
Ewing
Filner
Gallegly
Gibbons
Green
Hoekstra
Jacobs
Kolbe
LaFalce
Lewis (CA)
Manton
Martinez
Meehan
Meyers
Mfume
Moakley
Packard
Peterson (FL)
Radanovich
Ros-Lehtinen
Rose
Sanders
Sanford
Seastrand
Shaw
Solomon
Wilson

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Mrs. CLAYTON 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.

PERSONAL EXPLANATION

Mr. SANFORD. Mr. Speaker, on rollcall No. 30, my wife Jenny is about to have our third child and the doctor says if I don't leave now I will be missing the big event. Had I been present, I would have voted "yea."

PERSONAL EXPLANATION

Mr. SANDERS. Mr. Speaker, I was unavoidably absent during the votes on default legislation. If I had been present, I would have voted "nay" on the motions to table the appeal of the ruling of the Chair with regards to the resolutions offered by Mr. GEPHARDT (rollcall No. 26) and Ms. JACKSON-LEE (rollcall No. 27), I would have voted "nay" on the ordering of the previous question on House Resolution 355 (rollcall No. 28). I would have voted "nay" on H. Con. Res. 141 (rollcall No. 29). I would have voted "yea" on H.R. 2924 (rollcall No. 30).

PERSONAL EXPLANATION

Mr. CALVERT. Mr. Speaker, due to a hearing on future energy policy by the House Resources Committee, which I served as chairman, I was unavoidably detained, and thus unable to vote for final passage of H.R. 2924.

Had I been present, I would have voted "yea" on the Social Security Guarantee Act—H.R. 2924. I feel it is absolutely imperative to express Congress' intention to pass legislation increasing the public debt limit before March 1, 1996, and ensure that March Social Security benefits will be paid on time.

Senior citizens should not be held hostage on account of the budget deliberations we are holding today. I will continue to fight for a balanced budget by the turn of the century, and at the same time, protect America's obligations to its seniors.

PERSONAL EXPLANATION

Mr. LAFALCE. Mr. Speaker, on Thursday, February 1, I missed rollcall No. 30. Had I been present, I would have voted "yea."

RESIGNATION AS MEMBER AND ELECTION AS MEMBER OF COMMITTEE ON THE BUDGET

The SPEAKER pro tempore (Mr. METCALF) laid before the House the following resignation as a member of the Committee on the Budget:

FEBRUARY 1, 1996.

Hon. NEWT GINGRICH,
Speaker of the House,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to your letter dated Jan. 29, 1996, I hereby resign as a member of the House Committee on the Budget, effective immediately.

Thank you for your consideration in this matter.

Sincerely,

PETE HOEKSTRA,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

Mr. ARMEY. Mr. Speaker, by direction of the Republican Conference, I offer a privileged resolution, House Resolution 357, and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 357

Resolved, That the following named Member be, and he is hereby, elected to the following standing committee of the House of Representatives:

Committee on Budget: Mr. Neumann of Wisconsin.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DESIGNATION OF HON. CONSTANCE A. MORELLA TO ACT AS SPEAKER PRO TEMPORE TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS THROUGH FEBRUARY 26, 1996

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

WASHINGTON, DC,
February 1, 1996.

I hereby designate the Honorable Constance A. Morella to act as Speaker pro tempore to sign enrolled bills and joint resolutions through Monday, February 26, 1996.

NEWT GINGRICH,
Speaker of the House of Representatives.

The SPEAKER pro tempore. Without objection, the designation is agreed to.

There was no objection.

RESIGNATION FROM THE HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore laid before the House the following resignation from the House of Representatives:

WASHINGTON, DC,
January 19, 1996.

Hon. NEWT GINGRICH,
Speaker, House of Representatives,
Washington DC.

DEAR MR. SPEAKER: Attached herewith is a copy of my letter of resignation as presented to the Governor of the State of Maryland, the Honorable Parris N. Glendening.

Effective February 18, 1996, I am resigning as Representative to the United States Congress from Maryland's 7th Congressional District.

Sincerely,

KWEISI MFUME,
Member of Congress.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2281

Mr. SHAYS. Mr. Speaker, I ask unanimous consent that my name be withdrawn as a cosponsor of H.R. 2281.

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

There was no objection.

AWARDING CONGRESSIONAL GOLD MEDAL TO RUTH AND BILLY GRAHAM

Mr. CASTLE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2657) to award a congressional gold medal to Ruth and Billy Graham, with the Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 4, strike out lines 8 through 19.

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

Mr. FLAKE. Mr. Speaker, reserving the right to object, and of course I will not object to this particular bill, but I yield to the gentleman from Delaware [Mr. CASTLE] so that he might explain the Senate changes in H.R. 2657.

Mr. CASTLE. Mr. Speaker, Members may recall that in the past week or two, we passed H.R. 2657, which was a bill to award a congressional gold medal to Ruth and Billy Graham. Members on both sides of the aisle, with the exception of one, voted for this. It was supported almost unanimously in this body, 403 "yes" votes at that time, and there was no known opposition.

Mr. Speaker, tonight the Senate amended H.R. 2657 deleting section 5, and it is a small change to the legislation. But because it takes some time to get this ready, they wanted to run this through tonight to get it done. Mr. Speaker, we have no objection to the change and wanted to put it before the House tonight.

Mr. FLAKE. Mr. Speaker, reclaiming my time, I, of course, concur with the changes of the Senate. I am proud to share with the gentleman from Delaware [Mr. CASTLE] in our support of this particular legislation and for Reverend and Mrs. Billy Graham.

Mr. Speaker, I urge our colleagues to congratulate them for putting themselves in the position to be worthy of having a medal of honor named after them.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

A motion to reconsider was laid on the table.

GRANTING MEMBERS OF THE HOUSE PRIVILEGE TO REVISE AND EXTEND REMARKS IN CONGRESSIONAL RECORD ON LEGISLATIVE DAY OF TODAY

Mr. CASTLE. Mr. Speaker, I ask unanimous consent that for the legislative day of today, all Members be permitted to extend their remarks and to include extraneous material in that section of the RECORD entitled Extension of Remarks.

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

There was no objection.

AUTHORIZING THE SPEAKER AND MINORITY LEADER TO ACCEPT RESIGNATIONS AND MAKE APPOINTMENTS, NOTWITHSTANDING ADJOURNMENT

Mr. CASTLE. Mr. Speaker, I ask unanimous consent that notwithstanding adjournment of the House until Monday, February 26, 1996, the Speaker and the minority leader be authorized to accept resignations and to make appointments authorized by law or by the House.

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

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, FEBRUARY 28, 1996

Mr. CASTLE. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, February 28, 1996.

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

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. METCALF). Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

THE NATION'S BUSINESS HAS NOT BEEN TAKEN CARE OF

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri [Mr. VOLKMER] is recognized for 5 minutes.

Mr. VOLKMER. Mr. Speaker, and what few Members are left, here we go again. It is interesting to see how this House has been run. We have not done very much. We took all last year, we ended up doing less than what they have done all the way back to 1933. We have not really done the Nation's businesses.

We have never appropriated now two, I guess, the D.C. appropriation bill has finally been passed but there is still one hanging over in the Senate. We had to appropriate the money for the foreign affairs by continuing resolution.

Now we have all run home. I do not know what for. I do not know why everybody is going home. I am not. I am staying, and I will be honest. If my colleagues want to do something tomorrow, I will be here tomorrow. If my colleagues want to do something next Monday, Tuesday, Wednesday, anytime next week, I can be here. The following week? I could be here.

We have to run off. And my farmers back home and all over this Nation, especially in the South, there is a great deal of uncertainty about what kind of program they are going to have or even if they are going to have a program. To be honest with my colleagues, the way the Committee on Agriculture and the chairman thereof and the Members of the majority have decided to go, there is not going to be a program. The bill that came out of that committee, if that is the bill that goes to the President, is going to be vetoed. It has already been vetoed once. It will be vetoed again.

Now if my colleagues want to wait until March or sometime to find out that we really have not done anything, so be it. There is nothing I can do about that. I am not in control. I am not in the majority.

I do not know why the Members voted to adjourn until February 26. We could easily do a farm bill next week. Now, in 1977, when we had a farm bill, we had it under an open rule and it took about 4 days to do it. In 1981, when we did a farm bill, we had an open rule, and it took about 3½ to 4 days to do. In 1985 it took about a week, 5 days to do it. In 1990, 3 days to do it again.

But the chairman of the Committee on Agriculture we presently have has requested an almost completely closed rule.

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One amendment in the nature of a substitute, one motion to recommit, that is it. Everybody else, shut up. In other words, I, who come from a rural district and have a lot of farmers, have some ideas about agriculture, but have no opportunity on this floor at all to offer even one amendment.

Mr. CHAMBLISS. Mr. Speaker, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from Georgia.

Mr. CHAMBLISS. Did the gentleman ask for an amendment to the bill in the meeting the other day? I missed it. Did the gentleman offer an amendment the other day?

Mr. VOLKMER. I sure did, to get rid of the three-entity rule. The one that permits—it is my time, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Missouri has the time.

Mr. VOLKMER. I offered an amendment to get rid of the three-entity rule, the one that under that bill gives the big cotton farmer down in Texas and other places, and some of the rice farmers, $80,000 a year, folks, for 7 years. They do not even have to farm. I do not think that is right.

I do not think we need welfare in agriculture. My farmers do not want freedom to farm or freedom not to farm. My farmers, even the best, and I just talked to one again yesterday, he has been very active in Missouri. It does not take a position on this farm bill of yours. I do not know of many farmers in my area of northern Missouri that do.

They do not want to be paid by the Government. They want money from the marketplace. That is where they want their money. Yet you want to give them money every year; even if they make 1 million bucks, or if they make $100,000, you want to give them money. They do not want your money under those circumstances.

They will be willing to take the money if the times are bad and they need it and prices are low; then, yes, they would like to have a little help to get through. I am willing to give them that help. But I do not think it is right to give major corporations in this country, major corporations, $80,000 a year, even if they make a half a million on their farm operations.

At the same time, you are cutting back on all other programs, and the biggest thing out of this whole farm bill mess, the biggest thing out of this mess, what they are doing on the majority side is they are cutting $13 billion in the next 7 years out of agriculture, $13 billion out of agriculture. Why? So they can give their wealthy friends a big tax break. It is all part of the tax-break money.

It is not necessary. If you looked at the Democratic coalition budget, you do not have to make that cut in agriculture. We do not have to do that.

Let us stay here next week and do a farm bill, a good farm bill, and not the lousy freedom not to farm. You do not have to farm to get your payment, folks.

1999 WOMEN'S WORLD CUP TOURNAMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. MORELLA] is recognized for 5 minutes.

Mrs. MORELLA. Mr. Speaker, in an effort to support the continued growth of women's sports in general, and of women's soccer in particular, I, along with 37 House colleagues, have introduced a resolution recognizing and supporting the efforts of the U.S. Soccer Federation in bringing the 1999 Women's World Cup tournament to the United States.

Recent evidence demonstrates that there is unprecedented interest in the sport of soccer in the United States—the 1994 men's games had the highest attendance and the largest viewership of any World Cup ever. On the heels of this success, the U.S. Soccer Federation has resolved to submit a formal bid to the Federation Internationale de Football Association [FIFA] to host the 1999 Women's World Cup.

The Women's World Cup tournament, like the men's, is hosted every 4 years by a different country. It is considered the most important women's soccer tournament in the world; the 1995 Women's World Cup was broadcast to millions of fans in 67 nations.

Our country's previous participation in this event has displayed to the world the abilities and dedication of our gifted female athletes. The U.S. National Team won the inaugural title in 1991, and finished third in last year's event before sold-out crowds. We now have the opportunity to afford the American people the chance to see their athletes represent them in person at the highest level.

In order for the U.S. Soccer Federation to successfully submit a bid to the Federation Internationale de Football Association, it must show that it has the support of our Government. In 1987,

a similar resolution was passed to demonstrate support for the U.S. bid to host the 1994 World Cup. Additionally, the White House has already pledged its support for the event and will designate a senior administrative official to be its representative to the Women's World Cup.

This is an exciting time of growth for women's athletics and U.S. soccer. By supporting the U.S. Soccer Federation's bid to host the 1999 Women's World Cup tournament, we can help be a part of this growth and reaffirm our commitment to American athletic excellence and the good will and competitive spirit that these games represent.

NCI ELIMINATES MAMMOGRAPHY GUIDELINES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. TOWNS] is recognized for 5 minutes.

Mr. TOWNS. Mr. Speaker, in 1989, the National Cancer Institute [NCI] recommended that women age 40 to 49 undergo biennial mammography screening and an annual mammography at age 50. Six years later, without the consensus of any medical or cancer organizations and against the recommendation of its own national advisory board, NCI eliminated its mammography guidelines for women in the 40 to 49 age group.

Last Congress, Mr. Speaker, the Subcommittee on Human Resources and Intergovernmental Relations, which I formerly chaired, found that the elimination of these guidelines was without scientific foundation. In fact, the subcommittee issued a report entitled "Misused Science: The National Cancer Institute's Elimination of Mammography Guidelines for Women in Their Forties." In that report, we recommend that "NCI further research on American women, in the 40 to 49 age group, to determine the importance of mammography screening.

Fortunately, others have produced new research to demonstrate that both early detection and screening in younger women can be beneficial in combating this disease. Of the 180,000 cases of breast cancer that are diagnosed each year at least two-thirds, if detected early enough, give women the choice of a breast-conserving procedure—a lumpectomy, rather than a mastectomy. Moreover, a recent CBS investigative report by Michele Gillen has highlighted the importance of mammography screening in the early detection of breast cancer and the inability of the NCI to explain its abrupt changes to the guidelines in 1993.

Even more troubling is the fact that the Gillen investigation has uncovered that NCI now wants to back away from recommending any mammographies for women age 50 and over.

This kind of callous attitude could lead to insurance companies refusing to cover the cost of mammography screenings. Over 40,000 women will die from this disease in 1996. If you can recommend an appropriate daily allowance for vegetables in the American diet, you should be able to recommend life-saving screenings for American women.

I say to NCI tonight don't eliminate the only tool American women have to protect themselves against breast cancer. Retain the original 1989 guidelines for mammography screenings and self-breast exams.

THINK TWICE, COMMUNIST CHINA, BEFORE YOU USE FORCE AGAINST TAIWAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. HORN] is recognized for 5 minutes.

Mr. HORN. Mr. Speaker, the diplomatic recognition of the government in Beijing in 1979 did not end our relationship with Taiwan. The Taiwan Relations Act of 1979 formally reiterated United States support for the people of Taiwan. Since 1979, U.S. relations have grown steadily closer with both the People's Republic and the Republic of China within the framework of "One China, Two Systems." Despite the growing interaction of the United States with both governments, a dark cloud hangs over future peaceful development. This dark cloud is the refusal of the Beijing Government to renounce the use of force against Taiwan.

Beijing still regards Taiwan as a renegade province that is destined to return to the motherland of China—by peaceful means if possible, by force if necessary. If the people of Taiwan freely and fairly choose to reunite with the mainland—which they have not yet done—then that is their business. If the people of Taiwan are forced to reunite with the mainland—or are intimidated into doing so—then that situation will become the business of the whole world, including the United States of America. The people of Taiwan are friends of the United States, as we are friends with them. We respect the aspirations of the Taiwanese and support them in the pursuit of their dreams.

Increasingly, the people of Taiwan also seek a role in governing themselves—a dream that will be fully realized on March 23 when they freely elect their own president and national assembly. This free election is the culmination of years of reform in the political process in Taiwan. It is an obvious contradiction to those who say that Asian cultures cannot and do not support widespread democratic reforms. That is the view by many of the autocrats of Asia. Sadly, it is also the view within some Western circles. March 23 will be an historic date in the advance of freedom during this troubled century.

There is no freedom for the 1.1 billion people of mainland China. There is growing economic freedom. But the aging Communist oligarchy that rules the People's Republic of China is out of step with the aspirations of its own dynamic citizenry.

Now, in recent weeks, officials of the government in Beijing have recklessly escalated their rhetoric, threatening the lives of not only the people of Taiwan, but even the United States. In an appalling turn, the veiled threat of nuclear destruction has been leveled against Taiwan and the United States. Apparently, the mainland Chinese believe that the people of the United States, and Congress, will be cowed by their bluster. They are wrong.

Shortly before the invasion of South Korea in June, 1950, it was suggested by the American Secretary of State that the Korean peninsula was outside of direct United States interests. This played a large part in encouraging the leaders of North Korea that the United States would not interfere with their plans to reunify Korea by force. The recently dedicated memorial on the Mall to the thousands of Americans who died to prevent aggression is proof that they were wrong. It would be a tragic mistake for the current leaders in Beijing to make the same mistake that their then allies in North Korea made nearly a half century ago. It is time for the President to clarify a somewhat stealth China policy that could invite disaster for the people of China, Taiwan, and the United States.

The United States supports peace, and will welcome the opportunity to discuss and resolve our current differences with the people of China. The people of the United States have no dispute with the Chinese. We share many of the same interests. We agree on many important issues. It would be foolish to throw away years of careful progress. That progress has led to mutual friendship and mutual respect. That progress should not stop over aggressive moves that threaten peace. Unfortunately, recent actions by the Government of the People's Republic of China suggest that these hopes are not important to that current government.

This, however, begs an important question: Is this situation important to the Chinese people? Do the people of China support the bellicose statements of their government? We have no way of knowing because, of course, their government has not asked them, and does not care what its own people think. This is why the United States supports Taiwan, and that is a fundamental reality that those in Beijing cannot ignore.

Mr. Speaker, I ask consent to include the House Republican Policy Committee statement concerning "Communist China's Taiwan Invasion Threat."

COMMUNIST CHINA'S TAIWAN INVASION THREAT

On January 30, Communist China's Premier Li Peng emphasized that in trying to

absorb Taiwan as "a region of China . . . in the final analysis, we cannot promise to give up the use of force."

This statement is the latest example of the PRC ratcheting up unsubtle threats against Taiwan. In recent weeks, Chinese Communist leaders told American visitors that the PRC was preparing a plan for a sustained attack on Taiwan should it pursue a policy that they deemed too "independent." These threats against Taiwan were coupled with threats of attack on the U.S. should we seek to protect Taiwan—a remarkable slap in the face to the President after three years of the Administration's "engagement" policy, and in a region the Administration has highlighted as its top foreign policy priority.

While a number of observers have been startled by Communist China's most recent provocations, its threats against Taiwan are part of a pattern aggressive behavior in territorial deputes in the Asia-Pacific region. Moreover, Communist China's economy and military structure have recently undergone enormous changes, including a sustained nine-percent economic growth rate and dramatic—and ominous—transformation of the military's force structure and doctrine. This recent growth and modernization of the Communist Chinese military threatens vital U.S. national security interests in Asia.

A GROWING PEOPLE'S LIBERATION ARMY

Trends in People's Liberation Army (PLA) expenditures for foreign military technology over the last decade reveal an emphasis on force projection through air and naval power, with a 2:3:5 ration for the Communist Chinese Army, Navy, and Air Force respectively. In 1992, Admiral Liu Hauqing, Vice-Chairman of the Central Military Commission and the PRC's highest ranking military officer, publicly affirmed that the PLA Air Force and Navy would remain primary recipients of funding for foreign military technology and weapon systems. Recent notable purchases include: 26 Su 27 Soviet fighters from Russia (with an additional 26 under negotiation); 24 Mil Mi 17 helicopters from Soviet Union; 10 Il-76 heavy transport planes from Russia; In-flight refueling technology; 100 Russian S-300 surface-to-air missiles and four mobile launchers; Rocket engines and missile guidance technology from Russia; Uranium enrichment technology and nuclear reactors from Russia; Airborne Early Warning (AEW) technology from Israel; Stinger anti-aircraft missiles from the U.S.; 100 Klimov/Sarkisov RD33 jet engines from Russia; Avionics from US for F-8II fighters; Artillery munitions production equipment from the U.S.; Mark 46 MOD 2 anti-submarine torpedoes from U.S.; 50 T-72 tanks from Russia; and 2-4 Kilo-class conventional submarines from Russia.

The PLA has recently given a greater degree of attention to development of combined arms, rapid deployment units, air mobility, and a blue-water naval capability. Doctrinal changes, weapon systems modernization, and imports of advanced foreign weapons systems indicate an interest in increasing the PRC's ability to project power beyond its borders. Similarly, Beijing has announced its plans to develop two 45,000-ton aircraft carriers within the next decade, and the PLA is already capable of conducting military actions in close proximity to China's borders.

The PLA's greater emphasis on force project through the development of naval and air power resulted in substantial changes in budget allocations. The PRC's official defense budget has expanded every year since 1989, for an increases of 141 percent. The annual increase are as follows: 1989, 13%; 1990, 15.5%; 1991, 12%; 1992, 13.8%; 1993, 13.9%; 1994, 20.3%; and 1995, 25%.

Beijing argues that these six years of hikes were offset by 130 percent inflation. Yet the PRC's stated defense budget does not include research and development, military education, and extra-budgetary appropriations, such as the 1992 purchase of 26 Shukhoi-27 fighters from Russia. Modest salaries, free housing, and free medical services represent far lower outlays for pay and benefits for military personnel than in the West; hence, more of the PRC's defense budget goes to hardware.

Assessing the real value of Communist China's defense budget is extraordinarily difficult because of the aforementioned vehicles, unknown levels of civilian production from the PRC's military-industrial complex, and Beijing's reluctance to publish accurate statistics. As a result, comparative analyses of the PRC's defense budget range from $18 to $90 billion.

CHINESE COMMUNIST AGGRESSION IN DISPUTES WITH TAIWAN AND ELSEWHERE

The recent PLA buildup in land, sea, and air forces and the overall increase in military spending in the last six years are fueling the fears of Communist China's neighbors—especially Taiwan. The buildup aggravates a number of longstanding disputes in Asia involving the PRC. series of overt Communist Chinese provocations have further heightened tensions in the region.

One of Asia's most volatile strategic issues is the relationship between the PRC and Taiwan. Beijing has repeatedly declared its intent to use military force against Taiwan should the latter move toward independence. The PLA regularly holds large-scale combined air and naval exercises in close proximity to Taiwan. The most recent exercises coincided with Taiwan's national legislative elections and were designated to browbeat the Taiwanese electorate and show that Beijing is serious about using force in the event the island chooses an independent course. The PRC fired six nuclear-capable missiles in July 1995 about 100 miles north of Taiwan, shortly after Taiwanese President Lee Teng-hui's visit to his alma mater, Cornell University.

The PRC's belligerence has recently been raised to a new plane. Chinese Communist political and military leaders told former Assistant Secretary of Defense Chas Freeman that the PRC had drafted plans to attack Taiwan with conventional missile strikes for 30 days if President Less refuses to desist in his calls for international recognition. Beijing's threatening statements and actions towards Taiwan are profoundly troubling, at a time when Taiwan prepares to fully enter the worlds family of democracies by holding its first free presidential election in March 1996.

Ownership of the Paracel and Spratly Islands is one of the most contentious territorial issues in Asia. The strategically-located Spratly Islands extend some seven hundred miles south of mainland China and hold oil and natural gas reserves of an estimated 45 billion tons, valued at $1.5 trillion. The island chains are claimed by seven nations (the PRC, Brunei, Taiwan, Vietnam, Malaysia, Indonesia, and the Philippines), with five (all but Brunei and Indonesia) deploying military forces in the area.

In July 1992, Vietnam signed a contract for Spratly Island oil exploration rights with the Mobil Oil Corporation. Exploration was blocked by PLA naval forces. And in February 1995, Communist China was discovered to have established an outpost on Mischief Reef, located in part of the Spratly Islands claimed by the Philippines. In March, the Philippine Navy responded by destroying small structures and concrete markers the PRC had erected on three reefs. Since then, PLA and Philippine warships have provoked each other, and both nations have detained the other's fishing ships in the area.

Communist China has additional territorial disputes with Japan over the Senkaku-Shoto Islands and with India concerning the Himalayan frontier, a dispute that led to armed conflict between India and China in 1962. Moreover, the Communist regime faces separatist movements in the northwestern provinces of Xinjiang, Ningxia, Inner Mongolia and Tibet. The PLA build-up has ominous implications for how the PRC might employ expanded military capabilities both abroad and at home.

U.S. INTERESTS AND CLINTON ADMINISTRATION VACILLATION

The U.S. has an immense economic stake in stability in the Asia-Pacific region, which accounts for more than 36 percent of U.S. international trade. Seventy percent of Asia-Pacific oil transits the South China Sea and the Spratly Island chain. Communist China's bellicose approach to territorial disputes in that region could affect a significant part of American foreign commerce.

The United States has a substantial stake in supporting fledgling and established democracies in Asia, and a special stake in supporting Taiwan. Taiwan is America's sixth largest trading partner, with hard currency reserves of over $90 billion. Also, the Taiwan Relations Act of 1979 implies a commitment of U.S. assistance in the event of foreign aggression.

Recently, as a sign of its commitment to Taiwan, the Congress initiated legislation to permit the sale of F-16 aircraft to that nation and to support Li Teng-hui's visit to the U.S. Unfortunately, the Clinton Administration has made its commitment to supporting Taiwan anything but crystal clear. In the event of military attack by the PRC on Taiwan, a senior State Department official was quoted by U.S. News & World Report on October 30, 1995 as saying, Clinton Administration policy is "meant to be ambiguous. . . . You don't really know what would happen until you get there . . . we would not be in a position to react with force. We would not elect to do that I'm sure." Such a posture seems quite unambiguous, and it's small wonder that the Chinese Communist leaders view the Administration's policy as a green light to bully Taiwan—or worse. One Chinese leader told Chas Freeman that the PRC does not fear retribution from the U.S. because American leaders "care more about Los Angeles than they do about Taiwan," which the former Clinton Administration official interpreted as a threat to use nuclear weapons against the U.S. should it defend Taiwan.

Clinton's Taiwan policy is not an isolated case of weakness encouraging the PRC's bellicosity. The Clinton Administration has squandered U.S. credibility through a dizzying series of policy flip-flops and retreats in the region. The most noticeable reversal to the PRC was on most-favored nation (MFN) trade status. Candidate Clinton excoriated President Bush for kowtowing to the PRC's leadership after the Tianenmen massacre of June 1989. In May 1993, Clinton issued an Executive Order formally linking the PRC's MFN status to progress on human rights in Communist China, which he had charged Bush with overlooking. Then, on May 26, 1994—almost exactly one year after the Executive Order—President Clinton tore up the

Order, separating MFN trade status from human rights.

Another Asian policy cave-in that did not go unnoticed in the PRC followed the Administration's May 16, 1995 threat to slap 100 percent tariffs on luxury cars exported by Japan to the United States as a result of a Section 301 unfair trade practices case involving sale of autoparts in Japan. On June 28, 1995, the Administration cast aside its threat in a "compromise" in which Japan made no commitments to particular numbers of foreign autoparts it had to buy or of dealerships that would sell foreign cars. And yet again Clinton's vow not to allow the North Korean tyranny to retain nuclear weapons was promptly followed by the August 12, 1995 "framework agreement," in which the Administration *rewarded* Communist North Korea for its nuclear weapons program with aid and reactor technology. Whatever the merits of Clinton's ultimate position, the fact that he was so willing to alter his policies in the face of any resistance has not been lost on the Chinese Communists.

CONCLUSION

Asian nations are concerned because the Chinese Communist leadership has historically shown a willingness to use military force to settle disputes within what it regarded as its sphere of influence. The PLA has seen battle at least 11 times since the inception of the Chinese Communist dictatorship in 1949. China's build-up of naval forces is designed to expand this sphere by enhancing its ability to project force; this program has already spawned a naval arms race among Asian nations. These developments have created mounting regional instability.

Its vast size, population, economy, and air and naval force projection capabilities make Communist China a tremendous regional power. The PRC's growing force-projection capabilities are further destabilizing the Asia-Pacific region. The rising military profile of Communist China in that region—in terms of both capability and aggressive intent—necessitates policies to protect American economic interests and the democracies in the region. And the greatest danger is to the Taiwanese democracy—which the PRC is now threatening to attack or invade. Despite repeated claims that the Asia-Pacific region is its top priority, the Clinton Administration has unwittingly encouraged Communist Chinese imperialism, and has completely failed to promote robust policies to counter these ominous trends.

MEXICO MUST GET SERIOUS ABOUT STOPPING DRUG TRAFFICKING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. MILLER] is recognized for 5 minutes.

Mr. MILLER of California. Mr. Speaker, today I am proud to join my colleagues, Senators DIANNE FEINSTEIN and ALPHONSE D'AMATO, by introducing bills to force Mexico to crack down on drug trafficking and money laundering operations as that country has pledged—but failed—to do.

The bills would prohibit the extension next month of United States guarantees for multibillion dollar loans to Mexico, deny applications for entry of Mexican commercial vehicles into the United States under NAFTA, and express the sense of the House that Mexico has not cooperated in antinarcotics efforts, and therefore should not be certified under the Foreign Assistance Act.

All of these measures would remain in effect until Mexico meets specified conditions proving it is taking steps to eradicate drug activities. Senators FEINSTEIN and D'AMATO introduced this legislation this week and I am introducing identical legislation here today. I applaud them for their initiative in this area.

Last year, Congress approved President Clinton's request to guarantee $20 billion in loans to Mexico following an economic crisis there. The year before that we passed NAFTA, a free-trade agreement that gives Mexico special and unique access to America's markets. And now, next month, President Clinton will likely ask Congress to approve the extension of loan guarantees to Mexico for at least 6 months, and possibly longer.

But the President will be unable in good faith to certify that Mexico has met its obligation to crack down on drug smuggling, money laundering, and government corruption as it has pledged to do.

Mexico is one of the most significant source countries for the transport of narcotic and psyshotropic drugs into the United States. The Drug Enforcement Agency estimates that 75 percent of all cocaine available in the United States travels through Mexico, up to 80 percent of all foreign-grown marijuana in the United States originates in Mexico, and 90 percent of the chemical used to make the drug speed flows through Mexico before infecting our neighborhoods.

But, Mexico is not only shipping drugs to the United States, it is also shipping its drug smugglers. Nearly 90 percent of drug smugglers arrested at the border are Mexican. Mexico is also a major transshipment point for Columbian drugs and drug money. And because it has no reporting requirements for large cash transactions, Mexico has become a haven for drug money laundering.

To make matters worse, Mexico is also preventing the United States from enforcing our own drug laws. The United States has 165 extradition requests pending with Mexico. And despite our extradition treaty with that country, Mexico has never allowed the extradition of a single Mexican national, even though we are supposed to be close allies. In fact there are reports that leaders of drug cartels, known to the Mexican Government and its police, are frequently seen in public. Apparently they have no reason to be afraid: reports are rampant of widespread government corruption , extending possibly even to higher levels of power.

Time and time again, the United States treats Mexico like a trusted ally and what we get in return is an increase in drugs flowing from Mexico to the United States poisoning our kids and making the American "War on Drugs" ineffectual.

Why should the American taxpayer support Mexico's Government or its economy when Mexico is undermining American antidrug laws? We should not.

We should not extend multibillion-dollar loans to Mexico, provide foreign aid, or allow entry of their commercial vehicles without evidence that Mexico is taking concrete steps to eradicate drug activities. We have too much at stake—in America's schoolyards, workplaces, and homes—to tolerate this level of inaction on such an important issue.

Again, I applaud Senators FEINSTEIN and D'AMATO for their initiative in this area and I encourage all my colleagues to join me in cosponsoring these three pieces of vital legislation.

Mr. Speaker, I submit the following for the RECORD:

SENSE OF THE SENATE RESOLUTION THAT MEXICO SHOULD NOT BE CERTIFIED

Expresses the sense of the Senate that the President should not certify:

(1) Mexican cooperation with international drug enforcement efforts; or

(2) that is it in the vital national interests of the U.S. to give this aid notwithstanding Mexico's noncooperation.

If the President does not make these certifications, the result would be: a 50% reduction in U.S. aid to Mexico; and the United States not supporting the provision of multilateral development bank assistance by various international bodies.

The resolution sets out the basis for this recommendation:

Mexico is one of the most significant source countries for the transport of drugs into the United States.

Mexico has failed to prevent or punish money laundering.

The Drug Enforcement Administration estimates that at least 75 percent of all cocaine available in the United States travels through Mexico.

Various U.S. drug enforcement agencies estimate that 70 to 80 percent of all foreign-grown marijuana in the United States originates in Mexico.

According to U.S. Customs Service, 69.5 percent of those arrested for drug smuggling at border stations in the United States are Mexican Nationals.

The Drug Enforcement Administration has stated that drug smugglers have been flying airplanes carrying 10 to 20 tons of cocaine at a time into Mexico, which then return to Colombia with 20 to 30 million dollars of U.S. currency.

FEINSTEIN LEGISLATION ON MEXICAN TRUCKING COMPANIES AND NAFTA

On December 18, 1995, the Secretary of Transportation indefinitely postponed the approval of applications from Mexican trucking companies seeking cross-border access to points in Texas, New Mexico, Arizona and California.

The legislation I have introduced would require three things occur before pending applications can be approved:

(1) The Secretary of Transportation must certify to Congress that Mexican carriers are

in compliance with U.S. size, weight, insurance and hazardous materials requirements;

(2) The President must certify to Congress that Mexico is taking sufficient steps to combat international narcotics trafficking pursuant to the Foreign Assistance Act of 1961 (22 U.S.C. 2291k(b)); and,

(3) The Congress approves the application by passing a prescribed joint resolution.

SENATOR FEINGSTEIN'S MEXICO LOAN GUARANTEE LEGISLATION

1. Unless the President of the U.S. certifies Mexico's progress on drug enforcement issues, Mexico should not receive the benefits of the loan guarantees. The certification addresses the following:

(1) Complies with all outstanding requests for extradition by the United States.

(2) Enacts and implements effective "money laundering" laws.

(3) Takes action to prevent Mexico's drug profiteers from taking advantage of plans to "privatize" formerly public assets, such as banks.

(4) Enacts effective laws to inspect and license trucks, cars and aircraft, as well as their owners and operators to assist drug crime enforcement.

(5) Enacts effective laws to control the import of major pre-cursor chemicals for methamphetamines and other narcotics.

(6) Takes specific action to effect the arrests of Mexican drug cartel leaders or other individuals involved in organized crime.

(7) Adopts a comprehensive program for drug enforcement and assists U.S. law enforcement to take effective action.

(8) Implements a plan and takes specific action dedicated to detecting and halting the large scale air transportation of narcotics.

(9) Take specific action to prosecute graft and corruption among civilian government and military officials that assist drug production/smuggling.

(10) Allows for asset forfeiture of property derived through fraud in connection with the loans or any illegal activity, such as drug trafficking.

2. Legislation would prohibit further disbursements from the Treasury Department's Exchange Stabilization Fund (ESF).

3. Legislation would require repayment of any short-term swaps within 90 days and prohibit any new medium-term swaps entirely.

4. Legislation would prohibit the exercise of the six month renewal option.

□ 2145

THE VALUE OF A BALANCED BUDGET

The SPEAKER pro tempore (Mr. METCALF). Under a previous order of the House, the gentleman from Kansas [Mr. TIAHRT] is recognized for 5 minutes.

Mr. TIAHRT. Mr. Speaker, clearly we are having a very difficult time achieving a balanced budget. After taking the brunt of opinion from the liberal media, this Congress has been wondering why the President has vetoed so many reforms.

As a freshman, I ran on the principle of sound fiscal policy and a balanced budget, and as a part-time college instructor at Kansas Newman College, I taught the value of a balanced budget in economics classes. It was confirmed by the chairman of the Federal Reserve, Alan Greenspan: A balanced budget means a stronger economy. It means more jobs. It means more money in the pockets of working people.

But the President is staunch in defending the status quo, in defending big government and preventing Congress from right-sizing the Federal Government, which must happen if we ever hope to balance the budget. Instead, he is protecting big government waste.

For example, there is Clinton's Secretary of Energy, who is a congenital flier. Secretary O'Leary traveled more than 100 trips, 16 overseas. She has leased Madonna's luxury jet, taking some of those trips. The Government Accounting Office audited two of the overseas trips. They cost $1.7 million and there are $255,000 of expenses that are unaccounted for.

When you consider Travelgate, where the White House fired Billy Dale and seven other employees and drag Mr. Dale through the court system for 2 years over $18,000, it seems inconsistent that we would allow Secretary O'Leary to go without accounting for that quarter of a million dollars.

And then there is Clinton's Secretary of Commerce, out-of-town Brown. His travel budget is 150 percent of his predecessor's, Robert Mosbacher. As reported in the Washington Times, an audit by a Department inspector general said, and I quote:

> In Mr. Brown's case, the auditors found the Secretary seems to have been habitually accompanied by a slew of private-sector deadbeats masquerading as consultants who collectively still owe the government, that is, the taxpayers, $360,000 for unpaid advances.

Going on, it says,

> One wonders whether any of them were the same Democratic Party fat cats who routinely accompanied Mr. Brown around the world, grabbing their slice of the pie to which they no doubt felt entitled by virtue of their huge donations to the Democratic National Committee before, during and after Mr. Brown's tenure as chairman of the Democratic Party.

That article goes on to talk about how the Inspector General uncovered unpaid charges on government credit cards. Three hundred Commerce Department employees were delinquent on their payments on government credit cards. Six hundred people, some of them not even government employees, who have government credit cards, were using the government credit cards at automatic teller machines, ATM's, to get cash.

Can you imagine what it is like for taxpayers like David Walker, who works the second shift at the Boeing Company? How long does he have to stand at his machine to pay enough taxes to cover the cash that has been withdrawn at the Commerce Department?

Those dollars were very much wasted. How long are we going to put up with this? I think we have put up with it for too long. I hope that the President will stop defending this tremendous waste, stop condoning this tremendous waste, stop defending and condoning the status quo, balance the budget. Our families do not deserve this type of treatment.

TRIBUTE TO KWEISI MFUME

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California [Ms. PELOSI] is recognized for 5 minutes.

Ms. PELOSI. Mr. Speaker, earlier this evening I heard it announced that our colleague, Representative KWEISI MFUME, was submitting his resignation to the Congress of the United States. Tonight he cast his last vote, a vote which followed hundreds of votes in support of people across this country. I was pleased to serve in the Congress with him but especially on the Banking Committee a number of years ago when we both came to the House of Representatives. On that committee Congressman MFUME was a champion for affordable housing, for low-income housing, for consumer credit for all Americans and for access to loans for people who wanted to gain equity in business but who had been banned from doing so, also for those who wanted to buy homes but who had been red-lined in the past.

Congressman MFUME served very well in the Chair that you occupy now, Mr. Speaker. He knew how to keep order in the House. He did so with great dignity. But he also knew how to raise a ruckus in the name of social justice. We will all miss him greatly here. I feel as a Californian, I rise to speak about Congressman MFUME, and he is a representative, as you know, from Baltimore, MD, because I, too, am a native of Baltimore. My father Thomas D'Alesandro served as a Member of Congress for parts of Mr. MFUME's district that he now represents. So I was sorry not to be part of the Maryland delegation's tribute yesterday to Congressman MFUME but my committee assignments prevented me from doing that. Nonetheless, I am proud to have been a colleague of Mr. MFUME's.

I wish him and the NAACP much success under this new, fresh leadership and know that every Member of this Congress who has ever served with him will be proud to make that boast.

Mr. Speaker, I want to once again commend Mr. MFUME for his great service to this House of Representatives.

HOUSE FAILS TO PASS FARM BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. CHAMBLISS] is recognized for 5 minutes.

Mr. CHAMBLISS. Mr. Speaker, I would certainly commend the gentlewoman from California for her kind

words about Congressman MFUME. Members on both sides of the aisle are going to miss him. He spoke with a lot of emotion and from his heart and spoke with a lot of reason in a House that does not always exercise reasonableness, and he will be missed.

I have with me tonight my colleague and agriculture friend from Iowa, TOM LATHAM. We come here tonight out of a sense of terrible frustration for what is going on in the agriculture business in this House.

We made an attempt today to bring the 1995, and here we are in 1996, farm bill to the floor for a vote. The Committee on Agriculture has worked very diligently and very hard over the last 13 months trying to formulate and change the agricultural policy in this country to ensure that we have strong and viable agricultural programs moving into the 21st century. We met all day on Tuesday to discuss what is now the new form of the farm bill that is the second bill that has been passed by that committee, the first one having been a part of the Balanced Budget Act of 1995 that unfortunately was vetoed by President Clinton. Had that bill not been vetoed, our farmers would have had back in December the ability to plan and determine what they were going to be able to do with their farm operation for 1996. But that did not happen. So we came back to the table on Tuesday of this week. We again brought forth the bill that was contained in the Balanced Budget Act of 1995, debated it thoroughly in the Committee on Agriculture on Tuesday and were in great hopes that it would come to the floor today. But, unfortunately, our friends on the other side of the aisle would not agree with us to bring this bill up today.

TOM, I know you share that same frustration and I know your folks in Iowa are as upset as I am and you are and as my farmers in Georgia are.

Mr. LATHAM. You are exactly right. I appreciate the chance to visit with you about it.

I do not know how to explain to my farmers in Iowa who last year were devastated by floods in southern Iowa going down into northeast Missouri, what to tell those people, why a group of people, led by the leadership on the minority side, would stop a farm bill that would finally give them some hope, give them some income next year. Just continuing what we have now would give them no income next year. These people are going to be asked to pay back their deficiency payments.

If you will remember just last week, we tried to put the farm bill on the continuing resolution and once again, because of the leadership of the minority party, they threatened a filibuster on the continuing resolution and thereby stopped the farm bill at that time.

I am very discouraged at this point, because even though we were promised cooperation so that we could advance a farm bill, it was not brought forth from the minority.

We will continue to work very hard and during the next few weeks to make sure that we do get an agreement, that we get a farm bill. It is needed very much for people who are in desperate straits at this time.

Mr. CHAMBLISS. We are leaving here today. We voted on and passed a bill to adjourn this House until the 26th day of February. So we know it is going to be then. You are going to have the same problem in going home to your farmers and saying, "Folks, you know, we're not even going to be able to take this bill up until the 26th of February," and it really will not make any difference whether we took it up in advance of that or not because the Senate is out until the 26th of February, they have already said that, and we are sort of going to be in limbo until then.

I am very frustrated, I am very upset about this, and I certainly hope that during these next 3 weeks as we are out of this House, that all Members on both sides of the aisle are going to take the opportunity to sit back and reflect on the fact that 2 percent of the population of this country feed 100 percent of the population of this country, as well as many, many other hundreds of thousands and millions of folks all across this world, because we grow not only the finest quality and most abundant agricultural products in the world but the cheapest agricultural products in the world.

□ 2100

Our farmers need good, solid farm programs to ensure that they are able to get some sort of return on their investment to keep them going. That has been our goal in this farm bill from January 4, 1995, when we started last year. It is still our goal.

Mr. LATHAM. You are exactly right, and this farm bill is real reform, a way of getting our farmers to respond to the market rather than the government control, the centralized control that we have had in the past, and looking at the floor here, I mean, there are three people on the floor here this evening. If it had not been for what happened this evening because of the minority's technical procedural glitch they put in, we could be having this farm bill debate right now and passing the farm bill for the people at home.

Mr. CHAMBLISS. I thank the gentleman for joining me tonight. I know you have the same deep regret that I do that we do not right now have a farm bill in place that we could have had tonight. We will continue to work over the next 3 weeks and hopefully on February 26 we will come back in the frame of mind to get it done and get it done soon.

HERE THE CONGRESS GOES AGAIN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia [Mr. WISE] is recognized for 5 minutes.

Mr. WISE. Mr. Speaker, I am going to follow up on the previous speakers a little bit.

Mr. Speaker, here the Congress goes again, quite literally goes right out that door, heads for the airport, heads for the trains, heads for the highway, heading home.

Of course, it has been a rough week that the Speaker's leadership has presented to the Congress. The Congress has been in session all of 2 days of which part of it was being here for a joint session to hear the President of France, Mr. Chirac. There was a well-known Republican Attorney General named John Mitchell who served under President Nixon who had a saying, I believe it was Attorney General Mitchell, that when the going gets tough, the tough get going. The Republican leadership had modified that a little bit to when the going gets tough, it is time to go, go home, go anywhere, get out of here, because the going is tough right now.

By March 1, this country will default on its debt, that is right, for the first time in 209 years, this country runs the risk of defaulting on the national debt.

Now, I might express, Mr. Speaker, this is not debt, this is not voting to extend the debt ceiling so that you can borrow more for future spending. This is simply acknowledging and paying the debts you have already incurred. If you do not like future spending then you do it the old-fashioned way, you legislate it so you do not have any more. You cut the programs. This is honoring the country's debt that it owes.

The previous gentlemen talked about the farm bill. Yes, that is also in crisis, and, yes, the Congress ought to be here working on it.

But why is it not being brought up tonight? They provided the answers themselves. It came out of committee on Tuesday. There are many of us, such as myself, who are not on the Committee on Agriculture. The rules of the House provide for a 3-day layover so you can study these bills, and yet this Republican leadership is not willing for this House to be in session tomorrow, Monday, Saturday, whatever it takes to get this bill done.

You know, Mr. Speaker, everyone knows about credit ratings. America's families worry a great deal about keeping their credit ratings solvent. Why is not this congressional leadership worrying as much about keeping the Federal Government's credit rating?

I was thinking about this the other day, Mr. Speaker, as I wanted to look at our mortgage. We have an adjustable rate mortgage, and so we keep our mortgage and we keep a lot of our important papers like a lot of Americans

keep their important papers in a metal box under the bed. We do that, we keep it in a metal box because if there is a fire, they will be protected, or a flood, those important papers like a mortgage will be protected, perhaps even from prying hands.

But you know, Mr. Speaker, there is one danger, one crisis that a metal box cannot protect, metal, concrete, steel, Teflon, you name it, cannot protect against, and that is from a default. That is from interest rates going up on variable rate loans. That metal box cannot protect our variable rate mortgage from the $1,200 that the average family will pay additional if this country goes into default. That metal box cannot protect future car payments from being 2 to 3 percent higher. That metal box cannot protect us against these credit rates, Visa credit rates, Visa, MasterCharge, and so on, from going up. That metal box cannot protect us from the higher rates we will have to pay for our children to go to school. That metal box cannot protect us. Just as that metal box cannot protect this family, and a lot of us are families, guess what happens if this country goes into default, that metal box cannot protect the country.

The country has a metal box, and in it it keeps Social Security, it keeps veterans payments, it keeps payments to veterans, honors its obligations to contractors. What happened to the country's metal box? Why cannot that be protected?

This Congress voted by a narrow margin to go home instead of making sure that metal box was secure. The fact of the matter is that failing to deal with the deficit or failing to deal with the debt ceiling, Mr. Speaker, failure to keep this country from going into default now can only worsen the deficit, because this country will have to pay more for the inevitable borrowing that is going to take place.

I voted against adjourning, Mr. Speaker. This Congress needs to stay here until it gets this problem worked out, until it gets the farm bill worked out we have got to preserve the credit rating for the United States.

The first time in 209 years it has really gotten to this point. Does anyone really want to push the country to this edge?

Mr. Speaker, in preserving the credit rating of the United States, this Congress could preserve a lot of credit for itself. We should not be going local this week.

FAREWELL TO REPRESENTATIVE MFUME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia [Mr. SCOTT] is recognized for 5 minutes.

Mr. SCOTT. Mr. Speaker, I rise to pay tribute to a great American, a great humanitarian, a great representative of the people, a great friend—KWEISI MFUME, whose letter of resignation from this body was read earlier tonight. The event of the 104th Congress brought with it many changes. Many of these changes do not bode well for African-Americans, other minorities, the elderly, the poor, students, and working class Americans. Knowing this, I cannot be totally saddened by the departure of my distinguished colleague from this body, because I know that this leaving Congress is truly for the greater good of all these groups and the American community at large. Representative KWEISI MFUME's leadership is needed elsewhere at this time, and I look forward to supporting his efforts in his new role as President and CEO of the NAACP.

The NAACP is gaining the experience and leadership of a man who recognizes the importance of coalition building—he has shown his ability to move coalitions towards their goals without sacrificing principle. The NAACP is gaining the knowledge of a man who recognizes the importance of economic development and empowerment, and one who has used his legislative experience to advance the causes of small and minority-owned businesses and to encourage banks to invest in economic development opportunities within inner city communities. The NAACP is gaining the expertise of the former chairman of the Congressional Black Caucus, who during his tenure, elevated the Black Caucus to a position of national prominence.

KWEISI MFUME now takes on a new challenge—to rebuild the NAACP and elevate its prominence. With this is mind, I cannot be saddened by is departure—there is too much to look forward to.

A HISTORICAL DATE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from California [Mr. DORNAN] is recognized for 60 minutes as the designee of the majority leader.

Mr. DORNAN. Mr. Speaker, I am sure glad that there is an outstanding member of the freshman class and a friend and compadre in the chair. I like to feel good vibrations coming down on the back of my neck from that lofty high perch up there.

Today is a historical day for me personally, Mr. Speaker. Today is the first day that when we adjourn here, that I will be a full-time candidate for the Presidency of the United States. My eight worthy men of high character who are all out there competing have been full-time candidates for an entire year.

I declared in this well at this lectern on February 7 last year, which was the 40th anniversary of my receiving my Air Force wings of silver. It was the 25th anniversary of the POW-MIA bracelet I still wear, No. 1, for a master sergeant, Jimmy Holt, from Hope, AK, one of the heroes from Hope who went missing on February 7 of 1968, right at the end of the infamous Tet offensive, and in the whole year, the leader of the other Chamber set the schedule so he was a full-time candidate whenever he felt like it. He has 100 percent attendance record last year and this year, never missed a vote. When there were three Senators in, when my friend Mr. SPECTER of Pennsylvania was in, all he had to do was watch the leader. When he left, they left. He went to New Hampshire, they followed him, or he went to Iowa or somewhere else. The other five are all literally full-time. My friends Allen Keyes and Pat Buchanan gave up their broadcasting and writing careers, to their credit, and have been full-time candidates for a year.

The two millionaires, multi millionaires, make $15 million a year, Morry Taylor, and Steve Forbes, Malcolm Forbes, Jr., worth $500 million or so, they have been full-time candidates, turning their corporations over to chief operating officers, and Lamar Alexander on "Meet the Press" this Sunday said he draws almost $300,000 a year from his law firm in Nashville, from Howard Baker's law firm. He has been a full-time candidate for 3 years. They have all raised among them tens, twenties of millions of dollars. It is almost all gone, and the only one with the bottomless purse, kind of like Ross Perot this go-around, is Steve Forbes, and the media is just rocketing him to stardom, because he spent about $18 million on commercials.

So now I get in the fray full time starting tonight, and obviously there is not much you can do in 3 weeks. I have been a chairman of two subcommittees. Here is the difference: Which has voted for the 30th time, Mr. Speaker? The Senate has voted once this year. Last year we were in session 30 to 40 days more than they were. Are you aware we voted 272 times, each vote taking between 15 to 20 minutes, 272 more votes in this House. This is the House of the Contract With America, the revolutionary House, and even in a normal year, it is the appropriations House. All taxing bills and all money spending bills originate in this Chamber.

So I have no regrets. It has been the most successful year of my life. I have got so much DNA invested in the defense authorization and appropriation bills that my staff kiddingly called one the "Dornan Authorization Bill," and in a shootout with Clinton on three major items he stripped out of the authorization bill, which is on his desk as I speak, and he will either veto it, which nobody predicts, or pass it after having ripped out of it the language on no U.S. troops under foreign command;

I wrote that language for the Contract With America. It went into the bill, went through a tougher conference with the Senate. He demanded it come out. He wants U.S. troops under U.N. and foreign command.

No. 2, no missile defense. I do not care whether you call it Strategic Defense Initiative, as took place under Reagan in his third year, with Dr. Teller's guidance and that of an absolute American Paul Revere hero, three star general, Gen. Danny Graham who is buried with full military honors, 15-cannon salute at Arlington, the son of an Army sergeant, honored West Point graduate. Danny Graham brought me into his organization High Frontier. I ran the American Space Frontier PAC for him the 2 years I was gerrymandered out of the Congress between being sworn in in 1977, where I had 2 years, 1983 and 1984, out. That was the year of the nuclear freeze nonsense, and I traveled all over. I think I hit all 50 States for Danny Graham on defending the American homeland.

Clinton demanded that national missile defense on line by 2003 by ripped out of the defense authorization bill. Out.

No. 3, the unconstitutional right that he claims and mysteriously the leader of the Senate subscribes to, that he has the constitutional right to send American troops at his whim to Somalia, to Bosnia, to Haiti, back to Somalia, to Rwanda, Chechnya, Tibet, anywhere in the world, and all he has to do is to say to this Chamber "ah, ah, ah, ah, I just bailed out a radioman into Tibet, we must support our trooper on the ground." The next day, if he gets two men in, then they pluralize it, "support our troops."

□ 2115

You cannot exercise your constitutional right to control the armies and the navies that you raise. It is totally the prerogative of the President.

I carry around my Constitution. Here it is right here. Article 2, section 2, "The President shall be commander-in-chief of the Army and Navy and of the United States." That is only 16 words. Take the action words. "President," "commander." That is all. It does not say anything else. It is followed by 18 words, "and of the militia of the several states," thirteen at that time, "when they are called into the actual service of the United States." They had no National Guard or full-time militia. Every Minute Man went back to his plow. So that is it. It says nothing.

But for the Congress of the United States it, it delineates we shall have the power to raise armies and build navies, and that means what they will be paid, what they will wear, their colors, their numbers, where they will be posted or bivouacked or stationed throughout the world, what they will fly, what they will shoot, how many ships they will have, how fast they will go, how much we will spend on intelligence, on research and development. Every single weapon system, from the Beretta pistol, the Sig Saur for the Special Forces, or up to the new F-22 or the joint advanced tactical fighter we are developing. All of that is determined by this Congress.

Where did Clinton or the leader of the Senate think that these two words, "President," "commander," embodied in 16 baffled words there, where did this give him the right to send Americans into the minefields of Bosnia? Of course, it did not, and every scholar worth his salt across this country, and particularly the scholarly people over at the Library of Congress, say he does not have that constitutional right.

Now, what about Michael New, Specialist Michael New, the outstanding paramedic specialist in the 3d Division in Germany, court-martialed a little over a week ago, a bad conduct discharge.

Amazing. I spoke with Michael. Only one other Congressman, no, one Senator, has ever spoken to him, and did not give him much time. But I advised Michael to go to Macedonia; that I agreed with him it was illegal to order our men to wear a blue beret or put on a blue U.N. arm band, but I told him that was our battle here in the Congress, and I would win it for him; to bite his lip, go down there, take that order.

He said no, sir, I respectfully am not going to do it. My parents are behind me. I asked if he was married. He said no. I said all right, if your parents are in your corner, you are walking in a minefield. You are liable to get a discharge you will not like, but I am still going to continue to fight the battle here in the House. I am sorry you do not take my recommendation, but Godspeed. I guess you are showing a lot of courage of your conviction.

Now he has a bad conduct discharge. He is appealing, so he remains on the payroll until then. I just sent a letter over to the Army asking them to delineate every single thing he can do and what course they expect us to take when there is, I think, soon to be a majority in this body and in the U.S. Senate, that feels that they only raise their hand to swear to uphold the Constitution of the United States.

Here before me, sent to me by a young enlisted man who just took this oath of office, and his name is a mouthfull, he took this oath to sign up in the Army for 4 years on 28 November, 1995. His first name is Allen, I am going to spell his last name. C-H-E-R-N-O-M-A-S-H-E-N-T-S-E-V.

He sent this to me to show what they sign. It has not changed from the time I took it at 19 years of age to go in the Air Force, took it less than 2 years later to become an aviation cadet, took it again as a Second Lieutenant on February 7, 1955, as I mentioned at the top of my remarks, and then I took it again after a break to go back on active duty in the reserves, and I have taken it in this Chamber nine times, the first time holding the hand of our youngest daughter, kind of snuck on the floor as a teenager, and then I held the hand of several grandchildren the last two or three Congresses. So I have taken it 9, 10, 11, 12, 13 times. Here is the oath for enlisted men.

I, ROBERT K. DORNAN, (I did this January 30, 1953, wow, 42 years and 2 days ago.) I, ROBERT K. DORNAN, do solemnly swear that I will support and defend the "Constitution of the United States" against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; and that I will obey the orders of the President of the United States and the orders of the officers appointed over me according to the regulations and the uniform code of military justice, so help me God.

Now, therein lies the problem of the court martial of Specialist Michael New. He wanted to defend the Constitution and its laws, and he said he was torn by the verbal orders he was getting from his officers through the President of the United States. So he was torn, and the court martial came down on the side of the following the direct orders of his commanders. That is why I advised him to go on to Macedonia and let us fight the battle here.

Here is an officer's oath, and this for warrant officers too. I, ROBERT K. DORNAN, (I first took this February 7, 1955, having been appointed an officer in the Air Force of the United States in the grade of Second Lieutenant,) do solemnly swear that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same, that is the Constitution, and that I take this obligation freely, without any mental reservation or purpose of evasion, and that I will well and faithfully discharge the duties of the office upon which I am about to enter, so help me God.

Now, did you notice the difference there, Mr. Speaker? There is no mention of the President and no mention of the orders of officers appointed over me. If Michael New were a brand new Second Lieutenant, would he have had a stronger case in that court martial that he was bearing true faith and allegiance to the Constitution that he swore to support and defend? And the Constitution does not talk about wearing the regalia of any foreign power or of serving anything but your United States Constitution. Certainly not a UN charter!

Now, what is happening from Bosnia? People in my cloakroom, and I will bet in the other, were shocked at this front page article on the great Washington Times last Monday, the 29th, four days

ago. "Put on a happy face, troops in Bosnia told." "Praise Clinton if press asks," an Army written guide says. Tusar Air Force Base, Hungary, this is by Bill Gertz, a great reporter who spent three weeks to a month embedded with the troops over there.

U.S. troops are grumbling about a pamphlet that advises them to tell any inquiring reporter they have full confidence in their commanders from President Clinton on down. The pamphlet entitled "answers you can use" was prepared by the Army's 5th Corps and has been distributed to all Army troops in Bosnia to help them deal with pesky press inquiries. One suggested answer is U.S. forces are competent, are trained and competent leaders. We have pride in our leadership from the President on down and full trust in their decision.

The problem is, not all of the soldiers feel that way. "That one answer particularly got me," said a colonel, who asked not to be named. A female sergeant with the 4th Aviation Brigade passed at Koperzar Airfield, that is also in Hungary, last stop before Bosnia, also took issue. It says she voted for Clinton, but never again. The story gets more interesting as you get into it.

So I called up the Pentagon and said I want that 5th Corps pamphlet. No results to this day. But, Mr. Speaker, as you well know, I have my ways, and I got hold of the pamphlet, a reasonable fax copy thereof. 5th Corps emblem. Fifth Corps media reference card. Guidelines for dealing with civilian news media.

I find this extremely offensive. Listen to this, Mr. Speaker.

I just read that line, U.S. forces are competent and have trained and competent leaders. We have pride in our leadership, from the President on down, and full trust in their decisions.

U.S. forces have a long tradition of working with the United Nations. (Yes, like in Somalia. Nineteen dead American heroes, including two Medal of Honor winners.) And are confident in our abilities to work together in their missions.

It goes on to say, you will not respond "no comment." It says you may not discuss future plans and operations, of course, foreign policy matters, operational capabilities, or give opinions or hypothesized situations.

"Stay in your lane, soldier!"

If a reporter comes to your unit and is unescorted by a public affairs officer or escort, well, how do you handle Ernie Pyle in these circumstances? Refer them to the joint information bureaus. If they are escorted you may answer their questions, but inform your chain of command immediately about their presence in your area.

Do not make off the record statements. Assume that a reporter's recorder is always on. Anything you say to the reporters will be used.

And the thing that just blows me away is that they are not supposed to say "no comment." I thought that was pretty standard.

Now, this reporter, who was embedded with the troops, continues with some fascinating observations. Listen to this: Some soldiers said they were offended by the attempt to guide their responses. The guidelines include that list of do's and don'ts I just went through.

Be positive in your answers. This is your opportunity to tell the public what a great job you are doing.

In Bosnia?

We are trained, ready and fully prepared to conduct peace operations.

Now here is where it starts to sound like we want our soldiers to be automatons, maybe "Coneheads from the planet Remulac." "We are trained, ready and fully prepared to conduct peace operations."

Here is another good one. We are not here to fight, but we have the capability when required to enforce the treaty and to protect ourselves.

Another: We are disciplined and trained force. We understand our mission and the rulings of engagement.

Another: U.S. forces have a long tradition of working with the United Nations and NATO. We are confident in our abilities to work together in this mission.

Many soldiers privately expressed dislike of Mr. Clinton, who avoided service in the military during the Vietnam War. One soldier said he lost all respect for President after he learned about Mr. Clinton's efforts to avoid being drafted. One Lt. Colonel confided that he disliked the President, and was careful not to express his opinions when enlisted personnel were around.

Good. Do not, colonel.

Another captain, I think I will not use his name, a spokesman for the Army in Hungary, referred questions about the pamphlet to another captain, he is in a world of hurt, so I will not mention his name either, who took part in writing the guidelines. He would not return a telephone call.

Now, this reporter, an excellent reporter, I might add, told me that the men ride around in their Humvees sitting on one leg. They pull one leg up under them so if they have the misfortune to hit a land mine, they will at least salvage one leg. Guess what? John Martin Begosh, who is now recuperating at home with part of his foot torn away, severe injuries to his lower leg, I understand from this reporter was sitting on his foot when his Humvee hit that land mine, and it saved the leg that he was keeping under him on top of a piece of armor plating to protect his body from a land mine.

The three British soldiers and the Swedish soldier were not so lucky. They all died a few days ago. We are all holding our breath, hoping that will not happen to one of our Americans.

Now, we had a Conference today, with the 236 Republicans, I think just about everybody was there, and this issue of Michael New, what Clinton demanded be stripped out of the defense authorization bill, and I left out something I had worked very hard on, and that was this whole Bosnia operation, no U.S. troops under foreign command.

You will recall I brought an amendment up the hard way, all the way through conference, battling all the way, without help from the leadership from either House in the majority party, brought it to the Floor, and shocked the leadership here by almost cutting off the funds to Bosnia. My amendment got 210 votes to 218. I had some of my best conservative friends in this House take orders beyond what they wanted to do and voted against me. I would have only needed 4 votes to tie that and the Speaker to vote with me to win 215 to 214.

□ 2130

Mr. Speaker, 13 lieutenants went the other way, lieutenants of the leadership. So there were things that maybe I was not aware of on deals that had been made to soften the budget deal when it fell apart anyway, that this House would not stand in the way of Mr. Clinton's unconstitutional prerogative to send our troops anyway. He wanted it. His win.

This whole thing started by an offhanded comment 2 years ago that he said he would give 25,000 troops to the U.N. to help extract the U.N. forces that were there, the way we used 15,000 to extract in a fighting withdrawal. We did not have to shoot, our forces from the failed U.N. mission in Somalia.

So today at the conference it came up. Some of the freshmen said, what actually did Clinton write to Colonel Holmes, the Bataan Death March survivor, head of the ROTC in Arkansas? I told the conference that I would put it in the RECORD again tonight for the twelfth time, and I would also put in Colonel Holmes's letter 23 years later to the American people. And I think this time I will reverse the order.

This is a letter from Colonel Eugene Holmes. I had dinner with him a year ago this month on the 24th, and his lovely wife Irene. He still is as tall at 6-foot-4 and distinguished looking as he ever was as an Army officer when he was captured on Bataan. Survived the Bataan Death March. Ditched an order to join the infamous prison ships that we inadvertently bombed killing almost 5,000 of the men who had survived 2½ years of torturous captivity by the Japanese. He did not go. His friends died and he survived.

Here is what he wrote September 7, 1992. It was published in the aforementioned great newspaper, The Washington Times. No other outlet in the country would publish this letter. I have

never heard of it being published in a single newspaper anywhere in our wonderful 50 States except The Washington Times:

September 7, 1992, memorandum for the record. Subject, Bill Clinton and the University of Arkansas ROTC program. Each page is signed. The news media circulated rumors that he was near death. He is healthy, as my dinner attested to a year ago. And he just did not want to hassle with sharper media types. He put the truth out as he saw it. They claimed his daughter wrote this. She did not. He wrote it. And if this man had more witnesses he would have won the Medal of Honor. He holds the second highest honor in the United States, the Distinguished Service Cross.

To the American people, but nobody knew it, there have been many unanswered question as to the circumstances surrounding Bill Clinton's involvement with the ROTC department at the University of Arkansas. Prior to this time, I have not felt the necessity for discussing the details. The reason I have not done so before is my poor physical health, a consequence of participation in the Bataan Death March and subsequent three-and-a-half year interment in Japanese POW camps has precluded me from getting into what I felt was unnecessary involvement.

However, present polls show, September 1992, that there is imminent danger to our country of a draft dodger becoming the Commander in Chief of the armed forces of the United States. While it is true, as Mr. Clinton has stated, that there were many others who avoided serving their country in the Vietnam war, they are not aspiring to be President of the United States.

The tremendous implications of the possibility of his becoming Commander in Chief of the United States armed forces compels me now to comment on the facts concerning Mr. Clinton's evasion of the draft. This account would not have been imperative had Bill Clinton been completely honest to the American public about this matter. But, as Mr. Clinton replied on a news conference this evening, September 5, 1992, after being asked another particular about his dodging the draft, quote, almost everyone concerned with these incidents are dead. I have no more comments to make.

An aside here: that was not true. The lady head of the draft board said that he told her that "I am too educated to serve as an enlisted man."

Colonel Holmes continues: Since I may be the only living person, he did not know he was not the only one, who can give a firsthand account of what actually transpired, I am obliged by love for my country and my sense of duty to divulge actually what happened and make it a matter of record.

Keep in mind, Mr. Speaker, about 20 Americans died in his arms or in his influence those 3½ years of Japanese brutal captivity. "Mr. Clinton came to see me in my home in 1969 to discuss his desire to enroll in the ROTC program at the University of Arkansas."

Another important footnote: I asked Colonel Holmes why he remembered this one student over all those years because he also commanded the ROTC at the University of San Francisco. He said this was the only student that ever came to see him in 10 years in all those years. He said he did not let him in his home but spoke to him in the back and front yard back and forth as the Colonel continued gardening. We engaged in an extensive, approximately 2-hour interview. At no time during this long conversation about his desire to join the program did he inform me of his involvement, participation, and actual organizating of protests against the United States' involvement in Southeast Asia. He was shrewd enough to realize, had I been aware of his activities, he would not have been accepted in the ROTC program as a potential officer in the United States Army.

What Colonel Holmes did not know, and I informed him of it, was that Clinton has already flunked his naval officer's test and then in England at Lakenheath Air Force Base he flunked his Air Force officer's test and then decided no way was he so educated. Even though he was not going to classes at Oxford, but ditching them to demonstrate against our policy in all of Southeast Asia, that included Laos and Cambodia, he decided he was not going to serve as an enlisted man.

The next day I began to receive phone calls regarding Bill Clinton's draft status. I was informed by the draft board that it was of interest to Senator Fulbright's office that Bill Clinton, a Rhodes scholar—that should read Rhodes candidate scholar—only three people in the class failed to complete the program. He was one of the three. Another was a Mississippi student who has since died of AIDS who Clinton brags that the greatest thing he did was write a letter to help this Mississippi student to dodge the draft, that he should be admitted to the ROTC program.

I received several such calls from the chief of staff of the governor's office. His wife thought Fulbright had called and he corrected her, that, no, the chief of staff had. The general message conveyed by the head of the draft board to me was that the Senator Fulbright's office was putting pressure on the draft board, and they needed my help. I then made the necessary arrangements to enroll Mr. Clinton in the ROTC program in the University of Arkansas.

Remember Clinton had already graduated a year out of the Jesuit Catholic Georgetown University. He had already had a year in England ditching class. And so he was going to have to go back and take ROTC classes with undergraduates, go to one summer camp, and on a short abbreviated program because he would have been training for a lawyer there and would join the JAG Corps. It was a special program that the Colonel told BOB DORNAN had just been created in the nick of time for Clinton.

Holmes continues: I was not saving, he is quoting from Clinton's letter, I was not saving him from serving his country, as he erroneously thanked me for in his letter from England, dated December 3, 1969. I was making it possible for a Rhodes scholar to serve in the military as an officer. Lawyer, eventually. In retrospect I see that Mr. Clinton had no intention of following through with this agreement to join the Army ROTC program at the University of Arkansas or to attend the University of Arkansas law school ever. I had explained to him the necessity of enrolling at the University of Arkansas as a student in order to be eligible to take the ROTC program as an undergraduate at the university. He never enrolled at the University of Arkansas, but instead enrolled at Yale after going back to Oxford.

I believe that he purposely deceived me using the possibility of joining the ROTC as a ploy to work with the draft board to delay his induction to get a new draft classification. Actually, he destroyed and suppressed his induction. I never heard of that in my entire life. The December 3 letter written to me by Mr. Clinton was subsequently taken from the file by Lieutenant Colonel Clint Jones, my executive officer, and was placed into the ROTC files so that a record would be available in case the applicant should again petition to enter the ROTC program. Never.

Important footnote, Mr. Speaker: Colonel Holmes never kept this letter over 23 years. Lieutenant Colonel Clint Jones, as much to hurt Colonel Holmes as to hurt Clinton, kept the letter. Clinton had some confederates break into the ROTC building, steal all of his records when he was getting ready to run for Congress in 1974, 4 years later. And all of those records, including the original of the letter, disappeared, or a copy. The original had been purloined by Lieutenant Colonel Clint Jones to hurt Colonel Holmes.

Fascinating piece of investigative work by yours truly that nobody in the media knows to this day. And why? Because Colonel Holmes did not like the way Clint Jones was downgrading the captains who were military, what do they call them, professors of military science. And he was mistreating a Korean decorated veteran who was a master sergeant making him sharpen pencils and carry out wastebaskets. And this ultimate statuesque Distinguished Service Cross colonel, Bataan Death March survivor said: Col. Jones, I am taking the sergeant out from under your control and also all of these

young captains. I will rate them. You are downgrading their efficiency reports. The whole system has slid to the high side up in the Pentagon and you are costing these people getting promotions. So that is what caused this bad blood.

Col. Holmes continues: The information in that letter, the infamous letter, alone would have restricted Bill Clinton from ever qualifying to be an officer in the U.S. military. To this day, do the men in Tuzla know that? To this day, he could never apply to even get a secret clearance to serve in the CIA, the FBI, any police department, most of them, and never the Coast Guard Academy or any of our four military services ever. This letter ended that forever.

Only by getting elected to the House, the Senate, or the Presidency or to be a Governor or a ROTC program would he never in his whole life have access to top secret material. Even more significant was Clinton's lack of veracity in purposely defrauding the military by deceiving me both in concealing his antimilitary activities overseas and his counterfeit intentions for later military service. These actions cause me to question both his patriotism and his integrity.

Mr. Speaker, if that line had been written about Ronald Reagan or George Bush, certainly Richard Nixon, it would have been on the evening news over and over and over again. I read it again: These actions cause me to question both Mr. Clinton's patriotism and his integrity. This from a Bataan Death March survivor.

When I consider the caliber, the bravery and the patriotism of the fine young soldiers whose deaths I have witnessed and whose funerals I have attended, when I reflect on not only the willingness but the eagerness that so many of them displayed in their earnest desire to serve their country, and he told me story after story with their names that he and Irene recall to this day it is untenable and incomprehensible to me that a man who was not merely unwilling to serve his country but actually protested against its military should ever be in the position of Commander in Chief of our Armed Forces.

I write this declaration not only for the living and future generations, but for those who fought and died for this country. If space and time permitted, I would include the names of the ones I knew and fought with. And along with them I would mention my younger brother, Bob, who was killed during World War II and is buried in Cambridge, England. He was killed at the age of 23, about the age Bill Clinton was when he was over in England protesting the war. He had the age exact.

Another footnote Mr. Speaker, when I went over for the 50th anniversary of Normandy, we went to a ceremony in Cambridge, England. I looked for Bob Holmes's grave and found it. He died on board a B-17 coming over the English Channel. This wall of all the missing hundreds and hundreds of men who crashed into part of Europe and were never found or died in the English channel. Bob's remains are buried there.

I visited the grave, then went back to my seat with my wife. And then in came the Clintons, waving at the crowd. A Spitfire, Mustang and B-17 flew over at a very low altitude, pushed the minimums. There was hardly a dry eye in the place. All I could think of is over there is Bob Holmes' grave; died at 23 for his country. And here is the first draft dodger to ever serve in the position of our Commander in Chief.

I go back to Col. Eugene J. Holmes' concluding paragraph: I have agonized over whether or not to submit this statement to the American people. But I realize that even though I served my country by being in the military for over 32 years and having gone through the ordeal of months of combat under the worst of conditions followed by years of imprisonment by the Japanese, it is not enough. I am writing these comments to let everyone know that I love my country more than I do my own personal security and well-being.

He was worried, Mr. Speaker, releasing this letter: I will go to my grave loving these United States of America and the liberty for which so many men have fought and died. Because of my poor physical condition this will be my final statement.

He is actually in very good physical condition. He did not want to hassle with the liberal dominant media culture, and I can understand that.

I will make no further comments to any of the media regarding this letter.

He did not want to tell the Lt. Col. Clint Jones story. And he released this letter, and the media had already made their choice between Bush and Clinton, so they ignored it.

□ 2145

So they ignored it.

Now, here is the infamous letter, and it gives new meaning to the word "infamous." All of the freshmen and sophomores wanted me to go put this in again; they did not want me to go look it up from 1991 or 1993, where I have put it in about 10 times. Here is the letter that Bill Clinton wrote to Col. Eugene Holmes, Director of the ROTC program, University of Arkansas, on December 3, 1969.

He drew a low lottery number, 319, I believe, on the 1st; applied for Yale on the 2d, still being mentored by all of his political friends in Arkansas; and on the 3d he wrote this letter to Holmes and it is filled with inaccuracies.

"I am sorry to be so long in writing, Colonel. I know I promised to let you hear from me at least once a month."

Col. Holmes does not remember that promise at all. He did not think he was going back to Oxford; he thought he was going back to Arkansas.

"And from now on you will."

Never wrote again.

"But I have to have some time to think about this first letter. Almost daily, since my return to England, I have thought about writing, about what I want to and ought to say."

Pause.

On Lincoln's birthday, Feb. 12, 1992, with Clinton sitting there, having been given this letter after it popped up in the press, having been given this letter by Rich Kaplan, one of Clinton's Renaissance, Hilton Head, SC friends, he gave this letter to Clinton, Rich Kaplan.

Head of ABC Evening News to this day, Peter Jennings, he had been Ted Koppel's producer for 14 years, he called Ted and said, "Ted, put Clinton on." Clinton was running third in New Hampshire and in free fall. And since I am running 5th, 6th, 7th, or 8th, I know what that must have felt like. He had spent the money that I do not have.

And Rich Kaplan gave the letter to Clinton to prepare for 3 days. Koppel puts him on, the whole show, and goes into overtime as though it is Margaret Thatcher or some world leader. While Clinton sits there, biting his lower lip, Koppel read the entire letter. That ate up the whole first part of the show, which I am going to do now.

I will continue, second paragraph. "First, I want to thank you, not just for saving me from the draft, but for being so kind and decent to me last summer," 1969, "when I was as low as I have ever been. One thing which made the bond we struck," 2 hours in his garden, "in good faith somewhat palatable to me was my high regard for you personally. In retrospect, it seems that the admiration might not have been mutual had you known a little bit more about me, about my political beliefs and activities."

Footnote: This was no Joan Baez peace-worker who said "A pox on both of your houses" and would quote St. Francis: "Where there is hatred, let me so love." No, no, he was pro-Hanoi, pro-Ho Chi Minh, the George Washington of his country.

We, the interventionists, the imperialists. We know the whole routine of these teachings that Clinton conducted at the University of London, School of Economics, after hours. That is the school where JFK spent some time.

He says, "At least you might have thought me more fit for the draft than for ROTC. Let me try to explain. As you know, I worked for 2 years in a very minor position on the Senate Foreign Relations Committee. I did it for the experience and the salary, but also for the opportunity, however small, of working every day against a war I opposed and despised, with a depth of

feeling I have reserved solely for racism in America before Vietnam. I marched with Martin Luther King."

I can respect that, but he was just a 16-year-old.

"I did not take the matter lightly, but studied it carefully, and there was a time when not many people had more information about Vietnam at hand than I did."

Good grief. What a braggadocio, foolish statement.

"I have written and spoken and marched against the war."

He did not tell any of this to Colonel Holmes.

Mr. Speaker, before I continue my Special Order, let me add my words, that I too have enjoyed the friendship of Mr. KWEISI MFUME, and also can state emphatically that I have never met a harder-working Member of Congress or a better gentleman, or just a more upbeat person that saw no challenge in this life that he did not think he could solve personally or that all of us could not solve together.

You have taken on a very tough job with one of the oldest and most respected civil rights organizations in America, the NAACP, and I think that you will bring it to its heights of new glory. I am going to miss you, KWEISI, and I am sorry that I was ahead of you. I was going to let you have your Special Order first, or course.

Mr. Speaker, I think I have 20 minutes left. Let me speed this up.

Here is Bill Clinton, writing from somewhere in Yale. I think he was sleeping on Strobe Talbott's floor, 43 Lechner Road; he did not even register to live in a dormitory at Oxford, never went to class; took his Rhodes scholarship money and never pursued it, never tested and left for Yale in the spring of 1970 after a curious trip to Moscow, Prague, Helsinki, Leningrad, and other Scandinavian countries.

So here he is writing somewhere. Strobe Talbott, by the way, is number 2 at the State Department; he had hoped to make him number 1. That is why they put in Warren Christopher, but they did not plan on JESSE HELMS becoming chairman of the Foreign Relations Committee in the Senate. So everything is kind of dead in the water.

Clinton continues in the third paragraph of the Dec. 3, 1969 letter: "Let me try to explain," to Colonel Holmes. "As you know, I worked for 2 years in a very minor position on the Senate Foreign Relations Committee. I did it for the experience and the salary, but also for the opportunity, however small, of working every day against a war I opposed and despised with a depth of feeling I had reserved solely for racism in America before Vietnam. I did not take the matter lightly, but studied it carefully, and there was a time when not many people"—I have been over there eight times as a journalist—"had more information about Vietnam than I did."

He has never been there.

"I have written and spoken and marched against the war. One of the national organizers of the Vietnam moratorium is a close friend of mine."

I guess that would be David Mixner, who helped raise $4 million in the homosexual community.

"After I left Arkansas last summer, I went to Washington to work in the national headquarters of the moratorium," right before he met with Colonel Holmes and after, and then he went up to Martha's Vineyard for another big organizing session.

"Then to England to organize the Americans here for demonstrations October 15 and November 16."

One demonstration was the new Mobe committee; the other was the moratorium committee. I do not know which was which.

"Interlocked with the war is the draft issue, which I did not begin to consider separately until early 1968."

Yes, graduating from Georgetown when they had announced there would be no more deferments for graduate studies. How he swung that, no one knows.

"For a law seminar at Georgetown, I wrote a paper on the legal arguments for and against allowing within the Selective Service System the classification of Selective Conscientious Objection for those opposed to participation in a particular war, not simply to 'participation in war in any form.'"

Mr. Speaker, imagine if Specialist Michael New had quoted from this letter and used 23-year-old Bill Clinton, who I believe is a year older than he is, to use this as his rationale why he would serve honorably but not go to Macedonia in that particular situation wearing the U.N. powder-blue beret.

Back to the Clinton letter. "From my work I came to believe that draft system itself is illegitimate. No government really rooted in limited parliamentary democracy should have the power to make its citizens fight and kill and die in a war they may oppose, a war which even possibly may be wrong, a war which in any case does not involve immediately the peace and freedom of the Nation."

Mr. Speaker, does Bosnia involve immediately the peace and freedom of the Nation? Young people would quickly say, I do not think so.

Continuing the letter: "The draft was justified in World War II because the life of the people collectively was at stake. Individuals had to fight"—

No, they did not. We had 6 million draft dodgers in World War II.

—"if the Nation was to survive."

No, that is wrong. We had about a million and a half. We had 6 million people who were turned away. Out of the 18 million drafted, 6 million were told, you are not properly schooled or you are too heavy, you are too skinny, or you cannot do enough pushups or chinups. You are too weak. Six million were turned away of the 18 million that were drafted, and then lots were turned away that tried to join.

Some came back and back and back and made it, even with one eye, even with curved spines. Those that really wanted to serve in many cases got by. Roger Young won the Medal of Honor on the island of New Georgia in the Solomons, and he only had one eye. Took his eye test like that, both with the same eye.

Now, he continues: "That individuals had to fight, if the Nation was to survive, for the lives of their countrymen and their way of life. Vietnam is no such case, nor was Korea an example where, in my opinion, certain military action was justified, but the draft was not, for the reasons stated above."

Do not think I did not think of that line, and why I left before he spoke at my war where I was in pilot training when it ended, mercifully, at the dedication of the Korean Memorial on its 43d anniversary last July 27, 1995, 42d anniversary of it ending.

"Because of my opposition to the draft and the war, I am in great sympathy with those who are not willing to fight, kill, and maybe die for their country; i.e., the particular policy of a particular government."

Thank heaven, Michael New had the integrity not to use that line, Mr. Speaker.

"Right or wrong. Two of my friends at Oxford are conscientious objectors. I wrote a letter of recommendation for one of them to his Mississippi draft board, a letter which I am more proud of than anything else I wrote at Oxford last year."

He did not write much; he never went to class, Mr. Speaker.

"One of my roommates is a draft resister who is possibly under indictment."

This is the fellow that committed suicide whose picture is in Clinton's bedroom.

"And may never be able to go home again. He is one of the bravest, best men I know. His country needs men like him more than they know. That he is considered a criminal is an obscenity."

The problem was he came home, he turned himself in. The FBI said, we have no more interest in you, the war is winding down. His family was not happy with what he had done, they had a military tradition, and that is when, let me see if I recall his name, Frank Aller, A-L-L-E-R, tragically committed suicide two years after this in 1971 when no one was looking for him. Hardly a brave act when he could have gone on with his life.

"The decision not to be a resister and the related subsequent decisions were the most difficult of my life. I decided to accept the draft in spite of my beliefs for one reason: To maintain my political viability within the system."

Those are the words that Ted Koppel repeated: "To maintain my political viability within the system." The fact is, he never went back into the draft system.

"For years I have worked to prepare myself for a political life characterized by both practical, political ability and concern for rapid social progress. It is a life I feel compelled to try to lead. I do not think our system of government is by definition corrupt, however dangerous and inadequate it has been in recent years."

The society may be corrupt, but that is not the same thing. And if that is true, we are all finished, anyway. When the draft came, despite political convictions, I was having a hard time facing the prospect of fighting a war I had been fighting against, and that is why I contacted you.

□ 2200

Law school and being a JAG, a Judge Advocate, is hardly being under fire.

ROTC was the only way left in which I could possibly but not positively avoid both Vietnam and resistance.

In other words, he did not have the courage to be identified as a resistance person.

Going on with my education, even coming back to England, played no part in my decision to join ROTC. I am back here and would have been at Arkansas Law School because there is nothing else I can do. In fact, I would liked to have been able to take a year out perhaps to teach in some small college or work on some community action project and in the process to decide whether to attend law school or graduate school and how to begin putting what I have learned to use.

Well, Sergeant Jimmy Holt of Hope, Arkansas goes missing in Vietnam, not found to this day.

But the particulars of my personal life are not nearly as important to me as the principles involved. After I signed the ROTC letter of intent to you, I began to wonder whether the compromise I had made with myself was not more objectionable then the draft would have been because I had no intention in the ROTC program in itself and all I seem to have done was protect myself from physical harm.

Mr. Speaker, in other words, he did not want to be a lawyer and wear the Army uniform. He wanted to go to Yale Law School and not to Arkansas Law School.

"Also I began to think I had deceived you, not by lies, there were none"—that is not what Colonel Holmes wrote—"but by failing to tell you all the things I'm writing now. I doubt then that I had the mental coherence to articulate them."

The Colonel told me he was very articulate as a 23-year-old student, following him from the front yard to the back yard during two hours of gardening, back and forth.

Back to the letter.

At that time after we had made our agreement and you had sent my 1-D deferment to my draft board, the anguish and loss of my self-respect and self-confidence really set in.

I bet, Mr. Speaker.

I hardly slept for weeks and kept going by eating compulsively.

Does that sound familiar? What were they doing in Vietnam? Sleeping, and kept going by eating compulsively?

I read until exhaustion brought sleep. Finally on September 12 I stayed up all night writing a letter to the chairman of my draft board.

And preparing for the demonstrations on October 15 and November 16 that he mentioned in the first paragraph.

"I sent a letter to the chairman of my draft board saying basically what is in the preceding paragraph, thanking him for trying to help me in a case where he really couldn't and stating that I couldn't do the ROTC after all"—I can't do it—"and would he please draft me as soon as possible.

Nobody has ever found that letter, I doubt it was ever written. So does Colonel Holmes. Oh.

I never mailed the letter. But I did carry it on me every day until I got on the plane to return to England. I didn't mail the letter because I didn't see in the end how my going in the Army and maybe going to Vietnam would achieve anything except the feeling that I had punished myself and gotten what I had deserved.

And maybe given the integrity to tell young men to go die in Somalia, 19 of them, and to tell them to go drive over land mines in Bosnia.

So I came back to England to try to make something of the second year of my Rhodes scholarship.

Footnote. And ditched every class and flunked out and left.

"And that is where I am now, writing to you, because you have been good to me and have a right to know what I think and feel. I am writing too in the hope that my telling this one story will help you to understand more clearly how so many fine people have come to find themselves still loving their country but loathing the military.

Loathing the military,

To which you and other good mean have devoted years, lifetimes to the best service you could give."

In Vietnam, people who went a few steps further than Clinton were rolling grenades into the tents of what they call lifers, sergeants and officers from the academies who were giving their life to military service, and killed them, and the names are on the wall, only known to God how many, but I know of at least 10, men that were murdered by the man under them because of both drugs and the poisonous atmosphere, some of which was developed in the other body and this body during this incredible war in Vietnam.

He says,

Loathing the military to which you and other men have devoted years, lifetimes to the best service you could give. To many of us, it is no longer clear what is service and what is disservice, or if it is clear, the conclusion is likely to be illegal.

I debated men who had the guts to go to jail, and I respected them, like Joan Baez's husband David Harris, student body president, Stanford. It is the people who hid out like this and let others go in their place and then wanted to be commander-in-chief some day that perplex me.

Closing paragraph.

Forgive the length of this letter, Colonel. There was much to say. There is still a lot to be said but it can wait. Please say hello to Colonel Jones for me. Merry Christmas. Sincerely, Bill Clinton.

That would be Lieutenant Colonel Clint Jones, who stole this letter out of the ROTC files to keep it and use it at some point against Colonel Holmes because Holmes had disciplined Colonel Jones, and when the files were stolen from the ROTC building and destroyed—and we are looking for a lot of missing files this day, a quarter of a century later—Colonel Jones gets a good-bye and a Merry Christmas from Bill Clinton.

Mr. Speaker, one of the networks attacked me tonight, I think unfairly, so I do not have to ask for a point of personal privilege. I will fix it right now.

It is over an amendment that I have on the defense authorization bill to give an honorable discharge and 6 months to get their affairs in order to everybody who has tragically contracted the AIDS HIV virus. Surgeons General and the Surgeon Admiral of the Navy, which handles the Marine Corps, and the Air Force and the Army have all told me, sometimes on the record, but always off the record, that they do not think people who have the HIV virus, who cannot contribute to the walking blood bank in the military, who have to be brought home from every country in the world where they serve, taken out of their aircraft, their helicopters, off the ships, out of the submarines, out of the Abrams tanks, the fighting vehicles, the Humvees, nobody in Bosnia, Somalia or Haiti carrying the HIV virus, that they all have to be brought back stateside, for the Marines and the Navy and only two wonderful States with a high tourist budget, California and Virginia, have to be within 300 miles of a hospital for treatment, and then since they have been taken out of a combat-ready job and brought home from overseas, we fire, we pink slip with an honorable discharge but not 6 months other people who are healthy, who are part of the walking blood bank, are trainable for combat and can go be deployed overseas any day of the week. Those people are let out of the military so that these people can be trained at our tax expense into their new job.

Mr. Speaker, I knew when I saw the article in the Post yesterday that this woman—and I must take her at her word and believe her, even though she is anonymous, using a false name, Marie—was in the "Post" saying that her husband contracted AIDS through unprotected sex, the implication is

cheating on her, and that is a tragedy, brought it home to her.

Remember, this Congress has done nothing in a decade to force doctors to call the roommate, the live-in girlfriend, the homosexual roommate, the fiancee or the wife of a person who has the HIV virus and tell them that that person can kill them. I have read that it takes about 700 normal intercourse events to contract heterosexual contact AIDS, and no doctor in this country, and the chief doctor in the military, Dr. Joseph, who sent me a book that is frightening about his battle with the New York health services, not to win this battle, and that we still have not won it.

So the husband came home, the doctor could not call the wife, he infected her, and then he dies and widows her with one child. Fortunately, the child was conceived, because breast milk is one way you transmit the HIV virus, and now she is a sergeant, 10 years, left alone.

All I could do was say that she must be patriotic and accept this honorable discharge 6 months from now, and not expect us to keep 1,100 people on active duty when the doctors in the military tell me that the largest group of the 3 is probably 500 or more people, young people, who are conned by our deteriorating culture into sticking a dirty needle in their arm, and that to help a woman in this tragic situation we have to keep 500 people who broke the Uniform Code of Military Justice, who played Russian roulette with a dirty drug needle and lost, that they get cover because of this one tragic case?

There are no more tainted blood people left on active duty. The last one died 3 years ago. We have all learned on this floor, from the limited debate on the worst plague in American history, almost going to pass the flu epidemic in 1919 that killed millions of senior citizens, we are getting there.

We have now lost more young men in their prime of life than were killed in combat in World War II. Three hundred twelve thousand in World War II, depending on your encyclopedia or your military records, 350,000 to AIDS if you put bisexuals and drug users, a mixed category, in with homosexuals. And then we add about 10 or 20,000 cases, Dr. Koop, the Surgeon General, told me, that were attributed to the primary cause of death, pneumonia, dementia, heart failure, cancer, rather than put down that it was AIDS that broke down their immune system and caused the deaths. So they add another 10 or 20,000 on there from 1980 through 1983 when doctors mercifully, it is understandable, tried to help the family keep some privacy on what killed their young loved male adult and some few women.

So here we are with the networks structuring this thing as though, and they keep saying this, the Army Times said it, the networks have said it, the Post said it and the New York Times calling any of us who voted for this, which is a majority of the House and Senate and the majority of conferees, calling us anti-AIDS bigots. They keep saying these men stay on the job and that they are healthy.

No, by definition they are not healthy, that is why they cannot give blood. By definition we in this Congress added them to the Americans with Disabilities Act. Every HIV person in this country is considered disabled, so they are not healthy.

Then they stay on the job, and this is where I want to stay down and plead with people to listen. They do not stay on the job if they are a pilot, a helicopter pilot, on a ship, a sub or in a tank or in an artillery unit or a paratrooper or special forces. They are given a safe job in the States, never to be deployed again.

Mr. Speaker, I will put in my remarks and several other articles that I wrote about the Clinton letter comparing it to the letter of Maj. Sullivan Ballew in the Civil War, and I will put in my explanation of why this is fair, and it has to do with readiness, only to give an honorable discharge and 6 months to prepare to go into civilian life and special health treatment that a car accident victim does not get if they have a career-ending injury while serving in uniform in our military services.

Mr. Speaker, I submit for the RECORD my news releases and some key letters on this HIV-military controversy:

DORNAN PROVISION ON HIV/COMBAT READINESS PASSES AS PART OF FISCAL YEAR 1996 DEFENSE CONFERENCE BILL

"The necessity of retaining personnel who have been found to be HIV positive imposes significant problems for all the services, but especially the Navy. . . . The immediate discharge of HIV-infected members would increase personnel readiness. . . ." commented Admiral Frank Kelso, former Chief of Naval Operations, in response to an inquiry by Congressman Robert K. Dornan of California. Dornan, Chairman of the House Subcommittee on Military Personnel, successfully passed a provision in the FY 1996 Defense Conference which would accomplish this goal.

Dornan's legislation would require discharge of HIV+ military personnel, who, because of their condition, are unable to deploy overseas or participate in most other combat requirements such as flying aircraft, serving on board ship, or operating as a ground infantryman. A Pentagon quality-of-life task force echoed Dornan's concerns in a recent report which stated, "The Defense Department should enforce non-deployable policies." Currently, HIV-infected members, though permanently non-deployable, are allowed to remain on active duty until they develop full-blown AIDS.

"This is an issue of readiness and fairness," said Dornan. "In a time of increased defense downsizing, we cannot afford to keep on active duty personnel who are not fully deployable worldwide. We also must be fair to those who are fully deployable. They should not have to spend additional time away from friends and family because they have to remain overseas in place of someone who is not deployable."

Dornan points to the statement of an active duty Marine Corps company commander, who wrote, "By not being able to rotate from our non-deploying company, my one HIV Marine kept another Marine from leaving a deploying unit. This may not seem like much to some Congressmen . . . , but I'm sure it meant a lot to the guy and his family who had just spent 54% of their last three years separated due to normal deployment patterns."

The defense conference report will now be sent to the President and hopefully signed into law.

DEPARTMENT OF THE NAVY, HEADQUARTERS, U.S. MARINE CORPS,
Washington, DC, July 23, 1993.

Hon. ROBERT K. DORNAN,
House of Representatives,
Washington, DC.

DEAR MR. DORNAN: Thank you for your letter of July 1, 1993, concerning Marine Corps policy governing HIV positive servicemembers.

Navy and Marine Corps regulations require that discharge proceedings be initiated through the disability evaluation system in cases of HIV-1 positive servicemembers who are found unfit for duty. Members who are found fit for duty are retained; however, they must be assigned within the United States to a unit that is not normally programmed for deployment. Further, they must be assigned within 300 miles of a Medical Treatment Facility (MTF) designated by the Surgeon General that is capable of providing the care required by HIV-1 positive members. The MTF's designated are the Naval Hospitals at San Diego and Oakland, California, Bethesda, Maryland, and Portsmouth, Virginia.

The costs associated with retaining HIV-1 positive Marines have not yet been analyzed. It must be noted, though, that the total number of HIV-1 positive Marines currently on active duty represents an extremely small percentage of our total force.

Marines who are HIV-1 positive are not assigned to ship's detachments or to extended deployments afloat, although HIV-1 positive officers are not precluded from embarking on ships for short durations for training exercises, or from participating in training deployments within the United States or its territories. Federal Aviation Administration regulations prohibit HIV-1 positive servicemembers from flying aircraft or being certified as pilots. Navy instructions also restrict the assignment of HIV-1 positive aviators to duty as both pilot and aircrew aboard military aircraft. Further limitations on the assignment of HIV-1 positive Marines to operational units or specific duties may be established based on the necessity to protect the health and safety of the HIV-1 positive member and of other military personnel.

Current Department of Defense regulations governing physical disability prohibit the determination of unfitness based solely on a servicemember's inability to perform his or her duties worldwide, a provision that does not apply exclusively to HIV-1 positive servicemembers. The Marine Corps supports a recent recommendation by the Director, Naval Counsel of Personnel Boards that this prohibition be removed.

We consider this a manpower issue vice a medical issue. The deployed time for certain Marine units currently exceeds the Navy's guidelines, and the retention of non-deployable Marines prevents us from filling

those billets with Marines who are worldwide deployable. This not only impacts readiness but also increases the deployment tempo of fully fit Marines.

I trust this information will be of assistance to you.

Very respectfully,

C.E. MUNDY, Jr.,
General, U.S. Marine Corps,
Commandant of the Marine Corps.

CHIEF OF NAVAL OPERATIONS,
September 2, 1993.

Hon. ROBERT K. DORNAN,
House of Representatives,
Washington, DC.

DEAR MR. DORNAN: Thank you for your letter of July 1, 1993, concerning our HIV policy and the problems associated with caring for HIV-infected personnel.

The necessity of retaining personnel who have been found to be HIV positive imposes significant problems for all the Services, but especially Navy. Assignment limitations cause significant disruption in the sea/shore rotation for all our personnel.

The Department of Defense (DoD) requires assignment of HIV-infected service members only within the continental United States due to the high priority assigned to the continued medical evaluations; Alaska, Hawaii, and Puerto Rico lack Navy medical treatment facilities required by HIV infected members.

HIV infected members are not eligible for service on ships, due to insufficient medical treatment facilities aboard; however, HIV infected members do continue to perform in their rating in shore duty billets in close proximity to adequate medical care. Members who normally are assigned to a flight assignment are grounded when found to be HIV infected. This is consistent with established procedures for other medical conditions. Fifty-five percent of all Navy ratings serve the majority of their careers at sea. All HIV infected members in sea duty intensive ratings no longer take their turn for assignment to a ship, drastically altering an already tight sea/shore rotation schedule. HIV infected Physicians, Nurses, Dentists, Hospital Corpsmen (HM), and Dental Technicians (DT) are not allowed to perform exposure, invasive procedures.

HIV is an expensive disease to treat. Costs are not limited solely to providing medical care. The average length of time between diagnosis of an HIV infection and medical separation is approximately 4 years. Members are not medically separated until they display clinical illness symptoms.

An asymptomatic active duty member's medical care consists of an initial hospitalization for a thorough medical evaluation and staging, and periodic reevaluations conducted semiannually. The cost of an initial evaluation is approximately $4,000 and reevaluations cost $2,400. Medications such as AZT cost approximately $2,200 per year. Total lifetime treatment adds up to approximately $208,000. This figure does not include time lost from their assigned duty station, psychological counseling, travel to and from the medical center or the costs of separation.

The Navy has approximately 787 HIV infected active duty members, 35 officers and 752 enlisted. The average FY-93 cost in pay and benefits to retain one officer is $71,436 and $30,541 for each enlisted member on active duty. The total pay and benefits for the 787 personnel is $25,467,092 for this fiscal year.

A member found medically unfit for duty is transferred to the Temporary Disability Retirement List (TDRL) and provided a 30 percent minimum disability benefit and continued Navy medical care. We place the member on the Permanent Disability Retirement List (PDRL) and provide a 100 percent disability benefit and continued Navy medical care when the member's condition deteriorates. The Navy has medically retired 1,193 HIV infected members since the beginning of the program in 1986. An estimated lifetime treatment cost (not including pay and benefits) for all the infected retirees is a total of $248,144,000. Only members who become eligible for the Temporary or Permanent Disability Retirement Lists are provided continued treatment at a Navy medical treatment facility. All members discharged for other reasons are eligible for Veterans Administration care upon separation.

The immediate discharge of HIV infected members would increase personnel readiness during a time of significant downsizing. Additionally, it would allow the Navy to replace the 787 infected members with members who are healthy and world-wide assignable. Sea/shore rotation schedules would be readjusted, thereby increasing readiness. Discharging these members would place the responsibility of monitoring the physical condition of HIV infected members on the civilian sector.

If I may be of any further assistance, please do not hesitate to contact me.

Sincerely,

FRANK B. KELSO II,
Admiral, U.S. Navy.

NON COMMISSIONED
OFFICERS ASSOCIATION
OF THE UNITED STATES OF AMERICA,
Alexandria, VA, June 7, 1994

Hon. ROBERT K. DORNAN,
House of Representatives,
Washington, DC.

DEAR MR. DORNAN: The Non Commissioned Officers Association of the USA (NCOA) strongly supports the proposal contained in the House version of the FY 1995 Defense Authorization Bill (H.R. 4301) that ensures that all members of the military be physically and medically worldwide deployable.

During a time when manpower levels of the military services have been and continue to be reduced to minimum levels, NCOA believes that the taxpayers of this country should reasonably expect that all servicemembers serving in the military services be able to serve wherever and whenever needed. If necessary readiness capabilities are to be realized from a "boot-on-the-ground" standpoint, everyone in uniform must be eligible for deployment under field conditions. NCOA further believes that failure to adhere to such a policy presents false strength indicators and will undoubtedly result in unfair assignment practices and rapidity for those who meet and maintain established deployability criteria.

NCOA is opposed to any legislative effort to reduce or lessen the deployability requirements of H.R. 4301.

Sincerely,

MICHAEL F. OUELLETTE,
Sergeant Major, U.S. Army, (Retired),
Director of Legislative Affairs.

Here is my "Dear Colleague" on this, Mr. Speaker:

DEPARTMENT OF DEFENSE OR MINISTRY OF PROPAGANDA?

DEAR COLLEAGUE: I'm sure you'll share my outrage after reading the following article from the January 29, 1996 edition of the Washington Times regarding a "Media Reference Card" issued to our troops in Bosnia. This is another blatant attempt by this administration to use our military for purposes other than national security. In this case, U.S. troops—troops risking their lives against land mines and terrorists in the cold of winter—are being directed to tell reporters they have full faith in the President and the United Nations! Besides the article, I'm also including a copy of part of the card itself—Disgusting!

Sincerely,

ROBERT K. DORNAN,
U.S. Congressman.

PUT ON A HAPPY FACE, TROOPS IN BOSNIA TOLD—PRAISE CLINTON IF PRESS ASKS, GUIDE SAYS

Taszar Air Base. Hungary—U.S. troops are grumbling about a pamphlet that advises them to tell any inquiring reporter they have full confidence in their commanders, from President Clinton on down.

The pamphlet, titled "Answers You Can Use," was prepared by the Army's V Corps and has been distributed to all Army troops in Bosnia to help them deal with pesky press inquiries.

One suggested answer is: "U.S. forces are confident in our trained and competent leaders. We have pride in our leadership, from the president on down, and full trust in their decision."

The problem is, not all of the soldiers feel that way.

"That one [answer] particularly got me," said a colonel who asked not to be named.

A female sergeant with the 4th Aviation Brigade, based at Kaposvar Air Field, also took issue with the statement. "I voted for him [Mr. Clinton] last time, but not this time," said the sergeant, who also declined to be named.

Some soldiers said they were offended by the attempt to guide their responses.

The guidelines include a list of do's and don'ts for speaking with reporters, including an admonition not to discuss "political or foreign policy matters . . . or give opinions on hypothetical situations."

They also contain commonsense suggestions about not revealing classified information or details of future plans and operations or operational capabilities.

Soldiers are advised not to say "no comment" but instead to answer difficult questions by saying "We don't comment on future operations" or "I'm not qualified to answer that question."

The troops also are told never to lie to reporters and not to interfere with news gatherings.

"Be positive in your answers," the guide says. "This is your opportunity to tell the public what a great job you and your unit are doing."

Other handy news bites suggested by the guide include the following:

- "We are trained, ready and fully prepared to conduct peace operations."
- "We are not here to fight but we have the capability, when required, to enforce the treaty and to protect ourselves."
- "We are a disciplined and trained force. We understand our mission and the rules of engagement."
- "U.S. forces have a long tradition of working with the United Nations and NATO and are confident in our abilities to work together in this mission."

Many soldiers privately expressed dislike of Mr. Clinton, who avoided service in the military during the Vietnam War. One soldier said he lost all respect for the president

after he learned about Mr. Clinton's efforts to avoid being drafted.

One lieutenant colonel confided that he disliked the president but was careful not to express his opinions when enlisted personnel were around.

Capt. Mark Darden, a spokesman for the Army in Hungary, referred questions about the pamphlet to Capt. Robert Hastings, who took part in writing the guidelines. Capt. Hastings did not return a telephone call seeking comment.

ANSWER YOU CAN USE—V CORPS MEDIA REFERENCE CARD—GUIDELINES FOR DEALING WITH CIVILIAN NEWS MEDIA

1. Throughout this operation, there will be excessive media coverage of Army activities. Reporters will be present everywhere in the area of operations. They are allowed to record your actions and activities. Politely ask them to stay out of your way, but you should not interfere with their news gathering activities. If there is time and it doesn't interfere with your mission, you may answer their questions as long as you follow the guidelines on this card.

2. Don't make "off the record" statements to reporters. Assume that a reporter's recorder is always on. Anything you say to reporters can be used in their reports.

3. If a reporter comes to your unit and is not escorted by a Public Affairs Officer or main escort, refer them to the Joint Information Bureau. If they are escorted, you may answer their questions, but inform your chain of command about their presence immediately.

4. You are not required to talk to the media. If you do, you have the responsibility to protect classified information and the security and privacy of your fellow soldiers. Do not discuss anything outside your area of expertise and do not speculate.

5. You may not discuss future plans and operations, political or foreign policy matters, operational capabilities, or give opinions on hypothetical situations. "Stay in your lane."

6. Don't say "no comment." Simply state "we don't comment on future operations," or "I'm not qualified to answer that question."

7. Never lie to the media. If you can't answer a question or don't know the answer, say so. Suggest where, or with whom the answer may be found.

8. Be brief and concise in answering questions. Use simple language, not military jargon or acronyms.

9. Think before you speak. When asked a question, stop, think, and then answer.

10. If you accidentally say something inappropriate, say so. Ask the reporter not to use your comment, and then report the incident to your commander.

11. Don't allow yourself to be badgered by the media. If necessary, politely end the interview and contact your commander or the PAO.

12. If you observe a reporter recording or viewing something classified, take immediate steps to protect the information and report the incident to your commander. Under no circumstances should you try to take notes, film or equipment from a reporter. Get the reporter's name and organization for your report.

13. Be positive in your answers. This is your opportunity to tell the public what a good job you and your unit are doing.

CONTINGENT ADJOURNMENT OF THE HOUSE FROM CALENDAR DAY OF FRIDAY, FEBRUARY 2, 1996 TO TUESDAY, FEBRUARY 6, 1996

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that when the House adjourns on the calendar day of Friday, February 2, 1996 (legislative day of Thursday, February 1, 1996), it stand adjourned until 8 p.m. on Tuesday, February 6, 1996, unless the House sooner receives a message from the Senate transmitting its concurrence in House Concurrent Resolution 141, in which case the House shall stand adjourned pursuant to that concurrent resolution.

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

Mr. MFUME. Mr. Speaker, reserving the right to object, and I will not object, I do want to, for the RECORD, indicate that the minority has been consulted on the unanimous-consent request. We understand the merits of it and the necessity of it, and we have no objections at this time.

Mr. ARMEY. Mr. Speaker, will the gentleman yield?

Mr. MFUME. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Speaker, under the gentleman's reservation, I would like to just take a moment to say farewell to my good friend from Maryland, Mr. MFUME. I have enjoyed my time that I have had the privilege of serving here, and we have worked well together, and I must say that I can say, as my grandfather said about many of his acquaintances, that the gentleman from Maryland is indeed, as my grandfather would have said, a gentleman, a scholar and a poor judge of good whiskey, and I thank you for having allowed me the privilege of being your friend in this body.

Mr. MFUME. Mr. Speaker, I thank the distinguished gentleman very much for his kind remarks and for his friendship over the last decade as we have served together on a number of committees, fought a number of battles, and at the end of the day recognized that friendships really do matter and the ability to work together and compromise really is what this body is all about. I thank the gentleman for his kind remarks.

Mr. ARMEY. Mr. Speaker, I thank the gentleman.

Mr. MFUME. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

FAREWELL ADDRESS BY KWEISI MFUME

The SPEAKER pro tempore (Mr. METCALF). Under the Speaker's announced policy of May 12, 1995, the gentleman from Maryland [Mr. MFUME] is recognized for 60 minutes as the designee of the minority leader.

Mr. MFUME. Mr. Speaker, for those Members that are still in their offices and others who are watching, this is in fact probably the last time that I will come into the well of the House of Representatives to address this Chamber and to address the people of the United States in this capacity.

As many of you know, on the 18th of this month, I will conclude my service here in the House of Representatives, lay my resignation forward, and move from that point on on the 18th into a new capacity, that being the President and CEO of the NAACP.

Mr. Speaker, I come to the well with mixed emotions but I come nonetheless because this has been for me a place of partisan wrangling and a place quite frankly to make amends. This well is used by Members for a number of things, most of which is to talk about their legislation, but it also, I think, ought to be a pulpit from which we seek to bridge a better understanding of one another, from which we try to build coalitions and from which we try to understand not just the Members of this Chamber but ourselves differently and also the millions upon millions of people throughout the United States who watch on a daily basis our actions as Members of this august body.

I came here, Mr. Speaker, 10 years ago, in the class of 1986. We were 51 in number and we were a part of what was known then as the historic 100th Congress, a unique class, I think, in many respects, but a class nonetheless that I regret having to depart from as many others have before me.

□ 2215

But those were different days, and in many respects this was a different Congress and, indeed, perhaps even this was a different Nation.

I have fond memories of the years that I have served in this capacity. I would be remiss if I did not thank the people of Baltimore City and Baltimore County that comprise the Seventh Congressional District of Maryland for vesting in me year after year both in this capacity and previously in a local capacity their trust, their goodwill to represent them here in elected office. They have been good to me over the years, returning me to office with 84 percent of the vote in a day and in an age where there is a great deal of cynicism, when totalities are considered landslides if they approach 65 percent. So in that respect, I have been blessed.

I have also been blessed in these 10 years to have an opportunity to serve with a number of distinguished Members of the House, many of whom are still here, others who have gone on to other careers, and some of whom are no longer on this Earth.

I remember the days of serving with Claude Pepper of Florida, a distinguished gentleman who had in his heart of hearts one desire and one true commitment, to try to bring about change in this body with respect to how we viewed those in the twilight of their lives. I listened to Claude Pepper from this well as others did as he continued to talk about why we needed catastrophic health care in this country and why we ought to understand the treasure chest that we have and the repository that we have in our senior citizens, why we had to have a sensitivity toward them as we must have a sensitivity toward young people.

I remember Sil Conte of Massachusetts, a Republican who understood partisan debate and partisan discourse, but, who at the end of the day, recognized that we were all the same people cut in many respects from the same cloth and given, if we were lucky, the same challenge in this institution to heal and bring us together. Sil Conte passed away many years ago also, but it is the memory of him and Claude Pepper that reverberate in this Chamber, the memory of Mickey Leland coming from Houston, TX, with the desire to represent not only those in his district but those around the country who were voiceless and, indeed, ultimately those around the world who had no voice who in the end gave his life on a mountaintop in Africa trying to feed the hungry and to clothe the naked.

So it has been an interesting 10 years. Having served as I have under three Presidents, I have developed at least a different appreciation beyond what I learned in the classroom about the relationship between the legislative branch and the executive branch of Government. Coming here as I did under Ronald Reagan's administration and leaving as I prepare to do now under the administration of Bill Clinton, it has for me been enlightening, and it has also been humbling.

Someone asked me today what things do you think about when you think about leaving this Chamber, and I said what I will miss most of all are the people, those who are here who serve now, those who were here, and perhaps even those who are running now in districts around the country because they have a desire to come here and to help this institution. I would caution those people, wherever they may be, no matter what State or region of this country, who seek to serve to remember that service has with it a great sense of humility, that these seats before us in which we sit day in and day out are not our seats. They belong to the people of the district that we represent. They are on temporary loan to us, and if we learn nothing else, if we are fortunate enough to get here, we must remember that at some point in time, and at some day in time we must return those seats to them.

I think about at this moment many of the major bills that have gone through this House in the last 10 years, how we debated in one of the more finest hours of this Congress the whole issue of the gulf war, whether or not there ought to be an American involvement, and to what extent that ought to be, a debate that carried over several days, and I think brought out the best of Members of this body on both sides of the aisle in a very wrenching issue that 5 years ago confronted us in the starkest of ways and one that we were able to come to grips with. I remember the passage of the Americans with Disabilities Act when people in this country with all sorts of disabilities were thought somehow in some way to be second-class citizens, and many even thought that they had no rights or privileges that the law and this Congress were bound to respect, and when STENY HOYER of Maryland and others got together and allowed me to be a part of the sponsorship of that very historic piece of legislation, how even then people found problems with it. And yet you ask the disabled have their lives changed as a result of the Americans with Disabilities Act, and most would say it in fact has.

I remember in 1990 the desire to deal with what we thought was a rather aggressive Supreme Court, a Supreme Court that had turned back a number of civil rights cases, for whatever reason had begun moving judicially toward the right at a great speed, and how in that year we prepared for what was to ultimately be introduced in the next year the Civil Rights Act of 1991, and everyone then thought that we would either pass this or we would not pass it on the merits of the bill. But regrettably the merits got lost in the sauce, and people began to throw things on the table that were not here. They spoke of quotas. They played the race card. They fanned the fears of everybody in this body to the extent that we became as polarized as the problems that we were trying to solve. But we worked on that day in and day out, month after month. Serving as an original cosponsor and as a conferee, watching as we did when the White House vetoed the bill and then working diligently because we did not give up to try to come up with something that would pass this body, we ultimately did that. It became known as the Civil Rights Act of 1991, and also became known as one of this body's most shining moments of the last 10 years.

Some of you recall the 5-year deficit reduction plan spearheaded by the Democratic leadership in this instance, ultimately passed by the full House that gave us real deficit reduction at a time in our history when people talked about it and if you were ready to move forward with it.

I could go on and on about what I consider to be the best moments of this body. But let me also talk about those moments that were far from the best, and in many instances became the worst, those moments when we fought beyond the principle and the power of ideas, when our ideas were put aside and put asunder so that we might then in a very emotional and gut sort of way deal with things that had nothing to do with the power of ideas and nothing to do with the right to object on principle, but went to the personal nature of Members of this body, personal attacks that not only belittled the person making them but lowered, I think, the dignity and the esteem of this body, times when we decided to talk about one's orientation or times when we laughed at the fact that one was in a minority group or times when we even spoke in a very strange, discordant way about what was wrong with the Democratic Party or what was wrong with the Republican Party on a personal level; the low points of this or any other Congress, those instances when we got out of the lofty, privileged, and blessed positions of being Members of Congress that would come here and debate the issue and debate the power of ideas and to stand on principles, and when we lowered ourselves to make very personal and vicious attacks at one another. I know the sort of tense debating that takes place in this body. I understand the emotion and the passion that comes with it.

But I would caution those who continue to serve and those who seek to serve to remember that the words that are inscribed behind me on this desk that speak of tolerance and justice and union and the words above me that say "In God we trust" must in fact be words that we live by. Otherwise, we lose our ability to effectuate the hearts and minds of other people and to effect change in such a way that we then have added to what we consider to be the lifestyle and the decor and the principles of America and instead have detracted from them in a very evil and vicious way.

Now, I need to say just a couple of things, if I might, about staff. Obviously my own personal staff who year after year served with me, worked with me, believed in me, trusted me, became a family and became the kind of staff that I have been very proud of; I had a very, very low turnover rate in those 10 years, and I took a great deal of pride in that, because I think if you treat people as people, if you let them know what is expected of them and you give them goals and objectives and you allow them to work toward them, people then give you the maximum amount of productivity. People give you everything they have, and people in turn feel like people. They feel like they are included. I say that about my personal staff.

But I say it also about the committee staffs that serve this institution. Oh,

they are significantly reduced from what they used to be. Maybe that is good, and maybe it is not so good. But they are still people, and they serve every committee of this institution, and they serve day in and day out, and they do not get a lot of fanfare or notoriety. But we are empowered as Members of Congress, because we have their wisdom and because we have their views and because we have what they give us in terms of their friendship.

Finally, it also includes the staff that works this floor. Some of you who watched the debate and the discussion on C-SPAN oftentimes will get a glimpse of some of the people who work here. Many of you will never get to know, however, the special people that they are, because they are people with their own unique stories, their own unique beliefs. They are Republican and they are Democrat, they come from different regions, they are different in many respects, but they serve this institution long hours, laboring day in and day out. Oh, they get a salary for it, true. But they also do it because they recognize how important this institution is, and the function of this institution is to the society that we all love and the society that we all come to embrace as Americans.

I have had some partisan battles here like all of us. I leave this place not with regrets but with fond memories. I leave it also with an understanding of what it takes to find true compromise and what it takes also to find true respect. I know that respect is earned, that it ought to be reciprocal, but it must first be earned.

And so I leave to take up the leadership of the National Association for the Advancement of Colored People, the NAACP, 87 years old, formed in 1909 in an apartment in Manhattan, brought together by a number of converging forces in the first decade on this century, not that different from converging forces in the last decade of this century.

Charles Kellogg, in his book that chronicles the first two decades of the NAACP writes about those forces when he says it was in fact a retreat judicially by a Supreme Court that had begun to render decisions that were moving the Negro back and not moving him forward. He spoke also about a Congress that was very reactionary in their moment and legislated in such a reactionary way that they were polarizing the country and not always bringing it together. He spoke about the periodicals of the intellectuals that, in their own way and through an academic entree, decided to talk about what was in fact wrong with people, so that in order for you to justify how you felt, you had now the periodicals of the intellectuals that talked about inferiorities that were genetic and otherwise, and he also talked about the need among the Negroes in this country to find a way to organize, to do the best they could to bring the best from them, to add and to contribute to the society.

But when you look at those converging forces that were there in 1909 in the first decade of this century and you look at the converging forces that are here now in 1996 in the last decade of that century, the similarities are frightening. There is still a Supreme Court that is legislating or, rather, rendering judicial decisions, as was the case in 1909, that are making it more difficult, not less difficult, for the Negro, as it were, to empower himself or herself and to move into the mainstream of American society. They talked about then, and there pretty much is today, reactionary forces in the Congress of the United States that legislate in such a way that we polarize communities too often and polarize people.

There is, as there was then, the periodicals of the intellectuals. We refer to them now as the bell curve. They are the academic entrees that talk about inferiority being genetic, thereby giving one the basis to legislate accordingly.

□ 2230

Mr. Speaker, and then there is also, as there was then, the need among African-Americans to understand that in bringing out the best in ourselves, and in working with other people, that we could, in fact, and will, contribute mightily to the fabric of the Nation that we all have come to love.

So, because it is the NAACP and because it is the same organization that offered the word "coalition" in the civil rights struggle and meant it, and means it today; because it is still prepared to work with all people; because it welcomes the support of Latinos, of like-minded whites, of Asians, of Native Americans, of people throughout the African diaspora in this country and elsewhere; because it recognizes that one must not be measured by their religious beliefs but, rather, what they have in their heart and what they bring to the table in the spirit of real compromise. That young people, those who were 4 and 5 and 6 years of age, tonight really represent in a mirror image what this Nation will look like 20 years from now and why their fate is so desperately sealed to our fate. And because it understands also that as a historic American institution, it has a mission and a mandate to do all that it can as the NAACP, to once again try to heal our Nation, and to bring people together and to forge a new day.

We focus so much in our society on differences. Our differences of race, our differences of religion, our differences of ethnicity, our differences of opinion, that so much time is spent on differences that we have little time left over to spend on similarities, those ways in which we are all alike.

Everybody in this country believes that, if they could, they would like to have a better life for their children than they had. That is a very big similarity. Every person in this country wants to believe that they can have safe streets and a safe community. They want to think they can educate their children. They want to think they can grow old and die and watch America be a better nation at the point of their death as opposed to the point of their birth. Similarities that cut across race and gender and religion and everything else.

But when we focus on differences only, and focus on them in a negative way, we do a disservice. I think cultural differences are important. I think every cultural and religious group and ethnic group and racial group in this country ought to hold proudly to their heritage, ought to find ways and monuments that speak to them and pass on those traditions to another generation.

Those are positive differences that in the aggregate make America what she is. But when we focus on differences for the purpose of putting people down, and developing inferiorities, when we focus on differences to point out what is wrong instead of what is right, we do a disservice.

America at her best has treated such differences with a blend of common sense and compassion. America at her worst has treated those differences with the empty evenhandedness of Marie Antoinette. And so I would say to this Chamber and to all who serve here and in fact those who seek to serve, that we have a bigger mission in life because we carry a sacred trust. We asked to come to this body. We asked for people to vest their votes and their support in us. We asked for the opportunity to cast important votes.

We came here because we asked to be here, and someone heard us in the majority and we were elected. But it is a sacred trust, so we are responsible for more.

And as such, we must do more and worry less about whether or not we are going to get reelected in 2 years, and worry more about what kind of nation we help to build.

So, I leave this Chamber and this institution to do, as Kipling said, and that is to take "the road less traveled." The road less traveled is still the road less certain. But in traveling it, if we navigate properly, if we understand what our road signs are, if we keep our eyes on our objective and on our mission, if we seek to be the good Samaritan on the way, and if we believe in our heart of hearts that at the end of that road there is a reward not for ourselves but for our country, then we do the sort of service that I think we can and must provide as people of America, from all walks of life and from all religions and races who understand the gift of this country. What makes it so

very special is the unique way in which we have grappled with our problems and, because we are so diverse, we have before us a very unique and special history.

When you read Gibbons, "Rise and Fall of the Roman Empire" and other empires, there are certain things that are always precursors to those declines. Fortunately, every time we have met a precursor in this country, whether it was the evil institution of slavery; whether the denial of suffrage to women; whether it was the second class citizenship to minorities, we have tried to recognize those precursors when we met them and to recognize also that, if we did not deal with them, then all that led to the decline of other great empires would in fact lead to the decline of America.

I think we can still do that. We can still understand when things are wrong. We can still have the courage enough to recognize that the salvation of this Union is utmost. And if we are daring enough and believing enough both in God We Trust and in ourselves, then we will find a way to do that.

And this Union will be secure and safe for generations still unborn. So I bid a fond farewell to the Chamber and to all that I have served with. To those who taught me and to those who I have had a chance to teach, I shall be back again and again in another capacity. But I shall always be forever fond of the 10 years that I have served as a Member of the U.S. Congress.

Mr. Speaker, it has been said that the NAACP is the oldest and largest organization of its kind in the world—and it is.

It is said that it is the most effective of its kind—and it is. It said that it is the most consulted, most militant, most feared, and most loved organization of its kind in the world—and it is.

We have been charged with this from the genesis of our beginnings, in 1909.

Just a few moments ago we stood, ankle deep in mud in the roadways of the Old South, after blacks had trudged through hot fields and dusty hills to the ballot box only to be turned away due to the manufactured grandfather clauses, literacy clauses, and poll taxes. But we fought back.

In 1915, we stood side-by-side and took the battle back to the white marble chamber of the Supreme Court, where those racist tools of disenfranchisement were found to be in violation of the Constitution. But the battle did not end there.

Just a few moments ago in history, a black man could not walk down a road, could not go into a store, could not go into a courtroom without the threat of a noose hanging over his head or a torch being thrust into his life.

Two years after the NAACP was founded, in a grimy steel town in southwestern Pennsylvania, a seriously wounded black man was charged with killing a police officer. He never had the chance to prove his innocence.

A mob of people dragged him from his hospital room in Coatesville and burned him alive. A conspiracy of silence prevented the mob leaders from receiving the justice they deserved. Racism was alive in the North.

On November 14th, 1915, southerners were witness to one of the most notoriously racist films of all time: D.W. Griffith's "Birth of A Nation." In it, reconstruction was distorted, emancipation was assailed, and blacks were reviled. And the heroes of the movie were the Ku Klux Klan.

From 1910 to 1919, 840 African-Americans were lynched in the United States of America.

In a Texas town in May of 1916, a mentally retarded black teenager was convicted of murdering a white woman. He would never have a chance at an appeal.

He was seized by a mob and taken to the public square. Before a crowd of 15 thousand people, fire and flames were the center of attention in what was then called "the Waco Horror" as the boy was tortured and burned alive.

When black soldiers were baited and harassed, they in the end would pay the harshest penalties. On a hot Houston day in 1917, race prejudice against members of the 24th Infantry let to violence. Seventeen whites and two blacks were dead when the smoke cleared.

A court martial sent 41 members of the all-black unit to life in jail. Four others were given long prison terms. And 20 of them were condemned to death. One-fifth of the condemned men were summarily executed without even the benefit of an appeal.

It was the NAACP that worked long and hard through four presidential administrations. Eventually 10 lives were saved, and the last man from the 24th Infantry was released from jail—21 years later. The battle did not end there.

In 1919, there was rampant brutality and military occupation of the Republic of Haiti. Three thousand citizens there were cut down by troops who claimed they were "bandits."

Censorship was rampant, news of the brutalities inflicted by the troops on our brothers and sisters there was suppressed. Why? The forces occupying Haiti were from the United States of America.

The NAACP pressured President Wilson. James Weldon Johnson went to Haiti and showed the world through his writings what kind of inhumanity was being visited upon the people there by the troops sent from the nation calling itself the land of the free.

It was this great organization that helped Haiti create an organization for independence, one modeled on our own. When they came to New York to lobby for their freedom, the offices they used their were the NAACP.

The NAACP learned early the political game and played presidential candidates off presidential incumbents. When Woodrow Wilson wouldn't listen to us, Warren Harding would, and then President Wilson sat up and took notice.

Through the actions of the NAACP, the military presence was cut back. Through their investigations, the abuses were brought to light. And with the continued pressure, American occupation of Haiti was fully ended — almost 20 years later. And the battle did not end there.

From 1920 to 1927, 304 people were lynched in the United States of America.

The NAACP was issued a challenge to help end lynching by the philanthropist Philip Peabody. Peabody would help us help ourselves by donating ten-thousand dollars and more if we could match his grant by fundraising on our own.

It was the NAACP, massed and clad in white, that marched silently down New York's Fifth Avenue, to protest treatment of African-Americans.

Four times anti-lynching laws were introduced and passed in this House of Representatives. Four times those laws went down to defeat due to stonewalling, filibustering and indifference in the Senate. But people paid attention.

The esteemed and historic magazine of the NAACP, The Crisis was set upon by the Department of Justice as radical and seditious. In the end, it prevailed, and even flourished.

In 1929, 10 lynchings were recorded for the year.

But the battle could not end there.

Just a few moments ago in history, in the second decade of the 20th century, we stood arm-in-arm, as the NAACP took to the hallways of the courts of the District of Columbia to fight again. We were denied the simple right to ride streetcars as we chose, marry as we chose or be promoted within the Armed Forces as we deserved.

As this historic organization was in its infancy, African-Americans were limited within the military to two cavalry regiments and two infantry regiments. In many cases the only fighting seen by the rest of the blacks in uniform came only when the action got too close to the mess tent.

African-Americans were fighting regularly for the right to become commissioned or even non-commissioned officers in the military then, with the highest-ranking black officer of the era having been cashiered on the grounds of so-called "physical disability."

Later on, the Army was found out. When it was proven that they were reluctant to promote Charles Young, a graduate of West Point and the highest ranking African-American in the military. It just would not do to have a black general in the Army—heavens no. Only a colonel would do, and they felt he could also retire that way, as a colonel.

It was the NAACP that made sure Charles Young was restored again to active duty. But the battle did not end there.

We had to fight for every inch, we had to fight for every right—even in the military, which nowadays is one of the most integrated aspects of American life.

The Surgeon-General then, William Gorgas, felt what color you were determined who you worked on. It mattered not who was sick, who was ill, who was dying. Black nurses only nursed black wounds. Black dentists only fixed black teeth. Black doctors only saved black lives. And black units were still separate—and unequal.

It was the NAACP in 1931 that organized the defense of the Scottsboro Boys who were unjustly accused of rape. And the legal battles intensified and this organization sharpened itself and began to come into its own.

In 1938, when the Daughters of the American Revolution denied Diva Marian Anderson the use of Constitution Hall, it was once again the NAACP who took up the cause an fought for what was just and right.

In the 1950's, the desegregation battle began to take on a new urgency as the NAACP successfully battled against segregated public housing. And in 1954, it was the great Thourgood Marshall, who as the Director of the NAACP's Legal Defense and Education Fund, fought and won that historic Surpreme Court case, Brown versus Board of Education, which outlawed once and for all the separate but equal doctrine in public education.

The next year, the NAACP joined with other civil rights groups and concerned Americans by taking an active role in the Montgomery, Alabama bus boycott. This boycott was initiated after Rosa Parks made her valiant stand by refusing to give up her seat for a white passenger.

As our Nation entered the turbulent 60's, the NAACP was there, front and center. In 1963 I remember the historic March on Washington from our black and white television. We couldn't afford the bus trip from Baltimore, but I felt the power nevertheless.

By 1965 the power of the NAACP had reached a new pinnacle when President Johnson signed the Voting Rights Act. After years of fighting for basic equality, the dream was finally becoming real.

As the needs of the African American community have changed, so has this historic, beloved organization. In the 1970's and 80's the NAACP tackled educational excellence and established SAT Preparation clinics which helped raise the average test scores by 50 points. And the organization continues to grow and meet the demands of the day.

New efforts have been made to attack discrimination through legal and legislative means. Child welfare and mentoring programs have taken on a new urgency. Economic empowerment programs have been launched to make the logical next step in the civil rights movement. And just last month in Stone Mountain, Georgia we launched the new Voter Empowerment Project, which seeks to energize the electorate from the bottom up. This new effort was initiated because of court rulings that have eroded the Voting Rights Act.

Some of our gravest crises have come from within. This was an organization born of wealthy white liberals, nurtured by newspapers and brought into its own by the black intelligentsia.

Booker T. Washington had honest differences of opinion with W.E.B. DuBois at the start of this organization. Washington's Niagara Movement was in open disagreement with the new association tasked with the advancement of our peoples. It continued until Washington was dead, and debate and differences continue even now.

W.E.B. DuBois differed with Walter White over the future of the NAACP and the finances necessary to run it. It continued until DuBois resigned.

How little times change.

It is time we stand up to say again—"The battle begins here."

Where once it was poll taxes and literacy tests, now it is cries of reverse discrimination and a roll back of voting rights.

When we once were subject to the noose and the torch, we are now plagued by the pipe and the needle and crimes against each other.

Where once our mother and sister countries of Africa and Haiti were run through by colonization and occupation, so they are now by militarization and discrimination.

We were not monolithic then, nor are we now. We have different agendas, we follow different drummers, we have differing destinies. But all of them are intertwined with who we are.

If we cannot remind ourselves of the challenges overcome in the past, we will never overcome the obstacles set in our future. The battle begins here.

We have fought in the courts—we can do so again, now. We have made presidents listen by the force of our numbers and our will. We can do so again, now.

We can vote in greater numbers. . .

Speak, in louder voices. . .

Write, with sharper pens. . .

Walk, with bigger strides. . .

Act, with firmer conviction. . .

Look forward, with stronger resolve. . .

And fight . . . fight with the knowledge that history is on our side. We have won before. We can do so again, now.

Just a few moments ago in history we overcame all that 41 percents, nine wars, and innumerable verdicts could put in our way. That is all history now.

The conscience of America is resting in our hands. We can cup them and nourish our freedoms or we can open them and see them blow to the winds.

Let us pray that our hands, joined together, will know what's right for us, our children and our future.

And so, it is for me a high honor and a distinct privilege to be selected in the capacity of President-designate or our Nation's largest and oldest civil rights organization. I am honored to have been chosen for this opportunity, and I am moved by the support that our Chairwoman, the members of the search committee and the members of the board have shown me.

The decision to accept this new opportunity did not come lightly. For the last 16 years, I have served in elected office: seven years in local government and the last nine as a Member of the United States Congress. To the people of Baltimore, who year after year have given me the opportunity to represent them and who continue to vest their confidence and trust in my abilities, I am, and forever will be, grateful.

At this point in time, however, I am convinced, without reservation, that I can best affect social, economic and political change in the broader capacity that the NAACP represents.

As you all know, the NAACP is at a critical point in its history. In fact it is at the most critical point. Our focus must be on: First, increasing political power by organizing and energizing voters in every congressional district in America; second, emphasizing educational excellence and individual responsibility; and third, creating an infrastructure for empowerment and economic parity. There is much work to be done and the time for such work is now. We must, without equivocation or timidity, reclaim our rightful place as the voice of African-Americans and others who believe in the power and the premise that all persons are, in fact, created equal. The task before us will be significant, but all challenge is significant. The greater challenge will not be measured by its size, but rather by our willingness to accept it. As such, there must be an ever escalating crescendo of clear and consistent voices that become part of the national dialogue and the national debate.

The extreme ultra-conservative policies of the far right wing in our nation are draconian and punitive. They are policies that punish the elderly, restrict the poor, and deny opportunity to our children. Those policies must be countered with effective and realistic responses that reflect our need as a society for inclusion and tolerance. We can only do that by reinvigorating the age-old concept of coalitions where people work together for the common good.

Racism, sexism, anti-Semitism cannot, and will not, be allowed to enjoy a comfortable and quiet acceptance. The damaging divisions brought about by xenophobia cannot be allowed to color our thinking about those who come to our shores in search of a better life. Fear, which often finds its incubator in our refusal to stand up for what is right, will forever be challenged by a new NAACP—reunited and reinvigorated at the threshold of change.

At the risk of understatement, we all know that the task ahead will not be easy. The time is now to restore the financial, spiritual and political health of this historic American institution. As such, we must move quickly toward that end, and my job is to provide the leadership to make that happen. Make no mistake about it, there will be change. It will be swift, it will be focused, and it will be constructive. Efficiency and fiscal integrity within the organization will not be just a concept. It must, in fact, become a reality. We will re-tool our apparatus and re-harness our energies.

The time is now for a new generation to join the NAACP. While we value maturity and experience, we must also learn to cherish youth. Thus, I reach out today to a new generation to join in this effort. And I reach out to the current generation and say to you in the clearest of terms that it's alright to come back home to the NAACP.

We are at the crossroads of tremendous change in our nation. Despite the gains made by African-Americans, racism continues to divide our country and polarize people. We can stand by and watch in the comfort of our own circumstance, or we can step forward and dare to lead.

The NAACP has a long and proud history filled with major accomplishments that have changed forever the America that we know and love. The lives of millions of our citizens who are black, white, Asian, and Hispanic have been made better because of it. Yet, our country is still in desperate need.

In his renowned chronology of the NAACP from 1909 to 1920, Charles Kellogg begins his historical work with the following observation: "In the first decade of the twentieth century few voices were raised in defense of the Negro and his rights as a citizen of the United States. Reactionary attitudes about race had been strengthened. [And] by 1909, the civil rights gained during reconstruction had been severely limited. The prevailing attitudes toward the Negro were reflected in the sensational press, in the hate literature, in the periodicals of the intellectuals, in court decisions

reinterpreting the fourteenth and fifteenth amendments, and in legislation."

Eighty-six years later, in the last decade of the same century, again, few voices are being raised in defense of African-Americans and their rights as citizens of the United States. Reactionary attitudes about race regrettably continue to be strengthened. Civil rights gained during the second reconstruction have now also been severely limited. And, the prevailing attitudes toward minorities are still reflected in the sensational press, in the hate literature, in the periodicals of the intellectuals and in court decisions.

Only a strong, revitalized and focused NAACP can accept the realities that were present in that first decade and readjust to the challenges still present in this last decade.

I look forward to this gift of opportunity to serve in a different but continued public capacity and I thank God Almighty for continuing to bless me.

Mr. HOYER. Mr. Speaker, I rise today to join my colleagues Louis Stokes and Donald Payne in celebration of Black History Month. This special order has now become a time-honored tradition in the House, and I always enjoy participating.

Black History Month is a time of reflection and honor. During Black History Month, we recall and pay tribute to the towering achievements and inspiring contributions that African-Americans have made to this country. It is a time to reflect on the progress we have made as a society based on the constitutional principles of liberty, equality, and justice. It also is a time to assess, as individuals, our personal role and responsibility to our fellow citizens, our children, and our Nation's future.

During Black History Month, we honor those men and women who influenced, shaped, and altered American life, culture, and politics—those who believed in a democracy that would not tolerate prejudice and discrimination, those who fought brutal injustice with the power of moral truth.

We thank those who through their writings and teachings have enabled all of America to know and appreciate the African-American legacy, past struggles and present dreams. We pay tribute to America's sports heroes, such as Arthur Ashe, the great activist and renowned humanitarian, who inspired all Americans with his courage. We honor the scientists and educators, who labored so hard to overcome the racial barriers in our society and proved that America could not afford to squander the talent and knowledge of African-Americans. We recall the words and visions of some of our Nation's most revered ministers and theologians, such as Dr. Martin Luther King, Jr., who braved the wrath of society to change our society to fit the principles it espoused but did not practice.

Black History Month has a broader significance as well. It is a critical prism through which to view America's history overall. Our examination of this history is both painful and shameful, but it is also essential as only in this way can we appreciate the importance of this country's ability to redress past injustices. Only with the awareness of past wrongs can we define our future as one in which the right to live with dignity and freedom from persecution will be accorded all Americans. Only with the knowledge or our heritage and the conviction that we are indeed a Nation of people "endowed by their creator with certain unalienable rights," can we practice the teachings of those whose legacy we remember today.

One of our better teachers, who I would like to honor today is the Honorable Barbara Jordan. She left us just a few short weeks ago but her incredible spirit will remain with us forever.

We all know of her impressive educational, political, and legal background. However, it ease her eloquence and sense of integrity which made her such a gifted leader. She championed opportunity, demanded equality, and vociferously espoused the principles of equal opportunity for all Americans.

There are some in this body who carry with them a "Contract With America." But it was Barbara Jordan who carried in her purse a copy of the U.S. Constitution which we as American legislators all need to uphold. During the historic Watergate hearings, it was Barbara Jordan who said, "My faith in the Constitution is whole, it is complete, it is total, and I am not going to sit here and be an idle spectator to the iminution, the subversion, the destruction of the Constitution." As we celebrate Black History Month, it is my hope that every Member of this body heeds Barbara Jordan's words.

Mr. MARTINI. Mr. Speaker, February has been celebrated as Black History Month since 1976, but the origins of this event date as far back as 1926 to Carter G. Woodson, a noted historian and author. Black History Month is a special month designed to recognize the heritage, contributions, and achievements of African-Americans, and I rise today to recognize and pay tribute to the holistic experiences and culture of African-Americans. Their experiences have contributed so much to this great Nation, and their culture is an inseparable part of American culture.

The 1995 National Black history theme, "Reflections on 1895: Douglass, Du Bois, Washington" causes us to be reflective of the visions and dreams of three men of vigor who tenaciously championed the cause for freedom through vigilant, assertive, non-violent action. These three men personified resolve, dedication, and commitment, and with these characteristics they were able to alter the course of history. Their courage and successes empowered Black Americans. Their memories and accomplishments should empower all Americans.

African-Americans have made great strides in recent years, assuming leadership positions in record numbers, and uniting to address and solve shared problems and ailments and celebrate successes and victories. A great amount of opportunities exist in an increasingly expansive number of fields. African-Americans in the 1990's are finding that mobility and equal opportunity are the norm rather than the exception.

At this time we should look to past and present leaders in the African-American community and heed their cries. Frederick Douglass, the foremost voice in the abolitionist movement of the nineteenth century called for freedom and equality; W.E.B. Du Bois, an editor, scholar, author, and civil rights leader called on Blacks to cultivate their own aesthetic and cultural values; Booker T. Washington, an educator and statesman advocated economic self-sufficiency, self-help, and moral advancement; and Martin Luther King, Jr., a cleric, educator, and recipient of the Nobel Peace prize, led the Civil Rights Movement in the 1950's and 1960's calling for equality. The list is expansive and we must not forget the prolific writings of Alice Walker, Toni Morrison, Richard Wright, and Ralph Ellison; the music of Louis Armstrong, Miles Davis, and Ella Fitzgerald; and the courage and moral rectitude of Rosa Parks.

These men and women have messages for us all. By rediscovering their hopes, aspirations, and successes we can forge ahead and continue where they left off. America is a special country indeed. We are privileged to be the most diversified, democratic country in the world. Our culture as a people is personified by our demographics. Everything that we are is interrelated to our history. Black History Month is not just for African-Americans, rather it is for all Americans. The separate but equal doctrine of the past has been abandoned, and a united and equal doctrine must be ushered in and secured; a nation divided is a nation at risk. The heritage, achievements, trials, tribulations, contributions, and successes of African-Americans should be remembered 365 days a year, not only in February.

Mr. FILNER. Mr. Speaker, I thank both the Congressional Black Caucus for reserving a special order to observe Black History Month, and the gentleman from Maryland [Mr. CARDIN] for reserving a special order yesterday to honor our distinguished colleague, Congressman KWEISI MFUME.

Mr. Speaker, 3 years ago this month, as a freshman Member of Congress, I delivered my first speech on the floor of the House of Representatives in honor of Black History Month. I could not have been more proud to dedicate my first address in this Chamber to the celebration of African-American freedom and accomplishment.

As many of my colleagues know, I have a special link to the African-American struggle for freedom. Some 35 years ago, I rode though Mississippi as a freedom rider and witnessed first-hand the desperate and often brutal attempts to preserve segregation. In that summer of 1961, Mississippi was a war zone. Innocent black Americans were beaten and killed. Angry mobs attacked black men and women at will. Random gunfire contributed to an environment of terror and fear.

I spent several months in a Mississippi State Penitentiary isolation cell as a result of my efforts in the struggle for equality.

We have come a long way since then. Today, African-Americans have more opportunities open to them than ever before. African-Americans attend our Nation's finest schools, are some of America's most successful entrepreneurs, and hold office at the highest levels of state and federal government.

African-American children can base their hopes and dreams on a host of African-American heroes: Dr. Martin Luther King, Jr., Rosa Parks, Thurgood Marshall, Maya Angelou, and many others who have led the fight for equality and justice. But we still have much to accomplish.

Thousands of people whose names do not yield national recognition bravely continue the struggle every day for the rights of African-American. The spirit of Black History Month applies to these local heroes who stand as more than a symbol of success to African-American youth. These are people who offer a helping hand, a smiling face, or a word of encouragement to young African-Americans. These are people who make a personal and direct contribution to the lives of young African-Americans in their communities.

There are many such heroes in California's 50th Congressional District. As the focus of this year's Black History Month is on African-American women, I will mention one who, along with her husband, has made a profound difference in the San Diego community.

Evelyn George of San Diego realized 18 years ago that the money her husband, Aaron, spent on cigarettes could be used on something more constructive. She implored him to give up his smoking habit, and together they transformed their home into a Christmas wonderland for neighborhood children each December—complete with ferris wheels, merry-go-rounds, caroling angels, a nativity scene, and nearly 5,000 holiday lights.

After 18 years, Aaron George has become known as the "Black Santa" of San Diego, handing out more than 2,700 candy canes, signing some 325 autographs, and posing for more than 250 pictures for area children this year alone.

This Christmas was a difficult one for Mr. George. Evelyn, his wife of 42 years, passed away in July. In her honor, Aaron has promised to maintain the display every Christmas, bringing joy to the lives of hundreds of young San Diegans.

There are thousands of other African-Americans in San Diego and across the Nation making unique and positive contributions to their communities. But there is also reason for concern in the African-American community. Division and hatred, always lurking in the depths of interracial relations, have begun to surface again with unprecedented ferocity, threatening the strides that whites and blacks have made together.

No one understands this threat better than Congressman KWEISI MFUME. During his 9 years in Congress, he has emerged as a national leader and advocate for the rights of African-Americans. His leadership abilities were brilliantly displayed during his 2-year term as chairman of the Congressional Black Caucus, a period during which the caucus achieved unprecedented levels of influence.

Individuals of Congressman MFUME's character and intelligence rarely are able to keep their value secret for long. It was to no one's surprise, then, that Congressman MFUME was chosen to be chief executive officer of the NAACP, a proud organization that has fought for the rights of African-Americans since the early part of this century.

The House of Representatives will lose a great leader, an ardent advocate and a brilliant legislator as Congressman MFUME leaves to assume his new responsibility. But our loss is the NAACP's gain. I am confident that Congressman MFUME will make great strides in the advancement of the rights of African-Americans and continue his effort to improve interracial relations throughout the country. These goals are given special significance during the celebration of Black History Month.

Mr. SABO. Mr. Speaker, I rise today to express my strong support for Black History Month. This year we are celebrating African-American women of yesterday, today, and tomorrow. In Minnesota, we are fortunate to have a fine tradition of civic leaders who have dedicated their lives to enriching the lives of others through their selfless contributions. Today, I'd like to recognize three, among many, of the African-American women in Minnesota who have become shining role models for us all.

In its brief history, the State of Minnesota has had many fine leaders who were also African-American women. In 1923, Ethel Ray Nance—1899–1992—was the first black woman hired by the Minnesota Legislature and was the first black police woman in Minnesota. During her long life, Ms. Nance was an activist in several civil rights organizations, including the National Association for Advancement of Colored People [NAACP]. She also served as the director of research for the National Urban League.

In more recent years, Nellie Stone Johnson, who celebrated her 90th birthday in December 1995, has been one of the most outspoken and thoughtful leaders in Minnesota's African-American community. Generations of Minnesotans owe Nellie a great deal for her dedication to community building, to civil rights, and to economic fairness. In the tradition of Hubert Humphrey and Walter Mondale, Nellie Stone Johnson has been rock solid in her commitment to the most vulnerable in our society.

Finally, representing a new generation of African-American women leaders, Minneapolis Mayor Sharon Sayles Belton, elected in 1993, is the first African-American and the first female mayor of Minneapolis. Mayor Sayles Belton began her public service career immediately after college—when as a civil rights worker she traveled to Jackson, MS, to register voters. She later became the first African-American president of the Minneapolis City Council. As mayor, she has continued her efforts to strengthen families and children by focusing on education, crime prevention, and the economic development of neighborhoods in the city.

I am proud to say that these women, and many other African-Americans, have had an important impact on my life and the lives of many Minnesotans. I wish to thank them for their service to the community, the women's movement, and the United States of America. All citizens should be grateful for their accomplishments and endeavors. Mr. Speaker, as we observe Black History Month, I commend Ethel Ray Nance, Nellie Stone Johnson, Mayor Sayles Belton, and all African-Americans for their contributions to our society.

Mrs. COLLINS of Illinois. Mr. Speaker, I rise today to join my colleagues in proud observation of Black History Month and its 1996 theme, "African-American Women: Yesterday, Today, and Tomorrow." I thank the chairman of the Congressional Black Caucus, Congressman PAYNE, and the distinguished gentleman from Ohio, Congressman STOKES, for once again reserving this annual special order.

This year, as we celebrate the vital role which African-American women have played in our Nation's growth and development, I would first like to spend a moment reflecting on the life of one of the most influential of these women who recently passed away, the Honorable Barbara Jordan of Texas.

Having served with Barbara in this House, I can tell you first hand of the tremendous intellect, passion, and presence she commanded. As an untiring, articulate, and outspoken defender of the Constitution and the rights and liberties of all citizens, she was effective in ensuring access to legal services for the poor, advancing consumer protection at the Federal level, and securing a livable minimum wage for all working Americans among other numerous achievements.

Morton Dean of ABC News summed up the overwhelming impact Barbara Jordan had on American society when he said, "Where she walked, barriers fell, historic barriers against blacks and women in politics. When she talked hearts swelled, awakened to America's potential." We will all miss her deeply.

But before Barbara Jordan, Mr. Speaker, there were other African-American heroines who blazed a path of opportunity for her, and there will be many more who will come after. It is each and every one of these women that we also honor today.

We all know of Hattie McDaniel, the first African-American to win an Academy Award for her role in "Gone with the Wind" in 1939. Her breakthrough performance opened the door for other black actresses and performers such as Lena Horne, Cicely Tyson, Whoopi Goldberg, and Angela Basset to showcase their talents and skills on both the American and world stage and screen.

Nor can we forget in the field of literature the incredible poetry of Phillis Wheatley and Maya Angelou, novels of Toni Morrison and Alice Walker, and writings of Jean Toomer and June Jordan. These African-American authors have lifted our spirits, our hopes, and our dreams with their thoughtful words and honest reflections.

From inspirational words stem inspirational music and we would be remiss not to mention the incredible jazz vocals of "The First Lady of Song," Ella Fitzgerald, or the deep rhythm and blues notes belted out by "The Queen of Soul," Aretha Franklin. What about Billie Holiday, Mahalia Jackson, Sarah Vaughan, and Dinah Washington?—each of them being an exceptional African-American female artist of the modern era.

In the world of sports, black women have as role models the outstanding track and field star Jackie Joyner-Kersee, holder of the world record in the heptathlon and winner of four Olympic medals in this event as well as Althea Gibson, the first African-American tennis player to participate in and win a championship at Wimbledon.

I could go on and on for hours Mr. Speaker, elaborating on the lives of courageous abolitionists Sojourner Truth and Harriet Tubman, the great civil rights activists Rosa Parks and Fannie Lou Hamer, and such deft legislators as Shirley Chisolm and, as I have mentioned, Barbara Jordan. As you can see, African-American women have an exceptionally rich history of contributions to this country, from

the arts and athletics to politics and our overall social progress. It is therefore only fitting that this year's observance of Black History Month recognizes and heralds the many accomplished and talented among us, before us, and those yet to come.

Again, I thank my distinguished colleagues for this special order and yield back the balance of my time.

RECESS

The SPEAKER pro tempore (Mr. METCALF). Pursuant to clause 12 of rule I, the House stands in recess subject to the call of the Chair.

Accordingly (at 10 o'clock and 38 minutes p.m.), the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. METCALF) at 12 o'clock and 1 minute a.m.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. SEASTRAND (at the request of Mr. ARMEY) after 4:30 p.m. today and for the balance of the week on account of illness in the family.

Mr. RADANOVICH (at the request of Mr. ARMEY) after 4:30 p.m. today on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MILLER of California) to revise and extend their remarks and include extraneous material:)

Mr. VOLKMER, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. UNDERWOOD, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mr. TOWNS, for 5 minutes, today.

Mrs. CLAYTON, for 5 minutes, today.

Mr. MILLER of California, for 5 minutes, today.

Mrs. MALONEY, for 5 minutes, today.

Mr. WISE, for 5 minutes, today.

(The following Members (at the request of Mr. BEREUTER) to revise and extend their remarks and include extraneous material:)

Mr. TIAHRT, for 5 minutes, today.

Mr. SMITH of Michigan, for 5 minutes, today.

Mr. BEREUTER, for 5 minutes, today.

Mr. CHAMBLISS, for 5 minutes, today.

(The following Member (at her own request) to revise and extend her remarks and include extraneous material:)

Ms. PELOSI, for 5 minutes, today.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight, reported that that committee did on the following days present to the President, for his approval, bills of the House of the following title:

On January 31:

H.R. 2029. An act to amend the Farm Credit Act of 1971 to provide regulatory relief, and for other purposes.

H.R. 2111. An act to designate the Federal building located at 1221 Nevin Avenue in Richmond, CA, as the "Frank Hagel Federal Building".

H.R. 2726. An act to make certain technical corrections in laws relating to Native Americans, and for other purposes.

H.R. 1868. An act making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1996, and for other purposes.

On February 1:

H.R. 2353. An act to amend title 38, United States Code, to extend the authority of the Secretary of Veterans Affairs to carry out certain reports from the Secretary of Veterans Affairs, and for other purposes.

ADJOURNMENT

The SPEAKER pro tempore (Mr. METCALF). Without objection and pursuant to an earlier order, the House stands adjourned.

Accordingly (at 12 o'clock and 2 minutes a.m.), under its previous order, the House adjourned until Tuesday, February 6, 1996, at 8 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1997. A letter from the Chairman, Panama Canal Commission, transmitting the Commission's report, including unaudited financial statements, covering the operations of the Panama Canal during fiscal year 1995, pursuant to 22 U.S.C. 3722; to the Committee on National Security.

1998. A letter from the Acting President and Chairman, Export-Import Bank of the United States, transmitting the semiannual report on tied aid credits, pursuant to Public Law 99-472, section 19 (100 Stat. 1207); to the Committee on Banking and Financial Services.

1999. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning a technology base research and development project with the Netherlands (Transmittal No. 04-96), pursuant to 22 U.S.C. 2767(f); to the Committee on International Relations.

2000. A letter from the Director, Defense Security Assistant Agency, transmitting notification concerning a cooperative project to conduct a 12-month feasibility study to investigate and define a standard submarine rescue system (Transmittal No. 03-96), pursuant to 22 U.S.C. 2767(f); to the Committee on International Relations.

2001. A letter from the Director, Defense Security Assistance Agency, transmitting a report of those foreign military sales customers with approved cash flow financing in excess of $100 million as of October 1, 1995, pursuant to 22 U.S.C. 2765(a); to the Committee on International Relations.

2002. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance [LOA] to the United Kingdom for defense articles and services (Transmittal No. 96-21), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

2003. A letter from the Director, Defense Security Assistance Agency, transmitting a report containing an analysis and description of services performed by full-time U.S. Government employees during fiscal year 1995 who are performing services for which reimbursement is provided under section 21(a) or section 43(b), pursuant to section 25(a)(6) of the Arms Export Control Act; to the Committee on International Relations.

2004. A letter from the Director, Defense Security Assistance Agency, transmitting a report containing the status of loans and guarantees issued under the Arms Export Control Act, pursuant to section 25(a)(11) of the Arms Export Control Act; to the Committee on International Relations.

2005. A letter from the Auditor, District of Columbia, transmitting a copy of a report entitled, "Review and Analysis of the District's Accounts Receivable," pursuant to D.C. Codes, section 47-117(d); to the Committee on Government Reform and Oversight.

2006. A letter from the Chairman, Advisory Commission on Intergovernmental Relations, transmitting the Commission's 37th annual report of the Advisory Commission on Intergovernmental Relations, pursuant to 42 U.S.C. 4275(3); to the Committee on Government Reform and Oversight.

2007. A letter from the Comptroller General of the United States, transmitting the list of all reports issued or released in November 1995, pursuant to 31 U.S.C. 719(h); to the Committee on Government Reform and Oversight.

2008. A letter from the Chairman, Consumer Product Safety Commission, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1995, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

2009. A letter from the Secretary, Mississippi River Commission, Department of the Army, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act for the Mississippi River Commission during the calendar year 1995, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Reform and Oversight.

2010. A letter from the Director, United States Arms Control and Disarmament Agency, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1995, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

2011. A letter from the Assistant Attorney General, transmitting a draft of proposed legislation entitled the "Federal Debt Collection Procedures Improvements Act of 1995"; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GOSS: Committee on Rules. House Resolution 355. Resolution providing for consideration of the bill (H.R. 2924) to guarantee the timely payment of Social Security benefits in March 1996 (Rept. 104–460). Referred to the House Calendar.

Mr. LEACH: Committee on Banking and Financial Services. H.R. 2406. A bill to repeal the United States Housing Act of 1937, deregulate the public housing program and the program for rental housing assistance for low-income families, and increase community control over such programs, and for other purposes; with an amendment (Rept. 104–461). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARCHER (for himself, Mr. CRANE, Mr. THOMAS, Mr. SHAW, Mrs. JOHNSON of Connecticut, Mr. BUNNING of Kentucky, Mr. HOUGHTON, Mr. HERGER, Mr. MCCRERY, Mr. HANCOCK, Mr. CAMP, Mr. RAMSTAD, Mr. ZIMMER, Mr. NUSSLE, Mr. SAM JOHNSON, Ms. DUNN of Washington, Mr. COLLINS of Georgia, Mr. PORTMAN, Mr. HAYES, Mr. LAUGHLIN, Mr. ENGLISH of Pennsylvania, Mr. ENSIGN, and Mr. CHRISTENSEN):

H.R. 2924. A bill to guarantee the timely payment of Social Security benefits in March 1996; to the Committee on Ways and Means.

By Mr. HYDE (for himself, Mr. ARCHER, Mr. WELDON of Florida, Mr. MCCOLLUM, Mr. GEKAS, Mr. COBLE, Mr. SMITH of Texas, Mr. HASTERT, Mr. SCHIFF, Mr. THOMAS, Mr. CANADY, Mr. INGLIS of South Carolina, Mr. GOODLATTE, Mr. BOUCHER, Mr. CRANE, Mr. SHAW, Mrs. JOHNSON of Connecticut, Mr. MCCRERY, Mr. CAMP, Mr. CAMPBELL, Mr. SAM JOHNSON, Mr. CHRISTENSEN, Mr. GANSKE, Mr. LIPINSKI, and Mr. HANCOCK):

H.R. 2925. A bill to modify the application of the antitrust laws to health care provider networks that provide health care services; and for other purposes; to the Committee on the Judiciary.

By Mr. EWING (for himself, Mr. DREIER, Mr. KOLBE, Mr. KNOLLENBERG, and Mr. MANZULLO):

H.R. 2926. A bill to extend nondiscriminatory treatment (most-favored-nation treatment) to the products of certain nonmarket economy countries; to the Committee on Ways and Means.

By Mr. BILBRAY (for himself, Mr. HUNTER, Mr. PACKARD, Mr. CUNNINGHAM, and Mr. FILNER):

H.R. 2927. A bill to amend the Fair Housing Act regarding local and State laws and regulations governing residential care facilities; to the Committee on the Judiciary.

By Mr. NEUMANN:

H.R. 2928. A bill to amend title II of the Social Security Act to ensure the integrity of the Social Security trust funds by requiring the managing trustee to invest the annual surplus of such trust funds in marketable interest-bearing obligations of the United States and certificates of deposit in depository institutions insured by the Federal Deposit Insurance Corporation, and to protect such trust funds from the public debt limit; to the Committee on Ways and Means.

By Mr. MARKEY:

H.R. 2929. A bill to amend title I of the Public Utility Regulatory Policies Act of 1978 to deregulate the electric power industry; to the Committee on Commerce, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. NEUMANN:

H.R. 2930. A bill to amend title II of the Social Security Act to provide for an improved benefit computation formula for workers who attain age 65 in or after 1982 by providing a new 10-year rule governing the transition to the changes in benefit computation rules enacted in the Social Security amendments of 1977, and related beneficiaries and to provide prospectively for increases in their benefits accordingly, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. LUTHER:

H.R. 2931. A bill to amend title 10, United States Code, to expand the procurement program under which the Department of Defense assists State and local governments to purchase equipment suitable for counterdrug activities to include the purchase of any law enforcement equipment to the Committee on National Security.

By Mr. BURR (for himself, Mr. COBURN, Mr. STENHOLM, Mr. UPTON, Mr. BREWSTER, Mr. BILBRAY, Mrs. LINCOLN, and Mr. HEINEMAN):

H.R. 2932. A bill to amend the Federal Food, Drug, and Cosmetic Act to revise the requirements of that act relating to the dissemination of scientific information on drugs; to the Committee on Commerce.

By Mr. BALDACCI (for himself, Mr. LAFALCE, Mr. HILLIARD, Mr. SISISKY, Mrs. CLAYTON, Mr. MEEHAN, Mr. BENTSEN, and Mr. FLAKE):

H.R. 2933. A bill to amend the Small Business Act concerning the level of participation by the Small Business Administration in loans guaranteed under the Export Working Capital Program; to the Committee on Small Business.

By Mr. BLUTE:

H.R. 2934. A bill to eliminate certain Federal programs and subsidies; to the Committee on Ways and Means, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BUNN of Oregon (for himself, Mr. WHITE, Ms. DUNN of Washington, and Mr. YOUNG of Alaska):

H.R. 2935. A bill to amend title 28, United States Code, to divide the Ninth Judicial Circuit of the United States into two circuits, and for other purposes; to the Committee on the Judiciary.

By Mr. CHAPMAN:

H.R. 2936. A bill to provide that if a member nation of the North Atlantic Treaty Organization, the Republic of Korea, or Japan does not agree, by the end of fiscal year 1997, to contribute to the United States for each fiscal year an amount equal to the full direct costs to the United States of United States military forces permanently stationed ashore in that country for that fiscal year, all such United States forces assigned in that country shall be withdrawn not later than the end of fiscal year 1999 and to provide that the amount of all such contributions and the amount of savings from such withdrawals shall be deposited in the Federal Hospital Insurance Trust Fund; to the Committee on International Relations, and in addition to the Committees on National Security, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CLINGER (for himself, Mr. ARMEY, Mr. DELAY, Mr. WALKER, Mr. BURTON of Indiana, Mr. DAVIS, Mr. FOX, Mr. HASTERT, Mr. SCHIFF, Mr. BLUTE, Mr. LATOURETTE, Mr. FRANK of Massachusetts, Mrs. MORELLA, Mrs. VUCANOVICH, Mr. BALLENGER, and Mr. EHRLICH):

H.R. 2937. A bill for the reimbursement of legal expenses and related fees incurred by former employees of the White House Travel Office with respect to the termination of their employment in that Office on May 19, 1993; to the Committee on the Judiciary.

By Mr. GOODLATTE (for himself, Mr. MOORHEAD, Mr. MCCOLLUM, Mr. SMITH of Texas, Mr. HOKE, and Mr. BRYANT of Tennessee):

H.R. 2938. A bill to encourage the furnishing of health care services to low-income individuals by exempting health care professionals from liability for negligence for certain health care services provided without charge except in cases of gross negligence or willful misconduct, and for other purposes; to the Committee on the Judiciary.

By Mr. GUNDERSON (for himself and Mr. BEREUTER):

H.R. 2939. A bill to direct the Secretary of the Interior to conduct a pilot test of the Mississippi Interstate Cooperative Resource Agreement; to the Committee on Resources.

By Mr. HAYES (for himself, Mr. TAUZIN, Mr. BAKER of Louisiana, Mr. JEFFERSON, and Mr. MCCRERY):

H.R. 2940. A bill to amend the Deepwater Port Act of 1974; to the Committee on Transportation and Infrastructure, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HEFLEY:

H.R. 2941. A bill to improve the quantity and quality of the quarters of land management agency field employees, and for other purposes; to the Committee on Resources, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. JOHNSON of South Dakota:

H.R. 2942. A bill to amend the Railroad Retirement Act of 1974 to prevent the canceling of annuities to certain divorced spouses of workers whose widows elect to receive lump-sum payments; to the Committee on Transportation and Infrastructure.

By Mr. JOHNSON of South Dakota (for himself and Mr. SKEEN):

H.R. 2943. A bill to provide for the collection of fossils on Federal lands, and for other purposes; to the Committee on Resources, and in addition to the Committees on Agriculture, and Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. MALONEY:

H.R. 2944. A bill to reform the financing of Federal elections, and for other purposes; to the Committee on House Oversight, and in addition to the Committees on Commerce, the Judiciary, Government Reform and Oversight, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MILLER of California:

H.R. 2945. A bill to limit the provision of assistance to the Government of Mexico using the exchange stabilization fund established pursuant to section 5302 of title 31, United States Code, and for other purpose; to the Committee on Banking and Financial Services.

H.R. 2946. A bill to provide that applications by Mexican motor carriers of property for authority to provide service across the United States-Mexico international boundary line and by persons of Mexico who establish enterprises in the United States seeking to distribute international cargo in the United States shall not be approved until certain certifications are made to the Congress by the President and the Secretary of Transportation, and for other purposes; to the Committee on Transportation and Infrastructure.

H.R. 2947. A bill expressing the sense of the House of Representatives regarding the failure of Mexico to cooperate with the United States in controlling the transport of illegal drugs and controlled substances and the denial of certain assistance to Mexico as a result of that failure; to the Committee on International Relations, and in addition to the Committee on Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. MINK of Hawaii:

H.R. 2948. A bill to increase the amount authorized to be appropriated for additions to Haleakala National Park; to the Committee on Resources.

By Ms. MOLINARI:

H.R. 2949. A bill to strengthen Federal law with respect to the prohibitions against and penalties for acts which sabotage or otherwise threaten the safety of rail Transportation and mass transit; to the Committee on transportation and Infrastructure, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. NETHERCUTT (for himself, Mr. MCHUGH, Mr. COOLEY, Mr. HASTINGS of Washington, Mrs. CHENOWETH, and Mr. JOHNSON of South Dakota):

H.R. 2950. A bill to preserve and strengthen the Foreign Market Development Cooperator Program of the Department of Agriculture, and for other purposes; to the Committee on Agriculture.

By Mr. PETRI:

H.R. 2951. A bill to protect United States taxpayers by preventing the use of Federal funds for construction of a dam on the American River at Auburn, CA; to the Committee on Resources, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. PORTER (for himself, Mr. SHAYS, Mr. CALVERT, Mr. MANZULLO, and Mr. PETRI):

H.R. 2952. A bill to amend the Internal Revenue Code of 1986 and title II of the Social Security Act to reduce Social Security taxes, to reduce old-age insurance benefits by a corresponding amount, and to provide for the establishment of individual Social Security retirement accounts funded by payroll deductions and employer contributions equal to the amount of the tax reduction; to the Committee on Ways and Means, and in addition to the Committee on Economic and Educational Opportunities, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. PORTER (for himself and Mr. INGLIS of South Carolina):

H.R. 2953. A bill to amend the Internal Revenue Code of 1986 and the Social Security Act to provide for personal investment plans funded by employee Social Security payroll deductions; to the Committee on Ways and Means, and in addition to the Committee on Economic and Educational Opportunities, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ROYCE:

H.R. 2954. A bill to amend title 18, United States Code, to provide Federal penalties for stalking; to the Committee on the Judiciary.

By Mr. SHADEGG:

H.R. 2955. A bill to stop abuse of Federal collateral remedies; to the Committee on the Judiciary.

By Mr. STUDDS:

H.R. 2956. A bill to amend the Interjurisdictional Fisheries Act of 1986 to authorize the provision of certain disaster assistance to commercial fishermen through State and local government agencies and nonprofit organizations, and for other purposes; to the Committee on Resources.

H.R. 2957. A bill to deauthorize a portion of the navigation project for Weymouth-Fore and Town Rivers, MA; to the Committee on Transportation and Infrastructure.

By Mr. STUPAK:

H.R. 2958. A bill to authorize the Secretary of the Interior to make appropriate improvements to a county road located in the Pictured Rocks National Lakeshore, and to prohibit construction of a scenic shoreline drive in that national lakeshore; to the Committee on Resources.

By Mr. TORKILDSEN (for himself, Ms. HARMAN, Mr. DELLUMS, Mrs. MORELLA, Mr. SHAYS, Mr. GUNDERSON, Mr. STUDDS, Mr. CAMPBELL, Mr. WARD, Ms. DELAURO, Mr. BOEHLERT, Mr. BILBRAY, Mr. GILMAN, Ms. PELOSI, Mr. ABERCROMBIE, Mr. MEEHAN, Mrs. MALONEY, Mr. SABO, Mr. YATES, Mr. GUTIERREZ, Mr. MARKEY, Mr. MILLER of California, Mr. FARR, Mr. WAXMAN, Mr. DEUTSCH, Ms. WATERS, Ms. RIVERS, Mr. MATSUI, Mr. BROWN of California, Mr. ACKERMAN, Ms. FURSE, Mrs. SCHROEDER, Mr. DEFAZIO, Mr. MARTINEZ, Mr. EVANS, Mr. BERMAN, Mr. FRANK of Massachusetts, Mr. HINCHEY, Ms. SLAUGHTER, Mr. NADLER, Mr. OLVER, Mr. STARK, Mr. KENNEDY of Massachusetts, Mr. GEJDENSON, and Mr. KENNEDY of Rhode Island):

H.R. 2959. A bill to repeal the requirement enacted in the National Defense Authorization Act for fiscal year 1996 for the mandatory discharge or retirement of any member of the Armed Forces who is HIV positive; to the Committee on National Security.

By Mr. ZIMMER (for himself and Mr. BLUTE):

H.R. 2960. A bill to amend the Internal Revenue Code of 1986 to provide that amounts derived from Federal grants in connection with revolving funds established in accordance with the Federal Water Pollution Control Act will not be treated as investment property for purposes of section 148 of such Code; to the Committee on Ways and Means.

By Mr. BARTON of Texas (for himself, Mr. PETE GEREN of Texas, Mr. SHADEGG, Mr. HALL of Texas, Mr. SAXTON, Mr. ALLARD, Mr. ANDREWS, Mr. ARMEY, Mr. BACHUS, Mr. BAKER of California, Mr. BAKER of Louisiana, Mr. BALLENGER, Mr. BARR, Mr. BARRETT of Nebraska, Mr BARTLETT of Maryland, Mr. BLILEY, Mr. BOEHNER, Mr. BONILLA, Mr. BROWNBACK, Mr. BRYANT of Tennessee, Mr. BUNN of Oregon, Mr. BUNNING of Kentucky, Mr. BURR, Mr. BURTON of Indiana, Mr. CALLAHAN, Mr. CALVERT, Mr. CAMP, Mr. CHABOT, Mr. CHAMBLISS, Mrs. CHENOWETH, Mr. CHRISTENSEN, Mr. CHRYSLER, Mr. COBLE, Mr. COBURN, Mr. COLLINS of Georgia, Mr. COMBEST, Mr. COOLEY, Mr. COX, Mr. CRANE, Mr. CREMEANS, Mrs. CUBIN, Mr. CUNNINGHAM, Mr. DEAL of Georgia, Mr. DICKEY, Mr. DOOLITTLE, Mr. DORNAN, Mr. DUNCAN, Ms. DUNN of Washington, Mr. EMERSON, Mr. ENGLISH of Pennsylvania, Mr. ENSIGN, Mr. FOLEY, Mr. FORBES, Mrs. FOWLER, Mr. FOX, Mr. FRANKS of New Jersey, Mr. FRANKS of Connecticut, Mr. FRELINGHUYSEN, Mr. FRISA, Mr. FUNDERBURK, Mr. GANSKE, Mr. GILMAN, Mr. GOODLING, Mr. GOSS, Mr. GRAHAM, Mr. GREENWOOD, Mr. GUTKNECHT, Mr. HANCOCK, Mr. HANSEN, Mr. HASTERT, Mr. HASTINGS of Washington, Mr. HAYES, Mr. HAYWORTH, Mr. HEFLEY, Mr. HEINEMAN, Mr. HERGER, Mr. HILLEARY, Mr. HORN, Mr. HUNTER, Mr. HUTCHINSON, Mr. INGLIS of South Carolina, Mr. ISTOOK, Mr. SAM JOHNSON, Mr. JONES, Mrs. KELLY, Mr. KING, Mr. KINGSTON, Mr. KLUG, Mr. KNOLLENBERG, Mr. KOLBE, Mr. LARGENT, Mr. LATHAM, Mr. LAUGHLIN, Mr. LEWIS of Kentucky, Mr. LIGHTFOOT, Mr. LINDER, Mr. LOBIONDO, Mr. LUCAS, Mr. MANZULLO, Mr. MARTINI, Mr. MCCOLLUM, Mr. MCCRERY, Mr. MCHUGH, Mr. MCINNIS, Mr. MCINTOSH, Mr. MCKEON, Mr. METCALF, Mr. MICA Mr. MILLER of Florida, Mrs. MYRICK, Mr. NEUMANN, Mr. NEY, Mr. NORWOOD, Mr. PACKARD, Mr. PARKER, Mr. PAXON, Mr. QUILLEN, Mr. QUINN, Mr. RADANOVICH, Mr. RAMSTAD, Mr. RIGGS, Mr. ROBERTS, Mr. ROHRABACHER, Mr. ROYCE, Mr. SALMON, Mr. SANFORD, Mr. SCARBOROUGH, Mr. SCHAEFER, Mrs. SEASTRAND, Mr. SENSENBRENNER, Mr. SKEEN, Mr. SMITH of Texas, Mrs. SMITH of Washington, Mr. SOLOMON, Mr. SOUDER, Mr. SPENCE, Mr. STEARNS, Mr. STOCKMAN, Mr. STUMP, Mr. TALENT, Mr. TATE, Mr. TAUZIN, Mr. TAYLOR of North Carolina, Mr. THORNBERRY, Mr. TIAHRT, Mr. TORKILDSEN, Mr. UPTON, Mrs. WALDHOLTZ, Mr. WAMP, Mr. WATTS of Oklahoma, Mr. WELDON of Florida, Mr. WELDON of Pennsylvania, Mr. WELLER, Mr. WICKER, Mr. YOUNG of Alaska, and Mr. ZELIFF:

H.J. Res. 159. Joint resolution proposing an amendment to the Constitution of the

United States to require two-thirds majorities for bills increasing taxes; to the Committee on the Judiciary.

By Mr. SOLOMON:

H. Con. Res. 141. Concurrent resolution providing for the adjournment of the two Houses; considered and agreed to.

By Mr. BEREUTER (for himself, Mr. GILMAN, Mr. GEJDENSON, Mr. HASTINGS of Florida, Mr. HOUGHTON, and Mr. PAYNE of New Jersey):

H. Con. Res. 142. Concurrent resolution regarding the human rights situation in Mauritania, including the continued practice of chattel slavery; to the Committee on International Relations.

By Mr. DOYLE (for himself, Mr. GRAHAM, Mr. MASCARA, Mr. LARGENT, Mr. HOLDEN, Mr. MCHALE, Mr. KANJORSKI, Mr. FATTAH, Mr. BORSKI, and Mr. KLINK):

H. Con. Res. 143. Concurrent resolution expressing the sense of the Congress that the President should award a medal of honor to Wayne T. Alderson in recognition of acts performed at the risk of his life and beyond the call of duty while serving in the U.S. Army during World War II; to the Committee on National Security.

By Mr. SAWYER (for himself, Mr. BONIOR, Mr. CLAY, Mr. ABERCROMBIE, Mr. ACKERMAN, Mr. BAESLER, Mr. BALDACCI, Mr. BARCIA of Michigan, Mr. BECERRA, Mr. BEILENSON, Mr. BENTSEN, Mr. BEVILL, Mr. BISHOP, Mr. BORSKI, Mr. BREWSTER, Ms. BROWN of Florida, Mr. BROWN of California, Mr. BROWN of Ohio, Mr. CARDIN, Mr. CHAPMAN, Mrs. CLAYTON, Mr. CLEMENT, Mr. CLYBURN, Miss COLLINS of Michigan, Mrs. COLLINS of Illinois, Mr. COLEMAN, Mr. CONDIT, Mr. COYNE, Ms. DANNER, Mr. DEFAZIO, Ms. DELAURO, Mr. DINGELL, Mr. DIXON, Mr. DOGGETT, Mr. ENGEL, Ms. ESHOO, Mr. EVANS, Mr. FALEOMAVAEGA, Mr. FARR, Mr. FATTAH, Mr. FAZIO of California, Mr. FORD, Mr. FRANK of Massachusetts, Mr. FRAZER, Mr. FROST, Ms. FURSE, Mr. GEJDENSON, Mr. PETE GEREN of Texas, Mr. GIBBONS, Mr. GENE GREEN of Texas, Mr. GUTIERREZ, Ms. HARMAN, Mr. HASTINGS of Florida, Mr. HEFNER, Mr. HILLIARD, Mr. HINCHEY, Mr. HOLDEN, Mr. HOUGHTON, Mr. HOYER, Mr. JACKSON, Ms. JACKSON-LEE, Mr. JACOBS, Mr. JEFFERSON, Mr. JOHNSON of South Dakota, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. JOHNSTON of Florida, Mr. KENNEDY of Massachusetts, Mr. KENNEDY of Rhode Island, Mrs. KENNELLY, Mr. KILDEE, Mr. KLINK, Mr. LEVIN, Mr. LEWIS of Georgia, Mrs. LINCOLN, Mr. LIPINSKI, Ms. LOFGREN, Mr. MCDERMOTT, Ms. MCKINNEY, Mr. MARKEY, Mr. MARTINEZ, Mr. MATSUI, Mr. MEEHAN, Mrs. MEEK of Florida, Mr. MILLER of California, Mr. MINGE, Mrs. MINK of Hawaii, Mr. MOAKLEY, Mr. MORAN, Ms. NORTON, Mr. OBERSTAR, Mr. OLVER, Mr. ORTIZ, Mr. ORTON, Mr. OWENS, Mr. PASTOR, Mr. PAYNE of New Jersey, Mr. PAYNE of Virginia, Ms. PELOSI, Mr. PETERSON of Minnesota, Mr. PETERSON of Florida, Mr. PICKETT, Mr. POSHARD, Mr. RAHALL, Mr. REED, Mr. ROEMER, Mr. ROMERO-BARCELO, Ms. ROYBAL-ALLARD, Mr. RUSH, Mr. SABO, Mr. SANDERS, Mr. SCOTT, Mr. SERRANO, Mr. SKAGGS, Ms. SLAUGHTER, Mr. STARK, Mr. STENHOLM, Mr. STOKES, Mr. STUDDS, Mr. STUPAK, Mr. TANNER, Mr. THOMPSON, Mrs. THURMAN, Mr. TRAFICANT, Mr. UNDERWOOD, Ms. VELAZQUEZ, Mr. VENTO, Ms. WATERS, Mr. WATT of North Carolina, Mr. WAXMAN, Mr. WILLIAMS, Mr. WISE, Ms. WOOLSEY, Mr. WYNN, Ms. MCCARTHY, Mr. LUTHER, Mr. COSTELLO, Mr. SPRATT, Mr. CRAMER, Mr. TORRES, Mr. NADLER, Mr. MENENDEZ,. Mr. BOUCHER, Ms. RIVERS, Mr. DOOLEY, Mr. VOLKMER, Mr. MURTHA, Mr. POMEROY, Mr. NEAL of Massachusetts, Mr. TORRICELLI, Mr. WARD, Mr. GONZALEZ, Mr. DICKS, Mr. SKELTON, Mr. FLAKE, Mr. MCNULTY, Mr. DURBIN, Mr. MOLLOHAN, Mr. KANJORSKI, Mr. TOWNS, Mr. MASCARA, Mr. MONTGOMERY, Mr. HALL of Texas, Mr. DE LA GARZA, Mr. FIELDS of Louisiana, Mr. TAYLOR of Mississippi, Mr. OBEY, Mr. EDWARDS, Mr. DEUTSCH, and Mr. BROWDER):

H. Con. Res. 144. Concurrent resolution expressing the sense of the Congress with regard to the amount that should be appropriated for fiscal year 1996 for federally assisted education programs and activities; to the Committee on Economic and Education Opportunities.

By Mr. SMITH of New Jersey (for himself, Mr. WOLF, Mr. SOLOMON, Mr. HOYER, and Mr. DURBIN):

H. Con. Res. 145. Concurrent resolution conerning the removal of Russian Armed Forces from Moldova; to the Committee on International Relations.

By Mr. GEPHARDT:

H. Res. 356. Resolution to protect the creditworthiness of the United States and avoid default of the United States Government; to the Committee on Rules.

By Mr. ARMEY:

H. Res. 357. Resolution electing Representative MARK W. NEUMANN of Wisconsin to the Committee on the Budget; considered and agreed to.

By Mr. DURBIN (for himself, Mrs. MORELLA, Mr. DAVIS, and Mr. LUTHER):

H. Res. 358. Resolution amending the Rules of the House of Representatives to postpone final House action on legislative branch appropriations for any fiscal year until all other regular appropriations for that fiscal year are enacted into law; to the Committee on Rules.

By Mrs. MORELLA (for herself, Mrs. LOWEY, Mr. MORAN, Mr. SCHAEFER, Mr. MCDERMOTT, Mr. BROWN of California, Mr. HOKE, Mr. SERRANO, Mr. GENE GREEN of Texas, Mr. OWENS, Mr. FOX, Mr. FRANK of Massachusetts, Mr. TORRES, Mr. BRYANT of Texas, Mr. VISCLOSKY, Mr. JOHNSTON of Florida, Mr. MANTON, Mr. UNDERWOOD, Mr. LAFALCE, Mr. CUNNINGHAM, Ms. LOFGREN, Mr. WILSON, Mr. THOMPSON, Mr. GEJDENSON, Ms. NORTON, Mr. FILNER, Mr. OBERSTAR, Mr. LIPINSKI, Mr. FROST, Mr. ROMERO-BARCELO, Mr. NADLER, Ms. PELOSI, Mr. BERMAN, Mr. WARD, Mr. REED, Mr. KENNEDY of Massachusetts, Mr. BONIOR, and Mr. FOLEY):

H. Res. 359. Resolution recognizing and supporting the efforts of the U.S. Soccer Federation to bring the 1999 Women's World Cup tournament to the United States; to the Committee on International Relations.

By Mr. VENTO (for himself, Mr. SCHUMER, Mr. KANJORSKI, Mr. LAFALCE, Mr. FLAKE, Mr. KENNEDY of Massachusetts, Ms. VELAZQUEZ, Mrs. MALONEY, Mr. GUTIERREZ, Mr. WATT of North Carolina, Mr. ACKERMAN, Mr. BARRETT of Wisconsin, Mr. BENTSEN, and Mr. FRANK of Massachusetts):

H. Res. 360. Resolution affirming the support of the House of Representatives for the preservation of the integrity of the full faith and credit of the United States of America; to the Committee on Ways and Means.

By Mr. ZIMMER:

H. Res. 361. Resolution amending the Rules of the House of Representatives to prohibit foreign travel by a retiring Member; to the Committee on Rules.

By Mr. MILLER of California:

H. Res. 362. Resolution expressing the sense of the House of Representatives regarding the failure of Mexico to cooperate with the United States in controlling the transport of illegal drugs and controlled substances and the denial of certain assistance to Mexico as a result of that failure; to the Committee on International Relations, and in addition to the Committee on Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. DOYLE introduced a bill (H.R. 2961) for the relief of Wayne T. Alderson; which was referred to the Committee on National Security.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 65: Mr. WALSH.
H.R. 103: Mr. BLILEY.
H.R. 109: Mr. WISE.
H.R. 134: Mr. ZELIFF.
H.R. 135: Mr. ZELIFF.
H.R. 136: Mr. ZELIFF.
H.R. 138: Mr. ZELIFF.
H.R. 141: Mr. ZELIFF.
H.R. 143: Mr. ZELIFF.
H.R. 218: Mr. TATE.
H.R. 248: Mr. LEACH.
H.R. 303: Mr. WALSH.
H.R. 519: Mr. COX.
H.R. 528: Mr. OWENS and Mr. CONDIT.
H.R. 580: Mr. WISE.
H.R. 878: Mr. LEWIS of Kentucky, Mr. ENGLISH of Pennsylvania, Mr. WARD, MR. QUILLEN, Mr. TORRICELLI, Mr. ROSE, Mr. GUTIERREZ, Mrs. KELLY, and Mr. DURBIN.
H.R. 958: Ms. MCKINNEY and Mr. NADLER.
H.R. 995: Mr. SAM JOHNSON.
H.R. 1090: Mr. WISE.
H.R. 1169: Mr. GEJDENSON.
H.R. 1500: Mr. MCNULTY.
H.R. 1621: Mr. BARRETT of Wisconsin and Mr. SMITH of New Jersey.
H.R. 1684: Mr. OBERSTAR, Mr. THORNTON, Mr. ENSIGN, Mr. SOLOMON, and Mr. PORTER.
H.R. 1711: Mr. HEFLEY.
H.R. 1733: Mr. FARR.
H.R. 1805: Mr. WARD, Mr. ROSE, Mr. MENENDEZ, and Mr. QUILLEN.
H.R. 1889: Mr. JOHNSTON of Florida, Mr. RUSH, and Mr. CLEMENT.
H.R. 1920: Mr. HOKE and Mr. LAFALCE.
H.R. 1950: Mr. FRANK of Massachusetts.
H.R. 1972: Mr. OXLEY, Mr. JOHNSON of South Dakota, Mr. CAMPBELL, Mr. ISTOOK, and Mrs. FOWLER.

H.R. 2011: Mr. HINCHEY.
H.R. 2209: Mr. OXLEY and Mr. GEKAS.
H.R. 2214: Ms. WOOLSEY.
H.R. 2270: Mr. SKEEN and Mr. CRANE.
H.R. 2281: Mrs. THURMAN.
H.R. 2416: Mr. HASTINGS of Florida.
H.R. 2421: Mrs. LOWEY, Mr. MEEHAN, Mr. MOAKLEY, and Mr. OLVER.
H.R. 2434: Mr. GENE GREEN of Texas, Mr. LAUGHLIN, Mr. POMEROY, Mr. BREWSTER, Mr. HEFLEY, Mr. FROST, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. LEWIS of Georgia, and Mr. ABERCROMBIE.
H.R. 2441: Mr. BURR and Mr. MINGE.
H.R. 2445: Mr. COX.
H.R. 2463: Mr. FRAZER.
H.R. 2472: Ms. WOOLSEY, Mr. FAZIO of California, Mr. STARK, Mr. MILLER of California, Mr. SAXTON, and Mr. BRYANT of Texas.
H.R. 2497: Mr. BREWSTER, Mr. GUNDERSON, Mr. DORNAN, Mr. ISTOOK, Mr. DOOLITTLE, Mr. FOLEY, Mr. MILLER of Florida, Mrs. FOWLER, Mr. GOSS, and Mr. BALLENGER.
H.R. 2540: Mr. ALLARD, Mr. BACHUS, and Mr. DICKEY.
H.R. 2548: Mr. MARTINI, Mr. FRAZER, and Mr. COBLE.
H.R. 2579: Ms. WOOLSEY, Mr. LOBIONDO, Ms. PRYCE, Ms. LOFGREN, and Mr. OLVER.
H.R. 2585: Mr. VISCLOSKY.
H.R. 2651: Mr. SABO.
H.R. 2655: Mr. PETE GEREN of Texas.
H.R. 2658: Mr. BRYANT of Texas.
H.R. 2664: Mr. CHABOT and Mr. QUINN.
H.R. 2676: Mr. WILSON, Mr. SENSENBRENNER, and Mr. LAUGHLIN.
H.R. 2691: Ms. MCKINNEY and Mr. HILLIARD.
H.R. 2697: Ms. ROYBAL-ALLARD, Mr. CLEMENT, Mr. HINCHEY, Mr. CALVERT, and Mr. KENNEDY of Massachusetts.
H.R. 2727: Mr. BAKER of Louisiana.
H.R. 2731: Mr. CALVERT.
H.R. 2740: Ms. JACKSON-LEE, Mr. STOCKMAN, and Mrs. SMITH of Washington.
H.R. 2757: Mr. CARDIN, Mr. LOBIONDO, Mr. LATHAM, Mr. CANADY, and Mr. BONO.
H.R. 2762: Mr. MINGE.
H.R. 2776: Mr. BARCIA of Michigan, Mr. DAVIS, Mr. LEACH, Mr. PETERSON of Florida, Mr. HANSEN, Mr. FRAZER, Mr. JONES, Mr. BUNNING of Kentucky, Mr. DOYLE, Mr. MANZULLO, Mr. MCKEON, Ms. HARMAN, Mr. TOWNS, Mr. MOAKLEY, Mr. JEFFERSON, Ms. DELAURO, Mr. ACKERMAN, Mr. KING, Mr. TALENT, Mr. TORRES, Mr. PAYNE of Virginia, Mr. LIPINSKI, Mr. BEREUTER, Mr. TORKILDSEN, Mr. SAXTON, Mr. HOYER, Mr. LIVINGSTON, and Mr. EHRLICH.
H.R. 2777: Ms. MCKINNEY, Mr. JACOBS, Mr. GONZALEZ, Mr. THOMPSON, Mr. BEILENSON, Mrs. MINK of Hawaii, Mr. FROST, Mr. TORRES, and Mr. EVANS.
H.R. 2778: Mr. BATEMAN, Mr. MCINTOSH, Mr. MCKEON, Mr. JEFFERSON, Mr. PETRI, Mr. WELDON of Pennsylvania, Mr. GALLEGLY, Mr. SMITH of Texas, Mr. SHAYS, Mr. GOSS, and Mr. SKELTON.
H.R. 2802: Mr. CRAPO, Mr. PAYNE of Virginia, Mr. MONTGOMERY, Mr. BEVILL, Mr. BALDACCI, Mr. PARKER, Mr. KINGSTON, and Mr. LIPINSKI.
H.R. 2807: Mr. BARCIA of Michigan and Mr. BISHOP.
H.R. 2811: Mr. HYDE, Mr. CONYERS, Mr. GONZALEZ, Mr. LAFALCE, Mr. SKELTON, Mr. DE LA GARZA, Mr. KILDEE, Mrs. COLLINS of Illinois, Mr. CLAY, Mr. YATES, Mr. WAXMAN, Mr. MCDADE, Mr. WALKER, Mrs. MINK of Hawaii, Mrs. SCHROEDER, Mr. STARK, Mr. MILLER of California, Mr. WILSON, Mr. QUILLEN, Mr. ACKERMAN, Mr. MONTGOMERY, Mr. DINGELL, Mr. FRAZER, Mr. THOMPSON, and Mr. MCNULTY.
H.R. 2827: Mr. FAWELL, Ms. PRYCE, Mr. MINGE, Mr. FARR, and Mr. QUINN.
H.R. 2841: Mr. CALVERT.
H.R. 2854: Mr. EHLERS and Mr. GUNDERSON.
H.R. 2856: Mr. OLVER.
H.R. 2862: Mr. DINGELL, Ms. KAPTUR, Mr. SERRANO, Mrs. LOWEY, Ms. WOOLSEY, Mrs. CLAYTON, and Mr. TORRES.
H.R. 2867: Mr. CALVERT, Mr. TAYLOR of North Carolina, Mr. RADANOVICH, and Mr. EMERSON.
H.R. 2875: Ms. MOLINARI, Mr. FRISA, Mr. TOWNS, Mr. ACKERMAN, Ms. JACKSON-LEE, Mr. KENNEDY of Massachusetts, Mr. FALEOMAVAEGA, Mr. GEJDENSON, and Mr. LAZIO of New York.
H.R. 2894: Mr. CALVERT, Mr. HOEKSTRA, Mr. STUMP, Mrs. CUBIN, Mr. DOOLITTLE, Mr. POMBO, Mr. TATE, Mr. BAKER of California, Mr. CHRISTENSEN, Mr. DREIER, Mr. STOCKMAN, Mr. SHADEGG, Mr. FORBES, Mr. CHAMBLISS, Mr. JONES, Mr. SAM JOHNSON, Mr. FUNDERBURK, Mr. BALLENGER, Mr. NEUMANN, and Mr. CHABOT.
H.R. 2900: Mr. WICKER, Ms. DUNN of Washington, Mr. PAXON, Mrs. LINCOLN, MR. BREWSTER, Mr. KNOLLENBERG, and Mr. BAKER of Louisiana.
H.R. 2921: Mr. BILIRAKIS.
H.J. Res. 121: Mr. INGLIS of South Carolina, Mr. HEINEMAN, Mr. CRANE, Mr. MCCOLLUM, Mr. COBLE, Mr. HANSEN, Mr. MCINTOSH, Mr. CALVERT, Mr. COOLEY, Mr. MOORHEAD, Mr. QUILLEN, Mr. LIPINSKI, Mr. HERGER.
H. Con. Res. 23: Mr. BONIOR, Mr. ROTH, Mr. KENNEDY of Massachusetts, Mr. DAVIS, and Mr. LIVINGSTON.
H. Con. Res. 47: Mr. WOLF, Mr. MCDADE, and Mr. CALVERT.
H. Con. Res. 63: Mr. KLUG.
H. Con. Res. 103: Mr. LEVIN, Mr. BERMAN, Mr. BILIRAKIS, and Mr. PORTER.
H. Con. Res. 134: Mr. STUMP, Mr. EHRLICH, Mr. LATOURETTE, and Mr. LARGENT.
H. Con. Res. 135: Ms. MCKINNEY, Ms. ROYBAL-ALLARD, and Mr. DELLUMS.
H. Con. Res. 138: Mr. BURTON of Indiana, Mr. STOCKMAN, Mrs. MEEK of Florida, and Mr. CUNNINGHAM.
H. Res. 30: Mr. PETE GEREN of Texas, Mr. BALLENGER, Mr. TORKILDSEN, Mr. WATTS of Oklahoma, Mr. COYNE, and Mr. GUTKNECHT.
H. Res. 346: Mr. GREENWOOD.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1963: Mrs. KELLY and Mr. DAVIS.
H.R. 2281: Mr. SHAYS.
H.R. 2745: Mr. KLINK.

DISCHARGE PETITIONS

Under clause 3, rule XXVII, the following discharge petitions were filed:

Petition 9, January 30, 1996, by Mr. CONDIT on House Resolution 333, was signed by the following Members: Gary A. Condit, Blanche Lambert Lincoln, Mike Ward, Scotty Baesler, Tim Roemer, Bill K. Brewster, David Minge, Tim Holden, Jane Harman, Bill Orton, Thomas M. Barrett, Charles W. Stenholm, Thomas C. Sawyer, Pat Danner, Calvin M. Dooley, Glen Browder, Collin C. Peterson, Robert E. (Bud) Cramer, Jr., Earl Pomeroy, Bill Richardson, L.F. Payne, and Gene Taylor.

DISCHARGE PETITIONS—ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petitions:

Petition 8 by Mr. KENNEDY of Massachusetts on House Resolution 292: Gerry E. Studds, Kweisi Mfume, Blanche Lambert Lincoln, John Joseph Moakley, Bill K. Brewster, William J. Coyne, Xavier Becerra, Calvin M. Dooley, Frank Tejeda, Maxine Waters, Henry A. Waxman, Paul E. Kanjorski, John J. LaFalce, James L. Oberstar, William P. Luther, Charles Wilson, Chaka Fattah, Jose E. Serrano, and Robert E. Andrews.

EXTENSIONS OF REMARKS

LEGISLATION TO REIMBURSE WHITE HOUSE TRAVEL OFFICE EMPLOYEES FOR LEGAL EXPENSES

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. CLINGER. Mr. Speaker, I rise today with several of my colleagues, including Majority Leader ARMEY, to introduce legislation to reimburse the seven White House Travel Office employees for legal expenses incurred as a result of their firings on May 19, 1993.

It was nearly 3 years ago that seven men who had served in the Travel Office for anywhere from 9 to 32 years were fired summarily and placed under a cloud of suspicion when the White House announced they were the subjects of a criminal investigation. Only one of the seven men was indicted and, in the wake of a 30-month long investigation, a jury took only 2 hours to acquit Billy Dale of the two charges against him.

The seven men fired from the White House Travel Office on May 19, 1993, appeared before the Committee on Government Reform and Oversight last Wednesday. Individually and collectively, they spoke, with an eloquence which has touched the Nation, of the pride they took in serving the White House under Democrat and Republican Presidents. Mr. McSweeney put it best when he said, and I quote:

> I would hope that people would understand that, for me and thousands of others, when Air Force One would arrive, the markings on the side were not Democratic Party or Republican Party—it read "United States of America." The emblem on its side was not a political poster, it was the seal of the Executive Office of the President of the United States. When the door opened, the man or woman chosen by the people of this country to fill that office had my complete loyalty and support. I did that for 13 of the proudest years of my life.

I know that Mr. McSweeney spoke for all six of his colleagues when he said those words and he spoke for the pride of a nation in the Office of the President.

It pains me to say that I now believe that the charges made against those seven men by this administration appear to have been baseless, unwarranted, and intended to provide cover for an act of political cronyism. The fact that these men were, and are, innocent, however, does not mitigate their suffering as FBI and IRS agents trooped through their neighborhoods inquiring into their character, their conduct, and their families. Nor does it make up for nearly three-quarters of $1 million in legal expenses they incurred in the course of mounting their own defense.

Billy Dale's legal defense has cost him nearly $500,000. His six colleagues spent more than $200,000 in their own defense, some $150,000 of which was reimbursed in a Transportation appropriations bill in 1994.

While this bill will make financially whole the seven fired Travel Office workers for their legal expenses, I regret that nothing I can do will ever erase the needless, baseless suffering inflicted upon them and their families as their reputations were trashed before the world to make way for friends of the First Family and Harry Thomason. For that, I am deeply sorry.

I want to commend the White House spokesman for publicly admonishing Mr. Robert Bennett, the attorney representing President Clinton and Harry Thomason for continuing the administration's attack on Mr. Dale and his colleagues. I wrote the President asking him to call off his attack squad and that now seems to be happening.

The White House spokesman also indicated that the President will sign this legislation. I anticipate these bills will pass both Chambers relatively quickly.

I am pleased to introduce this bill on behalf of the seven Travel Office employees. They served their country for many years with pride, integrity, and ethics. All of these characteristics are essential if we ever hope to restore people's faith in their Government.

H.R. —

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

SECTION 1. REIMBURSEMENT OF CERTAIN LEGAL EXPENSES AND RELATED FEES.

(a) IN GENERAL.—The Secretary of the Treasury shall pay, from amounts in the Treasury not otherwise appropriated, such sums as are necessary to reimburse former employees of the White House Travel Office whose employment in that Office was terminated on May 19, 1993, for any legal expenses and related fees they incurred with respect to that termination.

(b) VERIFICATION REQUIRED.—The Secretary shall pay an individual in full under subsection (a) upon submission by the individual of documentation verifying the legal expenses and related fees.

(c) NO INFERENCE OF LIABILITY.—Liability of the United States shall not be inferred from enactment of or payment under this section.

HUMAN RIGHTS VIOLATIONS AND UNFRIENDLY FOREIGN POLICY IN INDIA

HON. DANA ROHRABACHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. ROHRABACHER. Mr. Speaker, India recently celebrated the anniversary of the adoption of its constitution. While I applaud India's embrace of democratic principles, we should not overlook India's brutal repression of Sikhs, Christians, and Muslims. India and the United States should be friends, but our friendship will become increasingly strained unless India starts to practice the democratic values it claims.

Also troubling are India's testing of the Prithvi–II missile. The missile's 156-mile range is a clear threat to Pakistan. In context of this blatant intimidation of Pakistan, India's desire to test another nuclear device can only be seen as an extension of its threats to Pakistan. I share India's suspicion of China's regional intentions, but that mutual suspicion does not give it leeway to threaten force against its other neighbors.

According to the United States State Department the Indian Government paid over 41,000 cash bounties to police officers for the killing of Sikhs since 1991. Sikhs are not the only victims of India's state terrorism. In addition to the estimated 150,000 Sikhs who have been murdered by the Indian Government since 1984, tens of thousands of Christians and Muslims have also been killed. In fact, all non-Hindus are at risk, of oppression in India. If India is "the world's largest democracy," as it claims to be, then how can it pile up such a gruesome death toll? If India respects the human rights of the people who live in India, why do so many citizens of India want to get out from under Indian rule?

I have criticized the absence of religious freedom in Burma, Vietnam, China, and other totalitarian countries. India's record does not seem much better. Just this week, the Indian Government jailed an 88-year-old Catholic priest and a 50-year-old nun on charges of violating a law outlawing religious conversion.

Beyond India's systematic abuse of human rights in Kashmir, Nagaland, and Khalistan, I am deeply concerned with India's growing negative role in Afghanistan. India's support for the Rabbani regime in Kabul troubles me because of Mr. Rabanni's rejection of efforts to return Afghanistan to peace. I have proposed that former King Zahir Shah serve as a transitional Head of State of Afghanistan while the Afghan people write a constitution, organize elections, and ultimately, establish a peaceful and democratic Afghanistan. Unfortunately, Mr. Rabanni has opposed this possible solution in favor of continued fighting and chaos. Indian's support for Rabanni makes him less likely to accept reasonable efforts to end Afghanistan's bloodshed.

India should be our friend. But, Mr. Speaker, the more we learn about India, the harder that friendship will be to sustain.

TRIBUTE TO THOMAS FRANCIS CORCORAN

HON. JERRY WELLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. WELLER. Mr. Speaker, I want to inform my colleagues in the House of Representatives of the recent death of Thomas Francis Corcoran of Ottawa, IL, at the age of 86. Through his son, former Illinois Congressman Tom Corcoran, I first became acquainted with the late Mr. Corcoran many years ago. He was a true man of the land, loved and respected by all who knew him. Moreover, he was representative of the hard working, honest, good men and women who farm our Nation's fields to produce food for our own people and others around the world.

One of the privileges of serving in Congress is meeting America's unsung heroes, either in our congressional district or across this great country of ours. Thomas Francis Corcoran was one of those unsung heroes.

Mr. Corcoran's grandson, Evan, worked on the staff of our friend and colleague from Virginia, Mr. WOLF, and he served on the staff of the House Appropriations Committee before becoming an assistant U.S. attorney here in Washington. In the eloquent eulogy which follows, given by his grandson, Evan, at the funeral on December 9, 1995, we are reminded once again about the everyday greatness of our people and therefore the greatness of our country.

Mr. Speaker, I commend the following Corcoran eulogy to my colleagues:

THOMAS FRANCIS CORCORAN

What better place is there in the world when you are 11 years old on a sunny summer afternoon than to be at your grandfather's side, in a field, mending fences? What better place to learn what is valuable in life? My brothers and sisters and I learned many lessons from Thomas Francis Corcoran when we lived on the family farm just outside of Ottawa.

We learned not by being told—for Grandpa was a man who chose his words carefully, and used them sparingly—but by observing. He taught by example. We saw his quiet dignity, his discipline, his economy, and his honesty. We saw a man at peace with himself and with the world. He gave unqualified love, a love my sister Camilla described yesterday as the purest she had encountered. He left an enduring imprint.

Thomas Francis Corcoran was a lifelong farmer. He loved the land. He was in concert with the great silent forces that shape the world. His work connected him with his community and with the world. He came from a time when you would call your neighbors in the evening and say, "The crops are in, be here early." And the men would come and work in the fields until lunch. There would be two tables set up outside, and after washing at the pump, they would try to sit down at the first table, because there were some great eaters in that crowd and you could not be sure that the food would hold out. At the end of the day no money would change hands.

He took pride in the visible return that the earth makes for labor. He took pride in passing the land on to the next generation, when his son returned to farm. At the end of each season, he had increased the stock and store of the world. And today, at the close of his final season, he has added to the storehouse of memories of each of us.

Grandpa was a strong man, who did hard physical labor all his life. In recent years the time had taken a toll. One of his great loves was training and racing horses. Remember that in a race the horse and jockey do not stop when they reach the line: there is a little canter before reaching a standstill. It is then that the jockey hears the cheers of the crowd, and thinks back on the race just run. I like to think that Grandpa was in a canter these last years: and special thanks is due to those who on a daily basis cared for him and gave him cheer.

Thomas Francis Corcoran was not a man of sorrow, he was a man of great humor. He never spoke a harsh word to anyone, and never lost his smile. He would not think it inappropriate to have humor at a funeral. His humor gave him strength and stability to meet the challenges life presents. A story illustrates the point.

One day in late summer when I was 11 and my brother Phil 10, we worked an afternoon with Grandpa and there came a time when we needed to return a small tractor to a shed, some distance away. Always encouraging us, Grandpa asked Phil if he knew how to drive the tractor. Phil, always eager to please his grandfather, said "Yes." Well we started off down the narrow lane with Phil on the tractor and Grandpa and me in the truck behind. I watched first with amusement, then with concern, as the tractor began to pick up speed. It began to go faster and faster, and as it did it moved from one side of the lane, bounded by a field of corn, to the other, bounded by a fence, and back and forth again. Well eventually the tractor took out a couple of rows of corn for a distance and then came to rest against the fence. We stopped and Grandpa walked over to Phil. With not a hint of anger in his voice, he said, "I thought you said you knew how to drive it." Phil replied, "I know how to drive it Grandpa. I just don't know how to stop." Well, Grandpa just loved that. He would appreciate the humor in life.

Grandpa was a man who, in his own humble way, walked with God. When he drove a combine into a new field, he would make the sign of the cross. He is with God now. The monument to Thomas Francis Corcoran is his contribution to our collective spirit, his place in the hearts and minds of the family and friends and neighbors gathered here in prayer. In a world where so many forces work to keep us all apart, memories of him bind us together. What greater legacy from a decent and a fine man.

M. EVAN CORCORAN,
Ottawa, IL.

HONORING THREE STATE CHAMPIONSHIP FOOTBALL TEAMS

HON. CHARLIE NORWOOD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. NORWOOD. Mr. Speaker, I am pleased to bring to your attention three Georgia high school championship football teams from my district. T.W. Josey High School won the group AAA championship. The Eagles were undefeated, going 15–0 under Coach John Starr. Elbert County High School won the group AA championship. The Blue Devils finished the year 14–1 under Coach Tom McFerrin. Lincoln County High School won the group A championship. The Red Devils were undefeated, going 15–0 under Coach Larry Campbell. I am very proud of the efforts of these young men, there coaches, teachers, and the communities that supported them. They are a credit to the State of Georgia.

Mr. Speaker, it is my distinct pleasure to herald the accomplishments of these three champions.

SALUTING COACH NEAL QUILLIN AND THE HUMBLE WILDCATS ON ANOTHER GREAT SEASON

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. FIELDS of Texas. Mr. Speaker, the 1995 football season was yet another outstanding season for the Humble High School Wildcats. The same "experts" who predicted that Humble would finish seventh in their district in 1994—only to see them win the District 21–5A championship—were again proven wrong last year. Humble, predicted to finish fifth in their district in 1995, instead fought their way to a 9–4–2 record, ending their season in a Division II state semi-final game.

Coach Neal Quillin and the members of the Humble Wildcats football team have earned the gratitude of their community and fans, and have earned the respect not only of their opponents, but of high school football "experts" as well. As an Humble native, and a graduate of Humble High School, I want to take a moment to salute the remarkable success of the Humble High School Wildcat football team this past season.

The Wildcats began the 1995 season on a low note—a 24–21 loss to Baytown Sterling, before recovering to defeat Katy Taylor 27–23. A narrow 21–20 loss to Westfield followed before the Wildcats defeated MacArthur 28–7; defeated Aldine 26–7; tied Spring 24–24; and defeated Kingwood 20–3.

Next, Humble lost to Eisenhower 42–20—putting the Wildcats in a must-win situation to secure a playoff spot. The Wildcats were up to the challenge; in their regular-season finale, they defeated Nimitz 23–7, winning a place in post-season play.

In the playoffs, the Wildcats, and their coaching staff, showed what they were made of. They defeated Baytown Lee 17–14, overcoming the area's number one-ranked offense. Next, they tied Texas City 21–21, before going on to defeat Madison 20–7, and Elkins, 9–5.

While the Wildcats' 17–7 loss to San Antonio Roosevelt was disappointing, Humble's players and coaching staff demonstrated last year what they demonstrated the year before: that the experts mediocre expectations can be exceeded through hard work, dedication, teamwork and planning.

In addition, to the outstanding record compiled last year by the Wildcats, I want to point out that last year's season also saw Coach Quillin achieve his 100th career victory—a testament to his coaching skills.

In the Wildcats' third-round playoff game against Madison, the 17–5A champions—a game held in Houston Astrodome—Humble quarterback Steve O'Neill showed just how talented he is. In that game, O'Neill passed for 92 yards, rushed for 141 yards, and caught two critical passes. His performance in that game impressed even those who were already familiar with his playing skills earlier in the season.

While those of us who cheer for the Humble Wildcats were disappointed by their loss to San Antonio Roosevelt, we remember that during their five-game playoff run, the Wildcats won bidistrict, area and regional championships. And that's not bad for a team picked to finish fifth in their district!

Mr. Speaker, thank you for allowing me to do this little hometown boasting. I know you join with me in congratulating the Humble Wildcats and their coaching staff on a truly remarkable 1995 football season, and in wishing them continued success on an off the field in the years ahead. They have made all of us proud of their accomplishments, and to them we say "thank you."

SMALL BUSINESS EXPORT WORKING CAPITAL ENHANCEMENT ACT

HON. JOHN ELIAS BALDACCI

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. BALDACCI. Mr. Speaker, as a small businessman, I am acutely aware of the fact that small businesses are the engines that drive our Nation's economy. I also recognize that these businesses often need assistance so that they can expand and increase employment.

As part of their efforts to expand, many small businesses have begun to recognize the potential of markets outside of the United States. In fact, the percentage of small firms involved in exporting is projected to increase from 23 percent to 33 percent by the year 2005. Realizing the potential of foreign markets, delegates to the White House Conference on Small Business recommended that the Federal Government provide export assistance to small businesses, and make export finance more available to these firms through Federal guarantees.

Currently, the Small Business Administration has a short-term financing program for export transactions. The SBA's Export Working Capital Program, which works in conjunction with the Export-Import Bank, provides loan guarantees to finance small business exports. Until last year, the SBA and the Eximbank harmonized their export loan programs to ensure that all borrowers would have the same loan terms. Both provided a 90 percent guarantee rate on loans. Businesses seeking to borrow less than $750,000 would apply for an SBA guaranty. Those seeking more than $750,000 would deal with the Eximbank. Unfortunately, the SBA guarantee rate was reduced in small business legislation we enacted last year. As a result, a disparity has been created between the guarantee rate offered to small businesses by the SBA, and the rate offered to larger businesses by the Eximbank. This will likely have a chilling effect on small business lenders who will have to incur greater risk in financing small business exports.

Mr. Speaker, that is why I am introducing legislation today to restore the 90 percent guarantee rate for small businesses who finance their export transactions through the SBA's Export Working Capital Program. My bill will place small businesses back on a level playing field with larger businesses. This is only fair.

Exporting can be a very lucrative business for many of these firms. It's also beneficial for our Nation's economy. The Labor Department Estimates that for every $1 billion in increased trade, 20,000 manufacturing jobs and 40,000–60,000 service and support jobs are created. Moreover, wages are 22 percent higher on exported goods.

I don't believe anyone in this Chamber would intentionally discriminate against small businesses who wish to export their products. That is why it is important that we restore the 90 percent guaranty rate to the Export Working Capital Program.

The SBA has been invaluable in helping small businesses enter international markets. Nationally, exporters received a total of 1,161 loan from the SBA for more than $481 million in fiscal year 1994. It is imperative that we continue to help the SBA help on small businesses through the Export Working Capital Program. I urge my colleagues to show their support for small business exports by cosponsoring this legislation.

IN RECOGNITION OF ARMSTRONG WORLD INDUSTRIES OF MARIETTA

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. GEKAS. Mr. Speaker, last April, Americans were horrified by the image of a bombed-out courthouse in Oklahoma City. We prayed that the tired heroes working day and night in the rubble would find more victims alive, and return them safely to their worried families.

Nearly a year after the tragedy, there are still heroes working to heal the wounds of Oklahoma City. One such hero is a well-known business in central Pennsylvania, Armstrong World Industries of Marietta.

In January, the Marietta plant donated 40,000 square feet of Armstrong ceiling tiles to assist in the rebuilding of the Federal courthouse in Oklahoma City. This generous gift was delivered to the director of the Oklahoma City Customer Service Center of the General Services Administration.

Armstrong World Industries is a shining example of the charitable spirit that so exemplifies central Pennsylvania. It is this spirit that overcomes tragedies and brings people together as a community and a nation.

I am extremely proud of the efforts of the Marietta plant and its workers to help their fellow Americans in Oklahoma City. I am certain their generosity will not soon be forgotten.

TRIBUTE TO CLAIR A. HILL

HON. WALLY HERGER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. HERGER. Mr. Speaker, I rise this morning, to recognize Clair A. Hill, an outstanding leader in the State of California.

Mr. Hill has been an active public servant in northern California for 30 years and has served as chairman of the California Water Commission, a director of the California Chamber of Commerce and an active member of the American Society of Civil Engineers.

His dedication to the balanced management of California's water supply was recognized by the U.S. Bureau of Reclamation in its citizen award to him for outstanding lifelong commitment to the wise use and development of California's water resources.

Mr. Speaker, I wish to submit for the RECORD the following written tribute to Mr. Hill in recognition of his distinguished public service and his extraordinary efforts to improve California water management. Thank you.

IN RECOGNITION OF CLAIR A. HILL FOR EXTRAORDINARY PUBLIC SERVICE

Whereas, Clair A. Hill is leaving the California Water Commission after 30 years of public service on that body, his tenure having spanned the terms of seven governors; and

Whereas, Mr. Hill began his service on the California Water Commission in 1949, when it was then known as the State Water Resources Board, and has ably served as Vice-Chair and Chair of that body; and

Whereas, His interest in, and dedication to, multi-purposes coordinated management of California's water supply was recognized by U.S. Bureau of Reclamation in its Citizen Award to him for "outstanding lifelong commitment to the wise use and development of California's water resources"; and

Whereas, Mr. Hill's history of involvement in water resources management at the statewide level is demonstrated by his long association with the California Water Plan. In 1957, he signed the State Water Resources Board's letter transmitting Department of Water Resources Bulletin 3, the first California water plan. In his most recent term on the California Water Commission, he participated in the Commission public hearing on the latest update of the plan; and

Whereas, As fishery issues have increasingly become an important component of water resources management, Mr. Hill has represented the California Water Commission before Congress and before federal agencies to seek funding for needed federal fishery restoration projects; and

Whereas, Mr. Hill has been a lifelong resident of northern California, having been founder and present of the Redding engineering firm of Clair A. Hill and Associates, now grown to the international firm of CH2MHill. In addition to his participation on the California Water Commission, he has served as a director of the California Chamber of Commerce and has been involved with the American Society of Civil Engineers; and

Whereas, Mr. Hill's wealth of knowledge on California water resources management and long experience in helping the State meet its water supply needs have made him an invaluable asset to the Water Commission;

Now, Therefore, I express my sincere thanks to Mr. Hill for his service to the people of California and of the Nation, and commend him for his personal and professional

contributions throughout his career to helping improve California water management.

WALLY HERGER.

TRIBUTE TO JOHN E. KUMPF

HON. SAM JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. SAM JOHNSON of Texas. Mr. Speaker, it is with a great deal of personal pleasure that I recognize the major accomplishments of an individual who dedicated his career to serving the interests of our country, Mr. John E. Kumpf.

Mr. Kumpf, who has been a resident of Dallas, TX, for the past 23 years, distinguished himself as a fighter pilot from 1950 to 1954. He was a member of the 25th Interceptor Squadron and flew an F–86 Sabre jet during the Korean war. Mr. Kumpf flew over 100 air combat and support missions from his base of operations at Suwon, Korea. For his dedicated efforts during this campaign, Mr. Kumpf received the Distinguished Flying Cross and the Air Medal with three clusters. He continued in the U.S. Air Force until December 1954 when he received an honorable discharge as a captain. Mr. Kumpf continued to serve his country for 20 years through the U.S. Air Force Reserve as a pilot and public information officer, retiring as a lieutenant colonel.

After Korea, he continued his career in the defense sector by joining Sperry Rand Corp. in 1956. He served them admirably in public relations and marketing for 16 years in his hometown of Minneapolis, MN.

In 1972, he joined E-Systems, in Dallas, TX, as director of public relations and later as vice president, corporate communications. He directed the annual U.S. savings bonds drive to solicit employees to buy U.S. savings bonds through payroll deduction. As a result, over a 23-year period, E-Systems employees have purchased more than $110 million of U.S. savings bonds.

In summary, Mr. Kumpf merits our thanks and tribute for the outstanding contribution he has made to his country. My personal thanks to an extraordinary citizen and constituent.

TRIBUTE TO GENERAL D.O. GRAHAM

HON. DANA ROHRABACHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. ROHRABACHER. Mr. Speaker, Gen. Daniel Graham's service to this country has been matched by few Americans. As a tribute to him and his achievements, I would like to submit for the RECORD, a letter that Speaker NEWT GINGRICH wrote to General Graham last year, and General Graham's obituary as it appeared in the January 3, 1996, edition of the New York Times.

U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, May 10, 1995.

DEAR DAN: I am sorry I am not able to join you this evening. However, I do not want my appreciation of your achievements to go unstated.

Your contributions to U.S. national security and the U.S. space program are exceptionally well known in Congress. As Director of the Defense Intelligence Agency, your unflinching analysis of Soviet capabilities and intentions reminded us that the Soviet Union was an unfailing adversary that wished the United States immense harm. Your fortitude in telling elected officials the cold, hard truth, even when they sometimes did not want to hear it, served as a guidepost by which we could reorient U.S. foreign policy and win the Cold War.

Even in retirement, General Graham, you were dedicated and forward-thinking which you proved by founding High Frontier, a citizen's organization dedicated to leading the United States towards a secure future in space. Your leadership helped President Reagan launch the Strategic Defense Initiative, which has brought us ever closer to ending the threat of nuclear annihilation. However, you were not satisfied to simply improve national security, but you led High Frontier and its sister organization, the Space Transportation Association, to creatively think about the U.S. future in space. Today, under you care and instruction, these two organizations are among the most creative sources of thinking on developing outer space as a national resource. The X–33 program to create a reusable rocket that dramatically lowers the cost of access to space, for example, would not be happening today without the contributions of you and your colleagues.

In closing, I can only say thank you for your past service in the Cold War and your wonderful contributions to America's future. In formulating a vision for space development, you planted, watered, and nurtured a seed that is growing as we speak and will one day surpass our wildest imagination. Thank you Lieutenant General Daniel O. Graham for helping save America.

Your friend,

NEWT GINGRICH.

[From the New York Times, Jan. 3, 1996]

D.O. GRAHAM, 70, CREATOR OF 'STAR WARS' DEFENSE

(By Steve Lohr)

Lieut. Gen. Daniel O. Graham, one of the leading architects of President Ronald Reagan's Strategic Defense Initiative, also known as "Star Wars," died on Sunday at his home in Arlington, Va. He was 70.

General Graham died of colon cancer, Brig. Gen. Robert Richardson 3d, a friend and longtime colleague, said yesterday.

While others, including Dr. Edward Teller, played roles in getting the Reagan Administration to adopt the Star Wars plan to shield the United States from Soviet nuclear attack with space-based missiles, even General Graham's opponents acknowledge that he was probably the most persistent advocate for the approach.

"Dan Graham got it on the national agenda and, though it's been modified recently, the ballistic missile defense concept has remained on the agenda ever since," said John Pike, director of the space policy project of the Federation of American Scientists, a research group in Washington.

The Strategic Defense Initiative changed its name to the Ballistic Missile Defense Project in 1993, Mr. Pike noted, but the project is still spending more than $3 billion a year on the kind of high-technology programs that General Graham championed

A graduate of West Point, General Graham spent 30 years in the military, serving in Germany, Korea and Vietnam. Much of his career was spent in military intelligence as a Soviet specialist, and he became an expert in missile defense systems and satellite surveillance. He rose to become deputy director of the Central Intelligence Agency for two years in the 1970's, before he became the director of the Defense Intelligence Agency from 1974 to 1976, when he retired.

The general was known as an ardent hawk, even among his Pentagon peers, a man who strongly believed in the 1970's that the rapid growth of the Soviet Union's military was being ignored within the American intelligence community. And it was after General Graham retired from the military that he was able to press his views most effectively.

In 1976, General Graham advised Ronald Reagan in his first Presidential campaign, which was unsuccessful. In late 1979, the general was again asked to advise Mr. Reagan on military matters in his bid for the Presidency. Even then, General Graham was enthusiastic about shifting the nation's military resources to an antimissile defense. But as the general recalled later, the invitation from Mr. Reagan prompted him to get "really busy" on finding a way to pursue an antimissile defense policy.

In his research, General Graham came upon a plan developed in the Eisenhower Administration to destroy Russian missiles early in flight with Ballistic Missile Boost Intercepts, or Bambi, an early blueprint for space-based battle stations. The project was canceled after the Kennedy Administration concluded that it would be costly and unworkable.

Yet General Graham came to the view that technical strides in the intervening two decades gave the concept of space-based missile defense new life, according to "Teller's War," a 1992 history of Star Wars by William J. Broad.

In 1981, General Graham set up High Frontier Inc., a policy organization intended to study and promote defense systems in space. In the last few years, High Frontier has focused more on space transportation and support systems instead of missiles, said General Richardson, deputy director of High Frontier in Arlington, Va.

Born on April 13, 1925, General Graham spent his childhood as the son of farmers near Medford, Ore. He came from a poor family, working in saw mills and orchards as a teen-ager, his son, Douglas, of Arlington, said yesterday.

General Graham is survived by his second wife, Adele Piro Graham, whom he married in 1994. His first wife, Ruth Maxwell Graham, died in 1989.

Besides his wife and son, General Graham is survived by six other children, Daniel Jr. of Fairfax, Va.; Melanie of Los Angeles; Laurie of Falls Church, Va.; Elizabeth of Falmouth, Va.; Julianne Stovall of Alexandria, and Margaret Cuccinello of Thomaston, Me.; two brothers, Patrick of San Diego and James of Colorado Springs, and one sister, Sharon Martinez of Pacifica, Calif.

TRIBUTE TO DR. JAMES A DOPPKE

HON. JERRY WELLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. WELLER. Mr. Speaker, today, I'd like to congratulate Dr. James A. Doppke as he is inaugurated the seventh president to serve at the College of St. Francis in Joliet, IL.

As part of its 75th anniversary celebration, the College of St. Francis will inaugurate Dr. Doppke on February 9, 1996.

Dr. Doppke, who previously served as executive vice president of the College of St. Francis, was appointed president by unanimous board decision, which cited his leadership and commitment to the college and its growth.

Before coming to the College of St. Francis, Dr. Doppke was vice president for Educational Affairs at the College of Lake County. He also served as associate provost and professor of English at Chicago State University.

Dr. Doppke holds a baccalaureate degree with honors from the University of Notre Dame and master's degree and doctor of philosophy degrees in English from the university of Chicago.

We need dedicated and hard working educators like Dr. Doppke as we look to a younger generation for our future leaders, workers, parents, and citizens.

Thank you, Dr. Doppke, for your commitment to education, and we wish you the best of luck during your tenure as President of the College of St. Francis.

NATIONAL CHILDREN'S DENTAL HEALTH MONTH

HON. CHARLIE NORWOOD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. NORWOOD. Mr. Speaker, I rise today to recognize two events which have helped to keep America smiling over the years. The year 1996 marks the 55th year of annual recognition of the importance of children's dental health. It also marks the 100th anniversary of Johnson & Johnson's dental floss product.

The annual observance of children's dental health began as a 1-day event in Cleveland, OH, on February 3, 1941. On February 8, 1949, the American Dental Association held the first national observance of Children's Dental Health Day. This single day observance became a week-long event in 1995. By 1981, the program was extended to a month-long celebration known today as National Children's Dental Health Month.

As far back as 1850 dental references recommended the use of "waxen silken floss." In 1896, Johnson & Johnson introduced its dental floss by advertising in dental journals. It was a welcome alternative to the popular method of treating gum disease at the time—live leeches. The product was originally made out of silk—the same silk that was used in the company's surgical sutures. During World War II, with silk in great demand for parachutes, Johnson & Johnson began manufacturing its floss using nylon. Today, its floss is available in a wide variety of forms and flavors. Flossing removes plaque, a sticky colorless substance that forms on your teeth, from places that cannot be reached by a toothbrush. If plaque isn't removed, especially from below the gum line, the bacteria in the plaque can attack the surrounding gums and supporting bone. Flossing is an integral part of proper tooth and gum care, and is considered by organizations such as the American Dental Association and American Dental Hygienists' Association to be a major preventative measure against gum disease and tooth decay.

Mr. Speaker, as a Member of the House and as a dentist, let me stress that flossing is as important for children as it is for adults. Pediatric dentists have found that during the cavity prone years of childhood, flossing morning and night can actually reverse the earliest stages of tooth decay by allowing the tooth enamel to reharden.

Attitudes and habits established at an early age are critical in maintaining good oral health throughout life. During National Children's Dental Health Month, I urge parents to make sure their children are following a good oral healthcare program that includes regular brushing and flossing. I also urge everyone to visit their oral healthcare professional to learn how to properly care for their teeth and gums.

I ask my colleagues to join me as I salute the American Dental Association for their continued responsibility and dedication to the health and well-being of America's children, and to congratulate Johnson & Johnson for a century of giving Americans a healthy smile.

SEALY TIGERS WIN CLASS 3A STATE HIGH SCHOOL FOOTBALL CHAMPIONSHIP—AGAIN

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. FIELDS of Texas. Mr. Speaker, we Texans take our football pretty seriously. We look forward to Sunday afternoons when we can watch the Houston Oilers and the Dallas Cowboys. Even more, we relish Saturday afternoons—when our A&M Aggies, UT Longhorns, Baylor Bears and others take the field. But what we really live for is Friday evenings, when young men throughout our State don their uniforms and helmets to fight for the honor of their high schools and their communities.

Sealy High School is one such high school, and Sealy, TX, is one such community.

Again last year, the players and coaching staff of the Sealy Tigers defended the honor of their high school and their home town by compiling a 15–0 record, and winning the class 3A Texas high school football championship for the second consecutive year. The Sealy Tigers have compiled a 32–0 record over the last two seasons, and a 42–3 record over the last three seasons.

Such an outstanding record is a testament to the hard work and dedication of the school's football players, and its coaching staff—especially Sealy High School's head football coach and athletic director, T.J. Mills.

Throughout his career, coach Mills has repeated one phrase to his players time and time again: "You've got to find a way to win." And they have. In fact, during the 1995 regular season, Sealy outscored its opponents 449 to 58; during the playoffs, the Tigers outscored their opponents 229 to 43.

The success of the 1995 Sealy Tigers was recognized when district 23–AAA coaches met recently. Coach Mills was voted coach of the year by his colleagues, and 19 Sealy players were named to the all district team.

Among those players named to the all-district teams was linebacker Steven Newsome, who was voted defensive player of the year.

Others named to the first team offense were running back Chris Tate; kicker Jeremy Monsivais; center Ryan Eckelberg; tackle Mike Kovar; and quarterback Brad Burttschell. Named to the second team were guard Vince Doyle; tight end Jarrod Novicke; back Jaron Dabney; and receiver Chris Lincecum.

In addition to Steven Newsome, players named to the first team defense were lineman Taurus Downey; end Chase Schavrda; linebacker Paul Martinez; secondary Gary Hill; and secondary Stephen Kaye. Named to the second team were lineman Steve Aguado; end Nathan Pless; linebacker Mario Tarver; and secondary Forrest Wagner.

To each of them, and to everyone associated with the Sealy Tigers football team, I say congratulations. You have much to be proud of, and you, together with your coaching staff, have set an example of excellence for others to follow in the years ahead.

A TRIBUTE TO JESTENE McCORD, A PIONEER IN THE FIELD OF HEALTH CARE

HON. THOMAS M. BARRETT

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. BARRETT of Wisconsin. Mr. Speaker, it is with great pride that I join with my colleagues in commemorating the beginning of Black History Month by paying tribute to one of Wisconsin's truly outstanding African American women, Ms. Jestene McCord.

As the director of urban affairs for Aurora Health Care, Jestene is a tireless advocate for the people of Milwaukee and cities throughout Wisconsin. In addition to her work at Aurora, Jestene devotes her time and expertise to several key Wisconsin organizations. Jestene is the chairwoman of the Private Industry Council Board. She also serves on the State Maternal and Child Health Program Advisory Committee, the Milwaukee Area Health Education Centers of Wisconsin board, the UW-Milwaukee School of Nursing advisory council, the National Black Nurses executive committee, and the Wisconsin Black Health Coalition advisory council. In addition, Jestene chairs the Milwaukee Breast Cancer Awareness Project advisory board which received a Thousand Points of Light award from former President Bush for its unfailing energy in fighting for a breast cancer cure.

Jestene's record of community service is as equally impressive as her professional endeavors. She has served as a personal mentor for many nursing students and developed a school-wide mentor program for Milwaukee's North Division High School. Jestene has further coordinated scores of community health fairs for Milwaukee public school students and at area senior centers—demonstrating that health care awareness is critical for people of all ages. Jestene is also a familiar face to

most Wisconsin residents, routinely appearing on television and radio programs to discuss pressing health issues.

Jestene has received several awards and commendations for her remarkable work, including the prestigious Health Advancement Award. Throughout my career in the Wisconsin State Legislature and here in Congress, I have seldom seen a person in public life who commands as much respect and admiration as Jestene. A countless number of elected officials and policymakers including myself, have come to rely on Jestene's expertise, and will continue to do so well into the future. Jestene is truly at the forefront of the health care profession, and her compassion and energy knows no bounds.

Mr. Speaker, I ask my colleagues to join me in saluting the accomplishments of Jestene McCord. The people of Milwaukee, and all of Wisconsin have indeed been blessed by her selfless devotion to both her profession and her community.

IN SUPPORT OF OUR TROOPS

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. BONIOR. Mr. Speaker, I proudly rise to pay tribute to the American troops who are helping implement peace in Bosnia and Herzegovina. In the words of Mrs. Janet Maguire, one of the constituents I have the privilege to represent, "The men and women are prepared to give the ultimate sacrifice if need be and we should not take them for granted."

Mrs. Maguire epitomizes both the pride and concern that Americans have for the members of our Armed Forces. In her letter to me she states "They [our troops] have agreed to go to a strange land and risk their lives to ensure peace and the least we as Americans can do is give them our support and let them know they will not be forgotten." Because of her efforts, the St. Clair Shores City Council passed a resolution calling for all citizens to "support our service men and women by flying the flag and keeping them and their families in our thoughts and prayers." I applaud Mrs. Maguire and the city's leaders for their show of support.

I am proud of the fact the American troops are saving lives in Bosnia. We in the United States have a moral duty to stand up for peace whenever possible. To do so is in our national interest and is in keeping with the ideals on which our Nation was founded. For 220 years we have sent American men and women overseas, not just to defend American interests, but to defend American values—to stand up for freedom, democrary, and human rights. This is what America stands for. And that is why we should all be proud of our troops who are carrying out their missions in support of peace in Bosnia and Herzegovina with professional excellence, dedicated patriotism, and exemplary bravery.

We have a responsibility to support these brave men and women and give them the resources needed to protect themselves against threats and minimize risk. I ask all Americans to join with me, Mrs. Janet Maguire, and the St. Clair Shores City Council in flying the flag and support our troops while they pave the road to peace in the former Yugoslavia.

HONORING THE AWARD WINNERS OF THE DALE CITY CIVIC ASSOCIATION

HON. THOMAS M. DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. DAVIS. Mr. Speaker, it gives me great pleasure today to rise and bring to the attention of my colleagues some very special and important people in Dale City in the 11th Congressional District of Virginia. These are people who have put the good of their community, Dale City, VA, above their own needs and desires, not only performing their jobs, but going above and beyond the call of duty. These individuals have become role models to others in their professions and to other volunteers. They will be honored on Saturday, February 3, 1996, by the Dale City Civic Association, one of the largest, most active, and accomplished citizens associations in the Commonwealth of Virginia. I would like to offer my congratulations to the award recipients.

The Dale City Civic Awards Association was created nearly 30 years ago and hosts an annual service awards banquet. In addition, the association awards a number of scholarships for college bound students from Dale City, monitors development, and serves as a sounding board for citizens and businesses.

Citizen of the Year.—Jo Ann Mains. Ms. Mains serves on numerous community boards, helps raise money for the Dale City Volunteer Fire Department, ACTS, the Boys and Girls Clubs, and she also gives her valuable time by helping needy families.

Young Citizen of the Year.—Shivon Kershaw. Ms. Kershaw serves in many church and civic associations in Prince William County. In addition to these activities she has won Martin Luther King oratory contests both at the middle school and high school levels for the past 2 years. Despite her many extracurricular activities she still maintains a very high grade point average.

Community Service Award.—Terrance Spellane. Mr. Spellane served on the county board of supervisors for 8 years and was a leader in sound fiscal policies, human services, and economic development.

Nurse of the Year.—Deana Michell. Ms. Michell is a nurse at Potomac Hospital whose constant pursuit of perfection and relationship with patients has earned her the respect and admiration of her colleagues and patients at the hospital.

Police Officer of the Year.—Officer Patricia Harmon. Officer Harmon has given not only her official time, but her private time helping the people of her community become educated in safety.

Fire Fighter of the Year.—Howard Coleman. Mr. Coleman has been a member of the Dale City Volunteer Fire and Rescue Department since 1991. Mr. Coleman has always displayed an eagerness to help his fellow citizens and their quality of life.

Emergency Medical Services Award.—Anthony Hool. Mr. Hool has been a member of the Dale City Volunteer Fire and Rescue Department for the past 18 years. During this time Mr. Hool has been responsible for developing the E.M.S. system in Dale City. He is also one of the most respected E.M.S. providers in the Commonwealth of Virginia.

Elementary School Teacher of the Year.—Carolyn Harrington. Ms. Harrington is a second grade teacher at Neabsco Elementary School in Dale City. Her dedication and love of her work is reflected in the children of the community.

Middle School Teacher of the Year.—Vernice Turner. Ms. Turner is a seventh grade language arts teacher at Mills E. Godwin Middle School. She is one who gives generously of her time and demonstrates the highest level of professionalism and competence.

High School Teacher of the Year.—Jim Sivells. Mr. Sivells is a social studies teacher at Cecil D. Hylton High School. His dedication to his work truly makes government come alive for his students and is reflected in their admiration for him.

Mr. Speaker, I know my colleagues join with me in congratulating these outstanding citizens for their tireless efforts to make Dale City, VA a better place to live.

TRIBUTE TO LLOYD CHARLES BROWN

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. SERRANO. Mr. Speaker, I rise to pay tribute to the memory of Mr. Lloyd Charles Brown, an active community leader who dedicated his life for the betterment of the Bronx.

Mr. Brown was born in Banes, Cuba in 1922 to Lesseps Brown and Susan Lawrence Brown. He worked on the Guantanamo Bay Naval Base for 20 years.

Mr. Brown immigrated to the United States in 1964. He became a businessman in the Bronx and initiated many ideas for the betterment of the community.

Mr. Brown's active role in the community included his work at community board No. 9, where he was chairman of the Rainbow After School Program, youth committee member, and chairman of the housing committee. He was also the chairman of the Dankner Eye Institute, president of the Blackrock Avenue Tenant Association and a member of the Mitchell-Lama Council, the America Security Council National Advisory Board, and the Bronx Municipal Hospital Corporation Advisory Board.

His career in politics led him to become president of the Community Democratic Club of the 76th Assembly District in New York. He was also a member of the community advisory committee for Assemblyman Hector L. Diaz.

Mr. Brown received the Rev. Dr. Martin Luther King, Jr. Humanitarian Award for his achievements in helping the people of our community. He was also honored with a Citation of Merit from Bronx Borough President

Fernando Ferrer and a Citation of Merit from Assemblyman Hector Diaz.

Mr. Brown left a legacy of courage, responsibility, hard work, camaraderie, and love for the community. He is survived by his wife, four children, three grandchildren, an aunt, and other relatives and friends.

Mr. Speaker, I ask my colleagues to join me in honoring the life of Mr. Lloyd Brown who left a mark on our community through his commitment to serve with love and to the best of his abilities.

TRIBUTE TO RALPH E. DALTON

HON. JERRY WELLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. WELLER. Mr. Speaker, today I'd like to honor the retirement of Ralph E. Dalton after serving the public in the Illinois Department of Transportation for 37 years, 7 months, and 11 days of service.

Mr. Dalton, a native of Farmington, IL, graduated from Western Illinois University with a bachelor's degree in physics and Bradley University with a master's degree in engineering administration. He married Joyce Scott on October 19, 1958, and they have one daughter, Libby.

Mr. Dalton's career with IDOT started in 1958 with district 4 in Peoria, IL. Then, in 1965 he was appointed district 4 geotechnical engineer and in 1985 he became district 4 engineer of materials. In 1988 he moved to the engineer of land acquisition in district 4.

In 1990 he was appointed assistant district engineer at district 6 and in 1992 was appointed district engineer for the district 3 Ottawa office.

And, above and beyond the call of duty, Ralph Dalton served for 8 years as a member of the Illinois National Guard.

Mr. Dalton is the type of civil servant who is loyal, diligent, and has a proven record of achievement. He will be missed at the Illinois Department of Transportation.

SALUTING AWARD WINNER PEARL R. "PEGGY" FIELDS

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. FIELDS of Texas. Mr. Speaker, I was remiss last year in not taking time to salute a remarkable woman, Pearl R. "Peggy" Fields, who was honored with the Arthritis Foundation-Louisiana chapter's Humanitarian Award last June. I am proud to say that Peggy is my aunt, and I want to take a moment today to salute her not only for this latest honor, but for her long and distinguished record of service to her community.

Peggy was born Pelagia Rosko in Ohio, and entered the convent at age 13 as Sister Maria Consolata. She remained at the convent until, at age 37, she moved to Houston and changed her name to Pearl Rosko. She married James C. Fields and moved with him to Louisiana. During this time, she received her R.N. degree at the Providence Hospital School of Nursing, and her B.S.N. degree and B.A. degree at the Sacred Heart School of Health Administration at Tulane University.

Peggy always loved teaching, and she had the opportunity to educate young people during her 15 years as an elementary school teacher. She also always loved nursing, and she served as a nurse for 20 years in Houston, at Our Lady of Lake Medical Center in Baton Rouge, and at Ascension General Hospital, where she served as director of nurses and as a private nursing consultant.

In the 1970's, Peggy opened and sold the first home health agency in Baton Rouge, which is now known as Capitol Home Health. She also owned several businesses in Ascension Parish, and, in 1989, she opened Ascension College of Gonzales, where she continues to serve as chairman of the board.

In addition to being active in her church (St. John the Evangelist) where she is the organist, Peggy has been active in many organizations in her community. She helped found and lead the Taxpayers for Ascension General; she served as president of her local art guild; and she served as president of her fellowship center.

The recipient of the 1994 National Volunteer Service Citation, Peggy continues to serve on the state board of directors of the Arthritis Foundation. Previously, she received the 1993 Employer of the Year Award from the Baton Rouge Catholic Diocese's senior employment division. She has been named Businesswoman of the Year and, in 1995, was awarded the Research Advocate Award from the National Arthritis Foundation.

Mr. Speaker, I may not be totally impartial when it comes to Peggy Fields. But I happen to believe that she represents the kind of volunteerism and private-sector assistance that so many of us believe in. Her tireless efforts over many years in so many different ways to help her neighbors and her community have inspired all who know her, and have given all of us an example of what each of us can do to make our communities better places. I know I speak for the thousands of men, women, and children who have benefited from her work and her compassion when I say, thank you to my aunt, Pearl R. "Peggy" Fields.

Thank you, Mr. Speaker, and thank you again, Aunt Peggy.

REGULATION OF TOBACCO BY FDA

HON. ED BRYANT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. BRYANT of Tennessee. Mr. Speaker, I know you were as relieved as I was, to hear the President reveal that the "era of big Government is over." This likely will be welcome news to the millions of Americans who are fed up with a Federal Government which has spent itself into a $5 trillion debt and which has been injecting itself into nearly every aspect of the lives of working men and women in the process.

Unfortunately, it appears that the Commissioner of the Food and Drug Administration was not watching the President's address last week because the FDA is still pressing forward with its plans to regulate tobacco.

In the President's new era of smaller Government, the FDA has proposed, in 140 pages in the Federal Register, to wrest from Congress, from the Federal agencies and from the States, the authority to regulate the sale, distribution, advertising, and promotion of tobacco. The FDA has made this proposal despite the fact that Congress has traditionally left to the States most elements of tobacco regulation—including age of purchase.

The President also outlined in his State of the Union Address, a number of challenges he sees facing our Nation—including preventing underage tobacco use. However, I would remind the President that Congress has already risen to this challenge, having enacted in 1992, the ADAMHA Reorganization Act, requiring the States, as a condition for receiving certain Federal grants, to enact and enforce laws preventing the sale or distribution of tobacco products to minors.

Although this legislation became law before Mr. Clinton took office, it was only last week that his Department of Health and Human Services issued its final rule for implementation. Indeed, it took the Department almost 2½ years from the time it issued its proposed rule to the time it promulgated its final rule.

This delay helps underscore the inherent limitations of big Government and serves as proof that Congress had the right idea when it granted to the States, and not to the Federal Government, responsibility for reducing underage tobacco use.

While the Federal Government has a legitimate interest in preventing the purchase of tobacco products by minors, the matter is properly the domain of State governments, not a Federal agency acting without congressional authorization or direction. The individual States are much better equipped to deal with the complex factors involved with underage use, than is the FDA with its "one size fits all" approach and its unwieldy bureaucracy.

Mr. Speaker, since all 50 States already have laws prohibiting the sale or distribution of tobacco products to persons under age 18, I would think that the FDA's time and resources could be better spent on approving new medicines and medical devices and allow the States to combat underage tobacco use.

FOUR LETTERS

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. SMITH of New Jersey. Mr. Speaker, tomorrow on February 2, my parents, Bern and Kay Smith, will celebrate their 50th wedding anniversary. For our family and friends this will be an historic milestone filled not only with enormous happiness and joy, but gratitude, as well.

My parents' love for each other, and for my two older brothers and me, was always strong, an absolutely sure thing, never in question.

They always had our best interest at heart. In raising us, we always knew they were raising their three sons not just for this life on earth, but for eternity with God. The bond of love was strong for their own parents, my dad's brother Gil and his daughter Sue—who was like a daughter to them and a sister to us—and my mother's nine brothers and sisters.

Conceding up front that mere words are inadequate in expressing the depth and breadth of our feelings, mom and dad, here are three letters from your three sons

And mom, a letter from dad.

KATHERINE J. HOLL AND BERNARD H. SMITH

How do we label fifty years of marriage? Is it an event, an achievement, a celebration, a milestone, survival of the fittest, a bit of luck or just plain true love? The answer probably lies somewhere within all of these concepts and more. It is difficult to accurately and to adequately describe my Mom and Dad, Kay and Bern.

My first recollection of them begins at their wedding in February 1946. I insisted that I attended and can prove it by merely viewing pictures and scenes from their 16mm movie films. Of course the "me" was my 12 year old uncle, but nonetheless I continue to assert otherwise.

Growing up in the Smith home was never dull. Adventure is a good description for those times. Mom and Dad were intimately involved in our lives. Their love nurtured and encouraged without smothering. Reassurance and challenge were always present. They were always there for us. They gave us room to grow and were ready to support and comfort their boys.

If there is an ideal childhood then certainly we had one. The lessons of life were taught by example through an exquisite balance of firmness, fairness and fun. Opportunities of many varieties were provided, shared and celebrated. Success of one was joy for all. Adversity was met directly and, ultimately, viewed as a learning experience to prepare us for the future.

Mom the Club Scout Den Mother, Dad the little league coach, both the homework "checkers" have left their imprint on us. That these acorns did not fall far from the tree is evidenced by the Smith boys' character and individual traits. All different yet each possessing the basic core values Mom and Dad lived. We are the fruit of their love and labor.

Although their lives revolved around us they ensure their love and happiness was rooted in each other. They believed in their families and showed us the treasures in grandparent, uncles, aunts and cousins. We were fortunate to have so many. Kay and Bern's friends over these last fifty years are too numerous to list and there are always more being added to the fold. Wherever they live, travel or 'hang out' some new acquaintances emerge, most become friends. The strength we know was and is felt by many. Their generosity and friendliness is well renowned. They have known tough times in their fifty years and after each have emerged stronger in their love for each other. Kay and Bern live life vigorously, content in their past while expectantly anticipating the future.

To be their son is a supreme gift from God. To live up to and emulate their greatness is a difficult task to achieve yet a goal worthy of the quest. Mom and Dad made it simpler because they gave us the template for success and are always there to pick us up and 'point our heads' in the right direction.

I think the answer to my question on how to describe Kay and Bern's fifty years of marriage is rather simple. How beautiful and wonderful they are . . . my Mom and Dad are an everlasting, unending love story.

Happy Anniversary!

MICK.

My Mom and Dad are proudly celebrating their 50th wedding anniversary, and the impact of this day has made me reflect on just how unique and special they are to my brothers and I. We have enjoyed a lifetime of genuine love and involvement, and it is not possible for me to truly measure all that I have learned from them. Sometimes the "push" to grow and change was subtle, at other times it was not, but even as kids, the Smith boys recognized somehow that the love we received on a daily basis was to be cherished.

Of all the qualities that parents can imbue in their sons, several have come to be guiding forces in my life. From my earliest recollections of the teachings of my Mom & Dad, they have stressed the importance of honor and duty. My brothers and I have now seen for ourselves the results of "doing the right thing" in our daily lives and we can (and do) thank Mom & Dad for their hands-on style of parenting. In the 90's, it is rather common for many to be unconcerned of the consequences of their actions, but my brothers and I were taught that we must be true to ourselves and to "own" our behavior. The "Golden Rule" was often the answer we received when we were seeking advice from our parents. I remember a discussion I had with my Dad when I was unsure whether it was O.K. to vote for myself in the upcoming Freshman Class Presidential election. Dad's view on this matter was disarmingly simple and direct. He said, that if I was to ask anyone else to vote for me, that this was akin to asking them to trust in me, and if I had their trust, then surely I must trust in myself to do the job. So I voted for myself, as I had the confidence in myself that loving parents help engender in their children. Trust in oneself took many forms in our household. One only need look at some of the events that we brothers engaged in from some pretty young ages, with full support from Mom & Dad. Chris had his first paper route at age 6! I was about 8 years old when Mick and I started scuba diving. Mom and Dad endeavored to treat us equally. I know we all appreciated that, and I believe the results of that even-handed treatment are partly responsible for the closeness we brothers feel for each other to this day. Sibling rivalry was never an issue, unless the issue was sports!

All of us participated in sports, seemingly always showing a preference for those sporting events where individual achievement could be measured. I think we all desired very strongly to show Mom & Dad that we could be as good as they told us we were! Mom & Dad were early devotees of swimming and tennis and filled our community's need for a place to play, by organizing with assistance from uncle Gil, a Swim Club. Dad was also instrumental in the start-up of a boy's baseball league, and even coached one of the teams. I think we can all remember Dad's frequent calls to be "Heads Up!" and to stay in the flow of the action by being prepared to act immediately if we fielded a ball. He would keep us thinking by having us say to ourselves: "What am I going to do if the ball comes to me?" The situational awareness that was fostered by this and other self-knowledge exercises while growing up, uniquely prepared my brothers and I for Life's challenges, and I feel strongly that this training helped me in my aviation career. The dinner table discussions at the Smith Family house also helped us to really know and appreciate each other and honed our skills at the presentation of opinions. No topic was off limits and we all learned that to have an opinion on something was to be prepared to clearly debate the issues, with Mom & Dad guiding us in making sure our "Ducks were in a row." My brothers and I benefited tremendously from these now legendary happenings, and to this day when we get together there will be strongly held opinions discussed and dissected, and the learning will continue. There was no need to have the television on to keep us busy.

Mom is the "Heart Of Our Family" and is very skilled at making others feel welcome and a part of our family. We were fortunate to meet and know many of Mom & Dad's friends over the years, as they entertained often and graciously. We were never treated like little kids unless we acted that way, which we tried very hard not to do so that we could be involved in more adult matters and discussions. Often upon leaving a large family gathering, we would be praised for being good kids and for making them proud with the way we handled ourselves. My brothers and I always appreciated this positive feedback.

Dad likes to say "show me" on occasions where he needs to be convinced of the veracity of a statement. Mom & Dad showed us how they felt about us all the time, and they still do. We knew that we were loved, we were not just told that we were. It is common now to speak of "family values" as if they could be capsulized and distributed to people for their enrichment. When you have had good strong family values as the defining fabric of your entire life, as we have had, you begin to sense that "love is the answer, no matter the question." I can honestly state, that Mom & Dad by constantly demonstrating their unwavering love for God, for us, and for each other, have shown the way to true happiness in this life. They have taught us the secret. It is up to us to live that secret and to pass it on to everyone we touch.

Mom & Dad, congratulations on your 50-year achievement!!

I love you very much!

T.

DEAR MOM AND DAD: Fifty years ago today, you both said "I do," and what you've done together has truly left, and continues to leave, a special legacy for all of us who deeply love and respect you.

I am certain that your parents—Nana and Gramp Smith and Holl—Sue and all our loved ones who are with the Lord, rejoice today in your achievement. You have been a blessing and inspiration beyond what you'll ever know. Someday perhaps the Lord will tell you in Heaven how the thousands of seemingly little things—acts of kindness or honesty—affected us for the good. You taught Mick, Tom and me as much, if not more, by your consistent example and good works than by what you said. And Mom, you know how Dad loves to talk.

Growing up in Iselin, our family was strong—like a rock—because of your faith in God, your devotion to the Blessed Mother, your goodness, your sense of humor, your work ethic and concern for others—especially the little guy.

You taught us to look beyond the obvious and below the surface. To think deep thoughts and big ideas, but not to get bogged

down in dreams. "You can keep your head in the clouds," you often said, Dad, "as long as you keep your feet on the ground." And then there's your old friend "economics."

You never did anything half-way or half-baked or half-hearted. Yet, if I heard it once I heard it a thousand times, "everything in moderation and balance." You poured yourselves first into making your marriage work, and then into the challenge of raising three hard-driving, independent-minded, rough-and-tumble boys.

I never knew a time when you both didn't work hard to make a decent living; and you did it honestly. Remember the time Rawlings sent several dozen top of the line baseball gloves which would sell for almost $100 each, but billed us for rawhide laces at 50 cents a pop. What a profit! What a killing! No one would ever know. Not! You called Rawlings immediately to set the record straight. Well, I remember that day, and I learned a lesson in integrity to last a lifetime. Years later when Mick and I were in the store, a van filled with "hot" merchandise—good deals, for sure—pulled into our parking lot. When approached, Mick said, "not interested," called the police, and they arrested the thief as he was making a "sale" a short distance away. These kinds of lessons, and others like them, etched values into the depths of our souls concerning right and wrong in ways no book or words could ever do.

Mom, you were a "career woman" long before that idea came into vogue; yet, you were always available to Mick, Tom and me because of the way you arranged your hours. We never had to ask, "Where's Mom?" There was never any doubt whatsoever that your first priority was us—and, of course, B. H.

In the store you were the bookkeeping guru, Mom, and much more, making sense of accounts payable, receivable and purchase orders. As long as you had a cup of Herb's coffee—we all lived on that stuff for a while (except Tom, who hated it)—you were ready for anything that might walk through that front door.

While Dad did most of the selling to schools and athletic teams, with a minor assist—for a time—from his sons, you were the super glue behind the scenes who made it all work.

Come to think of it, you were the glue at home, as well.

You are a truly remarkable lady, Mom; a real softy with a great big heart. And the way you've handled your health ordeal further reveals your inner strength and faith in God. Dad is right on target when he calls you "St. Katherine of Robbinsville." And Dad you are an example of unfailing love and dedication to mom in "sickness and in health"—you're always just there for her—don't think your devotion goes unnoticed.

Dad, I sure do respect your courage and boldness.

Mick, Tom and I are tough on the inside because of your "tough love." You were easy to please, but hard to satisfy. We were admonished to ask the difficult questions; stand on principle, even if you do it alone; to never give in; to be prepared; to give 100%. You coached our Little League teams; cofounded a family swim club with Gil, your brother, with whom you are best friends; and founded our Boy Scout troop. You taught us to love the outdoors, camping, hiking and citizenship. Both you and Mom seemed awfully proud when Mick, Tom and I each made Eagle Scout.

In life, and in baseball, you drilled it into us one of the secrets of success: Anticipation, and I'm not talking about ketchup. Your mantra was to ask: "what do I do if the ball comes to me." You instilled in us a proactive way of thinking—not just making double plays. I'm sure Mick and Tom—especially when making critical flight decisions in the pilot's seat somewhere in the stratosphere—find this training extremely useful.

Although we had to prod you for details about World War II—much of it too hellish to recount—we always admired your gallantry and courage serving America as a combat soldier in New Guinea, the Philippines, and other battles in the Pacific. And what guy wouldn't be impressed with all those medals you earned. When I read your historic novel—Horizons of Glory—I couldn't help wonder how many of the scenes depicted had their root in your actual war experience. Both you and Mom are extremely well-read; thanks for passing the importance of books and reading on to us. And Dad, you have always had the gift—the flair—for writing.

And talk about a guy with that "competitive edge." In sports and life you have risen to every challenge.

In 1977, when I married my college sweetheart Marie, no one was more happy for me—us—than the two of you. I like to think our happy home is like "our" happy home. We couldn't be more pleased that Melissa, Chris, Mike and Elyse think of the two of you (aka Mom-Mom and Bobby) as really neat—and they, too, love you.

I just realized, I'm getting a little long—which is really not fair. Mick, Tom and I agreed that each letter was to be concise. Hey, number three son's a politician—what'd you expect? A postcard? Happy 50th!

Love,

CHRIS.

A LOVE LETTER TO KAY ON OUR FIFTIETH ANNIVERSARY FEBRUARY 2, 1946–1996

MY DARLING KAY: The unabashed, no apology romantic in me happily says, "Kay, you are synonymous with Love".

Love is the only perfect place on our planet. It can move mountains; it has brought down kings. Yet, Love is paradoxically delicate and tenuous and must never be maneuvered, and certainly never be manipulated.

To paraphrase St. Paul in one of his letters to the Corinthians . . . Love is selfless, Love is sacrificial, Love, if nurtured, can be unending.

You neither have to agree to love, nor should there be a reimbursement to Love. We don't have to be Loved back to Love the way God intended. Very simply, it is the never ending gift of totally giving our ourselves—and asking nothing in return.

Cynics may scoff at these sentiments but they come and go like the waves on a beach and, we have spent more than fifty years, most of our lives, proving them wrong. Living as we do, in an age of hedonism, you and I have never measured success with material wealth—the size or location of our homes: the cost of our cars; labels on our clothes, etc. . . .

Our wealth—indeed our legacy is our children and their children and obviously, there is no way to put a dollar value on that, nor should there be a need to.

You and I would like to think that the magic that we first felt for each other was not just blind chance—and we never lost it. Were we just lucky? Maybe—but I think not.

Just as a craftsman, a technician and an athlete constantly hone and refine their skills, so too did we, through constant communication and understanding the needs of each other. And, the tender, sometimes wild, often explosively, cataclysmic, earth moving events that produced Mick, Tom and Chris became for us, wondrously frequent happenings. It sure hasn't been ho-hum nor routine.

Do you remember many, many years ago discussing. "The Magic Cottage" by O. Henry? It told of a young, handsome and vibrant couple who never saw themselves older with the passing years, as long as they were in the confines of their "Magic Cottage". Much the same as the fabled, "Shangri-La".

Well, I believe we have found the spirit of our, "Magic Cottage" in our minds. The "Fountain of Youth" is not a place but rather that tenuous, delicate spirit of love along with our "Joie de Vivre". The joy of life.

The very phrase—Joy of Life—has such a positive ring to it. Very few of us are born with it. It must be cultivated over a span of years and, I believe we have done that.

It has manifested itself countless times through the quiet pride we take in our loving parents, brothers, sisters, three fine sons and our grandchildren.

We have been separated by war, have experienced illness and pain, suffered the loss of loved ones always putting our faith in God and His Blessed Mother—and we have been sustained.

My dearest Kay, I have learned, and will continue to learn from your example of never complaining. Someone who knows us both very well once asked me if I found it difficult to live with a saint?

"Not at all", I answered. "it's kind of nice".

Now we celebrate our fiftieth and I know you wonder as I do, "Where in the world did those years go so quickly?" Would I do it all over again? In a minute and I wouldn't change a thing.

And I'll bet you feel exactly as I. Remember the line from an old song? "A million laughs and a few little tears?" That sums it up pretty good, don't you agree?

Since writing you hundreds of letters beginning in 1939, I always ended them with a simple—"I love you" but I don't think I'll actually end this one. The song is still playing and I don't think it will ever end.

So, I'll break off here with something you told me you liked very much after hearing it in a speech I once gave.

"Age is not a time of life—youth is merely a state of mind. We become old when we desert our ideals and dreams. We are as young as our faith, as old as our doubts. As young as our self confidence, as old as our fears".

"And deep within our hearts is a recording chamber, and as long as that chamber is receiving messages of hope—faith and cheer, we will never, never grow old. Happy anniversary.

Love,

BERN.

REMARKS BY SENATOR SIMPSON AT NATIONAL PRAYER BREAKFAST

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. LANTOS. Mr. Speaker, it is a pleasure for me to introduce into the CONGRESSIONAL RECORD the following speech, by my friend and colleague Senator ALAN SIMPSON, given at the National Prayer Breakfast this morning.

Senator SIMPSON delivered this eloquent address with his legendary wit and humor. I encourage all of my colleagues to read this most significant speech by Senator ALAN SIMPSON.

NATIONAL PRAYER BREAKFAST

FEBRUARY 1, 1996

Mr. President, First Lady Hillary, Mr. Vice President and President of our Senate and Tipper Gore, distinguished guests. Greetings, my fellow seekers, discoverers, and wanderers (not necessarily in that order!) Always a grand morning.

One of the great honors of my life was to give the principal address at this National Prayer Breakfast in 1989. I was filled with trepidation that a seeker like me would be asked.

The night before, the Reverend Billy Graham, one of the most loving, inspirational, caring men in this world, called and said, "Alan, we are praying for you." I said, "You're praying for me! I'm doing plenty of that for myself!" So typical of Billy Graham.

Long ago in public life I learned where to turn when I didn't know where to turn. One source.

The Senate prayer breakfast group gathers every Wednesday morning for a convivial half hour between 8 and 9:00. Our leaders are Bob Bennett, the Republican from Utah and Dan Akaka a Democrat from Hawaii. Rare gentlemen both.

The presentor of the day—after an opening prayer—shares much of himself or herself with us for fifteen or twenty minutes and then a time of discussion and fellowship. Promptly at the hour of nine we close with a prayer as we stand with hands joined around the tables. Sometimes the theme is the Bible. Sometimes it's public life. Sometimes it's about family and our jobs but always it's about ourselves and the impact of that greater force in our lives—a higher being. All faiths. All philosophies. All believers.

These are always very moving times. We share much with each other and we gain much from each other.

It helps us endure in the partisan and political world in which we have chosen to labor. Kindness, civility, tolerance and forgiveness all are part of the essence of our gatherings. We try to put aside harsh judgment and criticism.

I remember the words of a wonderful couplet my mother used to share.

"There is so much good in the worst of us. And so much bad in the best of us. That it ill behooves any of us to find fault with the rest of us."

I like that one. I knew you would!

We also talk about our human frailties. We talk about how easy it is to fall for the blandishments of flattery and be overcome by ego. I have often said that those who travel the high road of humility in Washington DC are not really troubled by heavy traffic!

It is always a very uplifting time. Yes, actually too a time of sharing of our own vulnerabilities. It was Will Rogers, our great American humorist, who said, "It's great to be great but it is greater to be human."

We are very privileged to be able to serve in the United States Senate. A special obligation. People do observe us. We are scrutinized. (Indeed we are!) We hope to do more than just talk a good game. We need to live the things we learn and share.

Let me close with a poem that is something we try to take from the weekly Senate prayer breakfast group and something we might hope to remember from this marvelous convocation today. That little poem.

"We'd rather see a sermon than hear one any day,
We'd rather you would walk with us than merely show the way.
The eye is a better pupil and more willing than the ear.
Fine counsel is confusing, but example's always clear.
We can soon learn how to do it if you'll let us see it done,
We can watch you well in action, but your tongue too fast may run
And the lecture you deliver may be very wise and true,
But we'd rather get our lessons by observing what you do."

Now there's "The Word" for the day! God bless you all.

YELTSIN ADVISOR PROCLAIMS YELTSIN REFORM ERA OVER

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. SOLOMON. Mr. Speaker, I would like to submit for the record the text of Boris Yeltsin's human rights advisor Sergei Kovalev's letter of resignation.

Mr. Speaker, this devastating critique of the Yeltsin regime is most timely, considering the IMF's current considerations of a $9 billion infusion into the Russian treasury. It also comes at a time when Prime Minister Chernomyrdin is here in the United States assuring the administration and other officials that all is well in Russia. All is not well Mr. Speaker, and those, like the administration, who still don't get it are plainly referred to by Mr. Kovalev as naive. I urge all Members to read this critical letter.

THE CASE AGAINST YELTSIN

(By Sergei Kovalev)

For the past six years I have considered it my duty to promote in every way possible the policy that can fairly be called the "democratic transformation of Russia" notwithstanding many reservations. For a long time that policy was closely linked with your name. You were the head of a country on the road to democracy, and at first, you were even considered the leader of the democrats. As long as you remained headed in that direction. I considered myself your ally, or, in those instances when you departed from the overall course or drastically slowed the tempo of advance, a member of the loyal opposition.

Russia's road to freedom never promised to be easy. Many difficulties were obvious from the very beginning. Many others cropped up unexpectedly. To overcome them, all of us—the government, society, each individual—had to make complicated and sometimes tragic decisions. The main things the country expected from you were the will to make changes and honesty. Especially honesty. In electing you, Russia saw not only a politician ready to demolish the former state structure, but a person who was sincerely trying to change himself, his views, his prejudices and his habits of rule. You convinced many—myself included—that humane and democratic values could become the foundation of your life, your work and your policies. We weren't blind. We saw the typical traits of a Communist Party secretary preserved in your behavior. But all Russia, like a man striving to overcome a serious defect, was struggling with itself. We understood you even when we did not love you.

In recent years, however, even though you continue to proclaim your undying devotion to democratic ideals, you have at first slowly, and then more and more abruptly, changed the course of government policy. Now your government is trying to turn the country in a direction completely contrary to the one proclaimed in August 1991. . . .

Beginning in late 1993 if not even earlier, you have consistently taken decisions which—instead of strengthening the rule of law in a democratic society—have revived the blunt and inhuman might of a state machine that stands above justice, law and the individual. . . .

During the tragic days of the fall of 1993 [when Yeltsin dissolved the Supreme Soviet], I decided to stand by you despite my serious inner doubts. I don't deny my responsibility for that support. I believed that the use of force was a tragic necessity given the imminent threat of civil war. Even then I understood that the events of October might encourage the top leaders to perceive force as a convenient and familiar instrument for resolving political problems. But I hoped for a different outcome, that by overcoming the crisis of legitimacy and creating a basis for the rule of law in Russia, the president and the government would do everything possible for our country's peaceful and free development. To a very great extent, the outcome depended on you, Boris Nikolaevich. I believed that you would choose the second path. I was wrong.

The 1993 Constitution confers enormous powers on the president, but it also places enormous responsibilities on him: to be the guarantor of the rights and liberties of citizens, to safeguard their security and to protect law and order in the country. How have you discharged these duties? How have you fulfilled your responsibilities?

You have virtually halted judicial reform, which was designed to make the administration of justice truly independent from the other branches of government. You openly professed the principle: "Let the innocent suffer as long as the guilty are punished."

You loudly proclaimed the launching of a war on organized crime. In order to implement this, you granted exceptional, extralegal authority to the security ministries. The result? The criminals continue to roam freely, while law-abiding citizens have to tolerate the abuse of the uniformed forces without gaining the security they were promised.

You stated that your goal was the preservation and strengthening of the Russian Federation's territorial integrity. The result? A shameful and bungled civil war which has been raging in the North Caucasus for more than a year. Under the guise of strengthening Russia's defense capability, you've blocked all military reforms which would give Russia an effective modern army. The result? Spending on the army is growing, and the number of generals has increased to an indecent figure. In order to justify their existence, the term of service has been increased and draft deferments have been ended. Meanwhile, soldiers and officers are impoverished, ragged and hungry. And the degradation, ill-treatment and corruption, traditional in our army, are as prevalent as ever. Not surprisingly, tens of thousands of young men are evading this medieval recruitment like the plague.

You speak of a policy of openness, of transparency and of public accountability, yet at the same time you sign secret decrees concerning the most important matters of state.

You create closed institutions, and you classify as secret ever more information about government operations and the state of the country. Presidential decisions are made almost in the same backroom fashion as in the era of the Politburo. It's no secret that you increasingly depend on the security services and on their system of clandestine information. Isn't it obvious to you how unreliable and tendentious this information is?

The thrust of your personnel policy is becoming clearer with each passing day. At first there were quite a few competent, honorable people around you. But you also enthusiastically welcomed individuals whose only virtue consisted in their personal loyalty to you. Gradually such loyalty has become your primary demand when recruiting staff, just as it was in the heyday of the Community Party. . . .

You began your democratic career as a forceful and energetic crusader against official deceit and party disposition, but you are ending it as the obedient executor of the will of the power-seekers in your entourage. You took an oath to build a government of the people and for the people, but instead you have built a bureaucratic pyramid over the people and against the people. Moreover, having rejected democratic values and principles, you haven't stopped using the word "democracy" so that naive people may well believe that "democrats" remain in power in the Kremlin. Your policies have compromised the very word, and if democracy is fated to someday exist in Russia (and I believe it will), it will exist not because of you, but in spite of you.

HARRY KUBO CELEBRATES 25 YEARS AT HELM OF THE NISEI FARMERS LEAGUE

HON. GEORGE P. RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. RADANOVICH. Mr. Speaker, on March 8, 1996, the Nisei Farmers League will celebrate its 25th anniversary. This will be the closing of an era with Harry Kubo at the helm and the dawning of a new era with him handing over the reins to Manuel Cunha, Jr. Harry will be stepping down as president but will remain on the board as president ex-officio.

AND THE DOVE OF PEACE WEPT, TOO

HON. CHAKA FATTAH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. FATTAH. Mr. Speaker, Mrs. Marilyn Krantz of Philadelphia, in response to the assassination of Israeli Prime Minister Yitzhak Rabin, was moved to pen the following poem entitled "And the Dove of Peace Wept, Too."

Feelings * * * shared by countless many,
Amidst the shock and grief,
In prayers and prose and poetry
Expressing horror and disbelief
That Israel's leader, Yitzhak Rabin
Had so mercilessly been slain—
And by one of his countrymen
Whose deed marked the return of Cain!

With the word "Peace" still on his lips
And his heart filled with hope anew
This Great man fell, and tears did flow,
And the Dove of Peace wept, too.

Reaching beyond Israel's boundaries,
This was a loss to all the world,
Leaders gathered from near and far
To join as mournful words unfurled
For this man who'd struggled to ensure
The survival of one small nation
And worked tirelessly to bring peace
In the Mideast—a great revelation!

Soldier, statesman, family man.
In his wisdom, he'd come to see
That war was no solution
And killing brings no victory.

May his memory be for a blessing,
Others will carry his ideas through;
This was promised amidst the tears,
And the Dove of Peace wept, too.
Yitzhak Rabin is with us yet:
He lives in every believing heart
That peace must and will be achieved,
And each dawn offers a new start.

KIOWA WARRIORS PROTECTING U.S. TROOPS IN BOSNIA

HON. PETE GEREN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. PETE GEREN of Texas. Mr. Speaker, in the Department of Defense authorization and appropriations bills for fiscal year 1996, Congress added $140 million to the Army's procurement budget to buy 20 armed OH–58D helicopters, better known as Kiowa Warriors. The proof that Congress made the right decision is demonstrated in the attached article from the January 15, 1996, edition of Inside the Army.

Mr. Chairman, you will note that the Kiowa Warrior—with its mast-mounted sight and daynight, all weather surveillance capability—is deployed to monitor military peacekeeping movements in the zone of separation between Bosnia and Serbia. It is proving its mission effectiveness by protecting the lives of thousands of American servicemen and women moving into dangerous territory.

As Army Major General John Suttle of the 1st Armored Division's Task Force Eagle states: "The Kiowa is uniquely suited [for Bosnia] because of its stealth capability, its high maneuverability and its ability to protect itself with a variety of weapons systems."

The Army has a valid requirement for 507 Kiowa Warriors, but through this fiscal year, fewer than 400 OH–58D's have been funded. I hope that my colleagues in Congress will continue to act wisely and show support for further acquisition of Kiowa Warriors for the Army until the requirement for this outstanding military aircraft is fully met.

The full text of the Inside the Army article follows.

U.S. TROOPS ROLLING INTO BOSNIA UNDER COVER OF APACHES, KIOWA WARRIORS

As U.S. troop move into Bosnia at a rate of 500–600 a day—6,600 servicemembers arrived by Friday—Army aviators are flying continuous protection missions to help protect the flow of deployment.

Maj. John Suttle, spokesman for the 1st Armored Division's Task Force Eagle, said hundreds of troops have been deployed with the Apache AH–64 attack helicopters and OH–58D Kiowa Warrior scouts to monitor military peacekeeping movements into the Zone of Separation between Bosnia and Serbia.

"The Kiowa is uniquely suited [for Bosnia] because of its stealth capability, its high maneuverability and its ability to protect itself with a variety of weapons systems," Suttle said.

The Kiowas are being flown by members of the 2nd Brigade's 4th Cavalry Division who are "conducting routine reconnaissance in addition to providing quick reaction by placing their eyes on 'hot spots' as the command deems necessary," said Suttle. He said their recon maneuvers have been important to the Sava River Bridge building and crossing of troops into Bosnia.

The Apache units are staged with the 4th Brigade in both Tazar, Hungary and in Tuzla, Bosnia. "The Apaches can do the same types of missions as the Kiowas, but they're much more of a heavy hitter," said Suttle. The Apaches are also flying continuous reconnaissance missions to allow pilots to "get a feel for the surrounding area."

Apaches are also serving as a protective measure for arriving VIPs such as Defense Secretary William Perry, who took a holiday visit to the troops, and for President Bill Clinton, who at press time was preparing for a trip to the region.

Suttle said the river crossing has become a "piece of cake" since flooding of the Sava River was stopped by the Army Corps of Engineers. During a Pentagon briefing for reporters last week, officials said peacekeeping vehicles are moving over the bridge at a rate of 230 per day.

Earlier this month the same officials said they planned to build a second span across the Sava River to help expand the flow of personnel and equipment into the Zone of Separation. But in a Pentagon press briefing Thursday, Ken Bacon, assistant to the secretary of defense public affairs, said "we believe we're getting enough flow across the Sava River now. We believe that the time of the engineers could be better spent improving the quality of the life for the troops there, and we'll delay the second bridge for about a month."

Quality-of-life matters are a concern for the soldiers settling in to areas like Camp Harmon, where Army officials expect to house 2,500 troops by March 1.

According to Capt. Tom Evans, Army spokesman stationed in Zupanja, near the Sava River Bridge, the Army will house "about 10 people per tent at Camp Harmon." He said nearly 100 tents with temporary wood floors, reinforced with straw, have been erected in the camp. As Army units cross the Sava Bridge, they are being asked if they have enough supplies for the areas in which they are assigned; cold weather gear and heating units top the list.

Evans said soldiers are issued heating units that have been on supply in the European theater for some time. According to U.S. Army Europe, the heaters are the standard Army stoves that can use a variety of fuels including the standard Army fuel JP–8, wood, diesel or coal.

Concerns about the diesel-fueled heaters have been voiced by soldiers housed in tents in Germany, where countermine training is conducted before they are deployed in the Bosnian mission.

TWENTY-FIFTH ANNIVERSARY OF THE FERROALLOY ASSOCIATION

HON. RALPH REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. REGULA. Mr. Speaker, this year marks the 25th anniversary of the Ferroalloy Association representing U.S. producers of Ferroalloy products. It is an industry that has supported America's economic engine through wars, depression, and into the information age. You have seen its products in the shiny metal surface of a new car, or the armor plating of an M1A1 tank patrolling the streets of Bosnia. It is a product critical to the production of steel, iron, aluminum, and silicon, as well as newer applications in chemicals, semiconductors, solar cells, coatings and catalysts. As a collection, the over 50 different alloys and metals ferroalloys are critical to the economic well being of the United States.

Apart from its pivotal position within our commercial economy the ferroalloy industry has long been a strategic asset in the defense of our Nation. Begun just over 100 years ago with the introduction of the electric-arc furnace in 1892, the industry expanded rapidly 7 years later when it was called on to meet the needs for projectiles and armor plate during the Spanish American War. Since that time, domestic producers have seen major expansions during every war period up to the last expansion during the Vietnam war. Each time the industry met the challenges placed upon it as part of the defense industrial base.

However, in recent years, U.S. manufacturers have watched capacity and jobs sharply decline, due primarily to increased foreign imports and increased regulatory requirements. During the 1970's there were 15 companies with 26 plants operating 97 furnances. By 1990 there were only 12 companies with 16 plants operating 42 furnaces. In a matter of two decades, a more vibrant domestic industry had lost 60 percent of its work force and was expected to cease to exist completely by the end of the century.

But, in response to these difficulties, management and workers joined together to meet the challenge once again. Through the use of U.S. trade remedies against illegal predatory pricing, the industry has recovered market share and increased profits. The industry has invested in new technology and has improved the capital infrastructure of existing facilities. Management and workers have continued to work together to increase competitiveness by improving productivity and improving the manufacturing process. The result has been the resurrection of the industry.

Quality, productivity, and world-class technology are the watchwords for the U.S. ferroalloy industry as it continues to provide our Nation with the tools it needs to grow and defend itself.

TRIBUTE TO DAVID R. ELLEMAN

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. WALSH. Mr. Speaker, I want to pay tribute today to an outstanding elected official and public servant from Onondaga County in my home district. David Elleman served the people of the Greater Syracuse area and the entire County of Onondaga as its comptroller since 1967.

He has played an important role in keeping Onondaga County at the highest level of financial stability, with an excellent credit rating, through challenging economic times.

Recently retired, he is a respected and warmly regarded man of integrity; a civic leader with an enviable career.

Since serving as his senior high school class president in Syracuse, Dave Elleman has been a leader of his community and his Nation. A retired lieutenant colonel in the U.S. Air Force, he is a decorated veteran of combat in Berlin and Korea. Returning home, he has served on numerous foundations and boards including Blue Shield Central Board, New York Regional Planning Board, and the Syracuse/Onondaga County Planning Board.

Dave Elleman founded the New York State Government Finance Officers Association and he has served as New York Stake representative of the Government Finance Officers Association of the United States and Canada.

His family, and his community, are very proud of him. I would ask my colleagues to join me in wishing David Rundel Elleman and his wife, Ruth Calale Elleman, all the best as they enjoy the time they have earned.

On a personal note, I want to say I look forward to seeing the Ellemans very soon and often in years to come.

DEEPWATER PORT MODERNIZATION ACT

HON. JAMES A. HAYES

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. HAYES. Mr. Speaker, I am proud to rise today with my Louisiana colleagues, both Democrats and Republicans, to introduce the Deepwater Port Modernization Act—legislation to amend the Deepwater Port Act of 1974. Our efforts go to the heart of the battles this year in Congress to change the anticompetitive, overregulatory approaches of the past and streamline and focus Government's role overseeing American businesses.

Clearly, when this legislation originally passed Congress over two decades ago, the oil industry faced markedly different challenges than the industry encounters today. There was much concern that the efficiency and environmental advantages offered by deepwater ports would so eclipse the market that they would monopolize the bulk of oil transportation to shore.

To the contrary, in the 22 years since this legislation passed Congress, there is only one licensed deepwater port, the Louisiana Offshore Oil Port or LOOP. Unfortunately, despite Congress' original miscalculation on the ability of deepwater ports to control the market, the burdensome environmental regulations of the seventies remain in place.

First of all, our legislation would promote the efficient transportation of crude oil from the outer continental shelf [OCS] of the Gulf of Mexico, which is currently not listed as one of the priorities of the act. New technologies have resulted and will continue to undoubtedly result in increased production of OCS oil. Without a more cost effective and environmentally sound means of getting the oil to market, expanding production of our domestic resources in the gulf will occur more slowly to the detriment of the consumer. Deepwater ports will allow us to utilize the increased OCS production and capitalize on the estimated 15 billion barrels untapped in the deepwater of the gulf.

Second, our bill would repeal the antitrust provisions of the 1974 act and clarify the intent of the 1984 amendments in order that deepwater ports may better respond to market conditions to set rates, terms, and conditions. Deepwater ports are highly regulated due to the aforementioned belief that monopolies would form. But, nothing could be farther from the truth. Deepwater ports have many strong competitors that can constantly and instantly adjust their own rates. Our bill will level the playing field to encourage competition by providing deepwater ports such as LOOP with the same rate structure as their competitors.

Additionally, our legislation would simplify the regulatory framework under which deepwater ports function. The bill replaces the three-tiered system of requirements on deepwater ports—overlapping Federal regulations, licensure provisions, and operations manual—with the requirement that a port comply with the published guidelines of the Secretary of Transportation for a facilities operations manual. Furthermore, a licensee's operations manual, and proposed changes to the manual, shall be approved and reviewed by the Coast Guard.

LOOP currently pumps approximately $32.7 million in direct and indirect revenues in Louisiana's economy, not to mention additional impacts from other economic multipliers and benefits from a more environmentally safe transportation system. Because LOOP is only operating at about 63 percent of capacity, there is clearly room for expansion and for construction of more such deepwater facilities.

We, accordingly, must correct the provisions within the current law which are stifling market usage of deepwater ports and burying with archaic government regulations what would be another efficient transportation source. Mr. Speaker, my Louisiana colleagues in the House and the Senate join me in requesting that Congress take action to clarify the intent of the 1974 act to promote the usage of deepwater ports by eliminating duplicate and unnecessary licensure and other requirements. It is clear that, while the market has changed, the conclusion of the seventies that deepwater ports can bring substantial financial and environmental savings to oil transportation remains

true. We must act responsibly this year to ensure that deepwater ports are allowed to operate in the future in a way to maximize competition and minimize unnecessary regulatory barriers which prevent efficient, environmentally protective commerce in this country.

FIGHTING PORNOGRAPHY ON THE INTERNET

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. DORNAN. Mr. Speaker, we are discussing the telecommunication bill which is a large and complicated piece of legislation. Buried within this complex labyrinth of highly technical legislation is an important provision that attempts to control child pornography on the Internet. This provision gives us false security to believe that we are dealing with this heinous crime. However, the reality is that the provision does not have the power to eradicate computer pornography. Mark my words: We will have to come back to this issue 6 or 7 months from now trying to fix the deficiencies in this provision. Read about the German experience and laws.

Mr. Speaker, I highly recommend to my colleagues the following article by Patrick Trueman, one of America's foremost legal experts in the area of child protection and the former Director of the Child Exploitation and Obscenity Office in the U.S. Department of Justice.

PORN ON THE INTERNET, HERE AND ABROAD

(By Patrick A. Trueman)

Compuserve, one of the nation's top Internet access providers, temporarily blocked more than 200 sexually explicit sites recently because a German prosecutor thought the provision of such material by the company to German citizens violated that country's law. Compuserve may have reason to fear German law but seems safe in providing pornography to American citizens, even children. That is because Congress is contemplating passage of a telecommunications bill which will protect Compuserve and all Internet access providers from criminal liability for the provision of similar material to anyone, including children.

Yes, the bill in question contains specific protective language for those access providers who make millions distributing pornography, even hard-core pornography, to children and others. Sen. James Exon, Democrat Nebraska, and Rep. Rick White, Washington Republican, are responsible for this political favor. They are the principle authors of the Communications Decency Act, which they have characterized as a measure to control computer pornography.

Computer pornography should be eradicated, not controlled. Senator Exon originally proposed a bill that was a simple, straightforward prohibition. His top staffer on the bill frankly admitted to me that he caved in to demands of access providers under heavy lobbying pressure by them and thousands of Internet users. The interests of Rep. White are patently obvious. In his Washington state district is the headquarters of major Internet access provider, Microsoft.

Last year when the telecommunications bill was in committee, the American Family Association fought hard against special protections for access providers. So too did such notables with a high profile in the fight against pornography as former Attorney General Edwin Meese III and Rep. Henry Hyde, chairman of the U.S. House Judiciary Committee.

Why is Congress so willing to protect those who distribute and profit from computer pornography? Because one major pro-family group and a few smaller ones urged it to. Access providers and the so-called "free speech" lobby fought for the protections, but they couldn't have gotten such major concessions from the family-friendly 104th Congress without the cover certain pro-family groups gave them.

Pro-family champion Mr. Hyde offered a much tougher, no-exceptions computer pornography provision in committee as an alternative to Exon-White. He was defeated, however, by Mr. White—who liberally touted the support of the few pro-family groups who supported the position of the access providers.

Soon Congress will vote on the final version of the telecommunications bill, which contains this soft-on-pornography language. The effect on the Internet is predictable—computer pornography will continue to flow freely.

Under the Hyde provision anyone would have been liable, including access providers, for knowingly and intentionally distribution or making available pornography to children or obscene pornography to anyone. The argument in favor of the Hyde provision—that by providing no exceptions in the law, access providers will voluntarily restrict access to pornography—was made crystal clear by Compuserve's response to the German prosecutor.

That is the exact response that could be expected from all U.S. Internet access providers by passage of the Hyde language. It is an inexplicable irony that due only to the efforts of some pro-family groups, Compuserve and other access providers may have to block pornography to German children, but are free to provide it to the children of America.

Why did pro-family groups go to bat for access providers? I still wonder. The arguments of their representatives shifted throughout the months-long debate during consideration of the various computer pornography provisions in Congress. The lawyer for one argued that it is unconstitutional to hold access providers liable because they have no ability to block pornographic Internet sites. Her "constitutional argument" is undermined by Compuserve's response to the German prosecutor. She also contended that the Internet is a "wonderful resource" and we shouldn't go "too far" in regulating it.

Wow. Since when did Internet protection become a pro-family priority? Another prominent argument was that any computer pornography measure should be modeled after the federal dial-a-porn law with access providers treated like the phone companies are in that law. There is no more ineffective criminal law than the federal dial-a-porn law. It is hardly an appropriate model. Dial-a-porn is a thriving business in America precisely because this law has almost zero deterrent effect.

There have been no prosecutions under it since it was revised in the late 1980s to give phone companies almost blanket exemption from prosecution for what otherwise would be a crime of conspiracy when they knowingly provide service to and profit from dial-a-porn companies. The reason for this exemption was that phone companies are heavily regulated common carriers. Access providers are not common carriers and after this bill won't be regulated at all.

Congress, in the telecommunications bill to which Exon-White is appended, will impose on them all the benefits of a common carrier but none of the burdens. If Congress wants an appropriate computer pornography model, it should mirror the federal child pornography law which, like the Hyde proposal, does not exempt access providers. That is undoubtedly a major reason why one access provider, America OnLine, so willingly cooperated with the Justice Department in a recent computer child pornography sting operation.

As Compuserve has demonstrated, the best carrot and stick approach is a tough law. Only when Compuserve understood it was the liable under German law for the distribution of pornography did it block pornographic site. The company has indicated that it regretted the blockage of pornographic sites to its customers in this country and quickly ended the blockage.

Finally, some pro-family advocated argued that any law is better than what we have now. That arguments assumes that current federal obscenity laws do not allow prosecution of those who traffic in such material by computer. There is no court that has ever taken this position and, indeed, the Justice Department has successfully used current law to prosecute a computer pornography crime. Thus, it only makes sense to enact a new computer pornography law if it improves the ability of the Justice Department to prosecute for computer pornography crimes.

The Justice Department has told Congress in three letters that any law that exempts access providers from liability undermines its ability to prosecute those who traffic in computer pornography. Exon-White, then, is a retreat in the war against pornography.

Sure, Exon-White will allow the Justice Department to prosecute the individuals who put obscene pornography on the Internet or provide pornography via the Internet to children. But how many of the thousands of individuals in this country who are potential prosecution targets will really be deterred by Exon-White? The Justice Department can only do a relatively few prosecutions a year for such violations? Not long ago it announced it was dropping or postponing a great number of investigations targeting those who distribute child pornography by computer for lack of investigative resources.

Certainly child pornography will be given the highest priority by the department, leaving few resources to enforce Exon-White against violators in this country. And what about the tens of thousands of individuals in other countries who fill the Internet with pornography? Since our government has no jurisdiction to prosecute them, there is no reason to believe they will change their behavior.

There is also no reason to believe that any pornographic Internet sites will disappear. Exon-White guarantees they will remain since access providers who make those sites available will be free under Exon-White to provide them.

The simple solution to eliminating or substantially reducing those sites was Henry Hyde's bill. If access providers are liable for making pornography available, they will clean up the Internet. The Hyde proposal would have allowed access providers to make indecent but not obscene pornography available to adults so long as they took measures

to assure that the material was not available to children. This provision is made necessary by a line of court cases indicating that adults have a constitutional right to indecent material. It could have been accomplished by providing access codes or pin numbers to adult customers like banks do for ATM card customers.

Under Hyde, access providers would not be held liable for all illegal pornography on the Internet which their services may be used to obtain. Nor would it require that they check all communications to ensure that no violations of the law are occurring. They would simply be required to avoid knowing violations of the law.

This is an obligation imposed on all citizens, and Congress is foolish to exempt Compuserve and others like it from such a responsibility, especially since those most likely to be harmed will be children who, with a few clicks of a computer mouse, can enter that grand international pornographic swap meet that the Internet will be for them, courtesy of the access provider companies.

Federal criminal law has traditionally assigned equal liability both for those who commit a crime and those who aid and abet a crime. Thus any notion that access providers aren't directly responsible for the provision of pornography on the Internet should be legally irrelevant because without their willing facilitation there would be no Internet pornography.

Exon-White won't make the issue disappear from Congress. The access providers and those who enjoy the easy availability of pornography on the Internet have won round one. Soon, however, that segment of decent American society that began the clamor for a solution to the disease of computer pornography will realize that Exon-White is little more than the placebo it was designed to be and they will demand that Congress provide a serious response.

NATIONAL PRAYER BREAKFAST REMARKS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. LANTOS. Mr. Speaker, it is a great pleasure for me to introduce into the CONGRESSIONAL RECORD the following speech given by my friend and colleague, Congressman PETE GEREN, at the National Prayer Breakfast this morning. As a member of the National Prayer Breakfast Committee, Congressman GEREN clearly emulates the values represented by the National Prayer Breakfast. I urge my colleagues to read PETE GEREN's address with the thoughtfulness and sincerity with which it was delivered.

NATIONAL PRAYER BREAKFAST

Mr. President, Mrs. Clinton, Mr. Vice President, Mrs. Gore, distinguished guests one and all, I bring you greetings from the Prayer Breakfast of the U.S. House of Representatives. My charge today is to tell you about our prayer breakfast, with the hope and prayer that perhaps you can build on our experience in your nation, your state, your neighborhood or place of work.

In the book of Matthew, Jesus told us: "Where two or three are gathered together in my name, there am I in the midst of them."

Today those gathered in His name number in the thousands, and we thank Him for his presence.

Every Thursday morning that the House is in session, we gather, 40–50 members strong, in His name. Our gathering is extraordinary by Capitol Hill standards, for so many reasons, and truly a blessing to those who have made it a part of their lives.

Extraordinary by Capitol Hill standards: In a super-charged environment where most all meetings are restricted by party membership, even more narrowly, by philosophical subsets within a party, by race, by religion, by region or by cause, our meetings are inter-faith, ecumenical, multi-racial, nonpartisan and as diverse as this great land of ours.

The Irish brogue of South Boston, the syrupy drawl of South Georgia, the sharp and clipped tongue of Brooklyn, the twang of Texas and the flat tones of Minnesota fill the room every week.

There are no guests, not even family members, no cameras, no press, no record of the proceedings. It is as private as Capitol Hill can be and members share their hearts.

I said no guests, well there is one exception: Legislators or parliamentarians from around the world join us to learn about our breakfast, and, on occasion, return years later to tell us of the leadership groups they have started in their land.

Today, prayer breakfasts are held in over 100 countries, in countries as far-flung as India, Peru, and Japan. So in a way, then we engage in outreach to the world, but that is not our main purpose.

Our focus is internal, on the lives, hearts and souls of our colleagues. It is fellowship, an eye in the storm of the swirling world of politics.

There is a saying that "If you want a friend in Washington, buy a dog". Our breakfast belies that expression.

Breakfast begins at 8 am and it is the only $3.00 breakfast left in Washington. I am sure it somehow violates the gift ban.

We visit informally for most of the first half hour. When we are called to order we begin our day's program with a scripture reading.

Our very own General, Congressman Sonny Montgomery, then brings us up to date on the lives, and too often of late, the deaths of House members, past and present. He shares with us celebrations such as recent births and the trials and tribulations of others.

We then lift up our colleagues and their families in prayer, with rejoiceful prayers of thanksgiving, prayers for healing, for comfort and for the blessing of our nation and our leaders.

We follow the prayer with a hymn, long on enthusiasm, but short on harmony. Congressman Jake Pickle of Texas used to regale us with the history of each hymn, or at least the "history according to Jake", but he now has retired and we miss him.

Following the hymn, a House member, tells us his/her life story—about the influences that shaped his life, values, philosophy, politics and faith.

On these occasions, members offer a window into their souls that I expect few others have ever seen. Through this sharing each of us, so often is surprised that, beyond the accents, geography and political labels, surprised at how much we have in common. After hearing Joe Moakley of Massachusetts tell of his South Boston childhood, Charlie Rangel, who grew up in Harlem, said "Joe, we really grew up in the same neighborhood we just never knew it!".

Regarding our differences, and they are many, we grow to understand them better.

We close with another prayer. We pray that we may be salt and light in this world we share.

Each of us truly is blessed by our participation and pray that somehow our Congress and nation, one nation under God, are as well.

BALANCE THE BUDGET

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. PACKARD. Mr. Speaker, last week, during his State of the Union Address to Congress, the President paid a great deal of lip-service to the need for balancing the budget. Ironically, it was only 2 weeks earlier, that members of his own party, said "We—Democrats—are advantaged, both politically and substantially, in not reaching an agreement on the budget." This confirms the President and his colleagues are more interested in campaign politics than in the future of this country.

While my colleagues on the other side of the aisle believe that it is to their advantage not to balance the budget, let me remind them of who stands to gain the most from a balanced budget—every American. All the working families who have mortgages, car notes, or student loans will benefit. Interest rates directly affect their standard of living and lower interest rates mean more money in their pockets. Those who currently rely on Medicare, and those who will in the future, will be able to rest assured that these services will be there for them. Families, the middle class, and businesses are targeted for tax cuts. These are the people who need and will receive the advantages of a balanced budget.

Mr. Speaker, the Republican majority in Congress will continue to work toward a balanced-budget agreement. We take our commitments seriously. It is time the President and his colleagues did the same.

SALUTE TO MARION AND NATALIE CHARD OF THE MADISON HISTORICAL SOCIETY

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. TORRES. Mr. Speaker, I rise to honor the outstanding work of Mr. Marion Chard and Mrs. Natalie Chard of Madison, CT. Although Mr. and Mrs. Chard are not my constituents, I have a great respect for their work with the Madison Historical Society and the Allis-Bushnell House. During the Civil War, Madison's C.W. Bushnell contributed to keeping our Nation whole by contributing to the construction of the *Monitor*. The Madison Historical Society has in its collection the original telegram from President Abraham Lincoln to C.W. Bushnell requesting immediate assistance in building the *Monitor*.

I, too, have a great affinity and interest in the history of the Civil War. A little known fact

of the Civil War was that Union Naval Officer David Glasgow Farragut was of Hispanic origin. He is credited with splitting the Confederacy in two with his victories along the Mississippi River and the Gulf of Mexico and successfully blockading the South. Farragut became the first American awarded the rank of Admiral of the Navy and was recognized worldwide as a hero. Farrugut was one of approximately 10,000 Hispanic soldiers that fought on both sides of the Civil War.

I ask my colleagues here assembled to join me in saluting the efforts of the Chards, and other historical preservation groups nationwide, for their dedication to safeguarding our Nation's history. Their efforts will benefit future generations of Americans that seek to learn more about our past. Mr. Speaker, I ask to enter into the RECORD, following this statement, a copy of a historical account of the U.S.S. *Monitor* from the U.S. Navy's Division of Naval History.

Navy Department
Office of the Chief of Naval Operations
Division of Naval History (OP–29)
Ships' Histories Section

USS MONITOR

On 4 July 1861, Secretary of the Navy Welles recommended the appointment of a Board to report on the merits of ironclads. The recommendation was approved by Congress and a board was authorized. The Board was appointed on 8 August, and on 16 September, it reported, recommending acceptance of three of the proposals submitted for their review. One of the proposals recommended was Ericsson's MONITOR.

The contract for the building of the MONITOR, was signed on 4 October 1861, between John Ericsson, principal, John F. Winslow, John A. Griswold, C.S. Bushnell, sureties, and Gideon Welles, Secretary of the Navy. One of the provisions of the contract was that the vessel be completed and ready for sea in 100 days from the date of the contract.

In order to expedite the work, Ericsson made contracts with various concerns. The hull was built by Thomas F. Rowland of the Continental Iron Works, Green Point, Long Island, New York; the main engines and auxiliary machinery by Delameter and Company of New York; the turret by the Novelty Iron Works of New York, and many other establishments contributed to the work by contracts for forgings, bolts, etc.

The iron hull of the vessel was launched at Green Point, on 30 January 1862; the turret guns, and other fittings being added later. On 19 February, the MONITOR left Green Point and went to the New York Navy Yard, where it appears, she was commissioned on 25 February. Lieutenant John L. Worden, USN, was her first commanding officer.

The MONITOR's dimensions were as follows; length, 179 feet; beam, 41 feet feet 6 inches, depth, 11 feet 4 inches; tonnage, 776 (Navy Register). Her battery consisted of two XI-inch Dahlgren pattern guns. They were cast at the West Point Foundry and had the following characteristics; length, 13 feet 3.7 inches; weight of guns, 16,000 pounds; weight of shot, 166–170 pounds; weight of shell, 127–130 pounds; and weight of service charge powder, 15 pounds. The ship's complement, as of 6 March 1862, may be obtained from Appendix II.

On 27 February 1962, the ironclad left the yard for sea, but because of poor steering qualities she returned to the yard. A few changes were made and she departed for Hampton Roads on 6 March 1862. (Appendix I contains a factual account, by Lieutenant Worden, of this trip to Hampton Roads and of the famous battle between the MONITOR and CSS VIRGINIA (ex-MERRIMACK).

The MONITOR arrived at Hampton Roads during the evening of 8 March. The next morning, she engaged the CSS VIRGINIA (ex-MERRIMACK), commanded by Lieutenant Catesby ap R. Jones, CSN, in battle in Hampton Roads. Lieutenant Worden was wounded during the engagement and the command fell to Lieutenant Samuel D. Greene, USN. The battle lasted over three hours when the VIRGINIA retired from action to Norfolk. the MONITOR remained at Hampton Roads for the protection of the wooden Union ships.

Consular dispatches received in Washington revealed the plan of the Confederates to concentrate their vessels and force the blockade of Wilmington. In consequence of this it was decided in December 1862, at Washington, to send more vessels to Wilmington, including the three ironclad monitors PASSAIC, MONTAUK AND MONITOR, to cooperate with the army in an attack on Wilmington and the defenses about the city. The fall of Wilmington would have rendered the blockade more effective and cutoff a large part of the supply of goods received by the South from abroad.

On 29 December 1862, the MONITOR, Commander J.P. Bankhead, USN, commanding, left Hampton Roads for Beaufort, North Carolina. She left under her own steam, but in tow of USS RHODE ISLAND and accompanied by the monitor PASSAIC. A very rough sea was encountered off Cape Hatteras, and the MONITOR began leaking and taking water to such an extent that the pumps could not discharge it. The work of transferring the crew was attempted by the RHODE ISLAND, but the vessel foundered before this could be fully accomplished and four officers and 12 men were lost.

The MONITOR sank shortly after midnight, 31 December 1862, twenty miles S.S.W. of Cape Hatteras. The exact location of her sinking is not known. At noon on 30 December 1862, the RHODE ISLAND's position by dead reckoning was Latitude 35–25 North and Longitude 75–16 West, and at noon on 31 December 1862, her position by head reckoning was Latitude 34–56 North, Longitude 76–05 West. The RHODE ISLAND endeavored to remain as near as possible to the position, where the MONITOR was believed to have sunk, until daylight on the morning of the 31st, but after daylight she cruised looking for her missing small boat, so that the position taken at noon was not necessarily that of the sinking of the MONITOR.

At 5 a.m. and 6 a.m. the RHODE ISLAND sounded with 30 and 40 fathoms of line respectively, but got no bottom. At 7 a.m. soundings showed her in 35 fathoms of water.

Quoting from a letter written by Commander Bankhead concerning the sinking of the MONITOR, the position is given thus: "As near as I could judge, making allowance for current, drift, and sea, we were about 25 miles south of Cape Hatteras, say in Latitude 34–50 North, Longitude 75–30 West, depth of water, 30 fathoms.

The MONITOR has never been raised.

Compiled: 14 FEB 1957.

APPENDIX I

Report of Captain John L. Worden, U.S. Navy, to the Secretary of the Navy, concerning the services of Lieutenant S.D. Greene, U.S. Navy on the USS MONITOR, March 9, 1862.

Brooklyn, New York
January 5, 1868.

Sir: Recently learning that Lieutenant-Commander S.D. Greene the executive officer of the MONITOR in her conflict with the MERRIMACK in Hampton Roads, on the 9th of March 1862, has been annoyed by ungenerous allusions to the fact that no official record existed at the Department, in relation to my opinion of his conduct on that occasion, I desire now to remedy a wrong, which I regret should so long have existed, and to do justice to that gallant and excellent officer, as well as to all the officers and crew of the MONITOR, who, without exception, did their duty nobly in that remarkable encounter, by placing in the file of the Department the following report.

In order to do full justice to him and to the others under my command, I beg leave to state narratively the prominent points in the history of that vessel from the date of my orders to her, until the encounter with the MERRIMACK.

I was ordered to her on the 13th January 1862, when she was still on sticks. Prior to that date, Lieutenant S.D. Greene had interested himself in her and thoroughly examined her construction and design, and informed himself as to her qualities and notwithstanding the many gloomy predictions of naval officers and of officers of the mercantile marine as to the great probability of her sinking at sea, volunteered to go in her, and at my request was ordered. From the date of his orders, he applied himself unremittingly and intelligently to the study of her peculiar qualities and to her fitting and equipment. When she was nearly ready for putting in commission, I was authorized by the Department to select a crew from the receiving ship NORTH CAROLINA, or any other vessel of war in the harbor of New York. Under that authority I asked for volunteers from the NORTH CAROLINA and the frigate SABINE: and after stating fully to the crews of these vessels the probable dangers of the passage to Hampton Road and the certainty of having important service to perform after arriving there, had many more men to volunteer than was required. From them I selected a crew, and a better one no naval commander ever had the honor to command.

She was put in Commission February 1862, and from that time until her day of sailing, Lieutenant Greene and all the officers and crew displayed untiring energy and zeal in her fitting and equipment, and in the conduct of the several trials of her engines, turret machinery, etc.

She left the lower bay of New York on the afternoon of the 6th of March, with a moderate wind from the westward and smooth sea, in tow of a small tugboat, and accompanied by the U.S. steamers CURRITUCK and SACHEM. About midday of the 7th, the wind had freshened to a strong breeze, causing in our then position off the capes of the Delaware, a rough sea, which broke constantly and violently over her deck and forcing the water in considerable quantities into the vessel through the hawse pipes, under the turret and in various other places. About 4 o'clock p.m. the wind and sea still increasing, the water broke over the smoke and blower pipes (the former 6 feet and the latter 4 feet high) which wetting the blower bands caused them to slip and finally to break. The blowers being thus stopped, there was no draft for the furnaces and the engine and fire rooms became immediately filled with gas. The senior engineer, Mr. Isaac Newton, and his assistants met the emergency with great determination, but were unable to fight against the gas, which in a very short time

prostrated them, apparently lifeless, upon the floor of the engine room, from which they were rescued and carried to the top of the turret, where they finally revived. With motive power thus useless for propulsion or pumping, the water which was entering the vessel in many places, was increasing rapidly. The hand pump was used and men set to work bailing, but with little effect. The tugboat, having us in tow, was ordered to head directly inshore, but being light and of moderate power, she could move us but slowly against wind and sea. Between 7 and 8 o'clock however, we got into smoother water and were enabled to so far clear the engine room of gas as to permit the blower bands to be repaired and the blowers to be gotten in motion, and by 8 o'clock were on our course again, with the engines going slowly and a comparatively smooth sea. This lasted until shortly after midnight, when in crossing a shoal the sea suddenly became rough again, broke violently over the deck, causing fears of another disaster to the blowers. The wheel ropes too, became entangled and jammed and for half an hour, until it was cleared, the vessel yawed unmanageably and seriously endangered the towing hawser, which fortunately held and in a short time we were clear of the shoal and in smooth water again. From this time no further serious mishap occurred, and about 4 o'clock p.m. of Saturday March 8th, we passed Cape Henry light and soon after heard heavy firing in the direction of Fortress Monroe, indicating an engagement, which I rightly concluded to be with the MERRIMACK. I immediately ordered the vessel stripped of her sea rig. Turret keyed up and in every way to be prepared for action. About midway between Cape Henry and Fortress Monroe, a pilot boat came alongside and gave us a pilot, from whom we learned of the advent of the MERRIMACK, the disaster to the CONGRESS and CUMBERLAND, and the generally gloomy condition of affairs in Hampton Roads.

About 9 o'clock p.m. we anchored near the frigate ROANOKE, Captain Marston, the senior officer present, to whom I reported, and who suggested that I should go to the assistance of the frigate MINNESOTA, then aground off Newport News. Finding difficulty in getting a pilot, I accepted the services of Acting Master Saml. Howard, who earnestly volunteered for that service, and under whose pilotage we reached the MINNESOTA about 11:30 o'clock p.m. when I reported to Captain Van Brunt, her commanding officer, and anchored near him at about 1 o'clock a.m. of Sunday March 9th. He hoped to get his ship afloat at high water, about 2 o'clock a.m., but failed to do so. At daylight the MERRIMACK, with several consorts, was discovered at anchor under Sewell's Point. I went at once to see Captain Van Brunt, whose vessel was still aground, a good deal damaged from the attack of the day before and in a helpless condition. After a few minutes conversation with him in relation to the situation of affairs, I left, telling him that I would develop all the qualities, offensive and defensive, possessed by the "Battery" under my command to protect his vessel from the attack of the MERRIMACK, should she come out again, and that I had great faith in her capabilities. Soon after reaching my vessel and at about 7:30 o'clock a.m. the MERRIMACK was observed to be underway, accompanied by her consorts, steaming slowly. I got underway as soon as possible and stood directly for her, with crew at quarters, in order to meet and engage her as far away from the MINNESOTA as possible. As I approached the enemy, her wooden consorts turned and stood back in the direction from which they had come, and she turned her head up stream, against the tide, remaining nearly stationary, and commenced firing. At this time, about 8 o'clock a.m. I was approaching her on her starboard bow, on a course nearly at right angles with her line of keel, reserving my fire until near enough that every shot might take effect. I continued to so approach until within very short range, when I altered my course parallel with hers, but with bows in opposite directions, stopped the engine and commenced firing. In this way I passed slowly by her, within a few yards, delivering fire as rapidly as possible, and receiving from her a rapid fire in return, both from her great guns and musketry, the latter aim at the pilot house, hoping undoubtedly to penetrate it through the lookout holes and to disable the commanding officer and helmsman. At this period I felt some anxiety about the turret machinery, it having been predicted by many persons, that a heavy slot with great initial velocity striking the turret, would so derange it as to stop it working, but finding that it had been twice struck and still revolved as freely as ever, I turned back with renewed confidence and hope and continued the engagement at close quarters every shot from our guns taking effect upon the huge sides of our adversary, stripping off the iron freely. Once, during the engagement, I ran across and close to her stern, hoping to disable her screw, which I could not have missed by more than 2 feet. Once, after having passed upon her port side, in crossing her bow to get between her and the MINNESOTA again, she steamed up quickly and finding that she would strike my vessel with her prow or ram, I put the helm "hard a port" giving a broad sheer, with our bow towards the enemy's stern, thus avoiding a direct blow and receiving it at a sharp angle on the starboard quarter, which caused it to glance without inflicting any inquiry. The contest so continued except for an interval of about fifteen minutes when I hauled off to remedy some deficiency in the supply of shot in the turret, until near noon, when being within 10 yards of the enemy a shell from her struck the pilot house near the lookout hole, through which I was looking, and exploded, fracturing one of the "logs" of iron of which it was composed, filling my face and eyes with powder, utterly blinding and in a degree stunning me. The top of the pilot house too, was partially lifted off by the force of the concussion which let in a flood of light, so strong as to be apparent to me, blind as I was, and caused me to believe that the pilot house was seriously disabled. I therefore gave orders to put the helm to a starboard and sheer off and sent for Lieutenant Greene and directed him to take command. I was then taken to my quarters and had been there but a short time when it was reported to me that the MERRIMACK was retiring in the direction of Norfolk. In the meantime Lieutenant Greene, after taking his place in the pilot house and finding the injuries there less serious than I supposed, had turned the vessel's head again in the direction of the enemy, to continue the engagement, but before he could get at close quarters with her, she retired. He therefore very properly returned to the MINNESOTA and lay by her until she floated.

The MERRIMACK having been thus checked in her career of destruction, and driven back crippled and discomfited, the question arises should she have been followed in her retreat to Norfolk? That such course would commend itself very temptingly to the gallantry of any officer and be difficult to resist, is undeniable; yet I am convinced that under the condition of affairs then existing at Hampton Roads, and the great interests at stake there, all of which were entirely dependent upon the MONITOR, good judgment and sound direction forbade it. It must be remembered that the pilot house of the MONITOR was situated well forward in her bows and that it was quite considerably damaged. In following in the wake of the enemy, it would have been necessary, in order to fire clear of the pilot house, to have made broad "yaws" to starboard or port, involving in the excitement of such a chase, the very serious danger of grounding in the narrower portions of the channel and near some of the enemy's batteries, whence it would have been very difficult to extricate her, possibly involving her loss. Such a danger her commanding officer would not, in my judgment, have been justified in encountering, for her loss would have left the vital interests in all the waters of the Chesapeake at the mercy of future attacks from the MERRIMACK. Had there been another ironclad in reserve at that point, to guard those interests, the question would have presented a different aspect, which would not only have justified him in following, but perhaps made it his imperative duty to do so.

The fact that the battle with the MERRIMACK was not more decided and prompt was due to the want of knowledge of the endurance of the XI-inch Dahlgren guns with which the MONITOR was armed, and which had not been fully tested. Just before leaving New York, I received a peremptory order from the Bureau of Ordnance to use only the prescribed service charge, viz. 15 pounds, and I did not feel justified in violating those instructions, at the risk of bursting one of the guns, which placed as they were in turret, would almost entirely have disabled the vessel. Had I been able to have used the 30 pound charges which experience has since shown the guns capable of enduring, there is little doubt in my mind, that the contest would have been shorter and the result more decided. Further, the crew had been but a few days on board, the weather bad, mechanics at work on her up to the moment of sailing and sufficient opportunity had not been afforded to practice them properly at the guns, the mode of manipulating which was entirely novel. A few days at Hampton Roads to have drilled them and gotten the gun and turret gear in smooth working order (which from having been constantly wet on the passage was somewhat rusted) would have enabled the guns to have been handled more quickly and effectively and with better results.

And now sir, I desire to express my high appreciation of the zeal, energy and courage displayed by every officer and man under my command during this remarkable combat, as well as during this remarkable combat, as well as during the trying scenes of the passage from New York. I commend one and all most heartily to the favorable consideration of the Department and of the country.

Lieutenant Greene, the executive officer, had charge in the turret, and handled the guns with great courage, coolness and skill and throughout the engagement, as in the equipment of the vessel, and on her passage to Hampton Roads, exhibited and earnest devotion to duty, unsurpassed in my experience, and for which I had the honor in person to recommend him to the Department and to the board of admirals (some three years since) for advancement, in accordance with the precedent established in the case of Lieutenant Commander Thornton, the executive

officer of the KEARSARGE. I beg leave now, most respectfully and earnestly to reiterate that recommendation.

Acting Master Saml. Howard, who volunteered as pilot, stood by me in the pilot house during the engagement and behaved with courage and coolness. He has since been promoted to acting volunteer lieutenant for his services on that occasion.

Chief Engineer A. C. Stimers USN, made the passage in the vessel to report upon the performance of the machinery, etc., and performed useful service during the engagement in manipulating the turret.

First Assistant Engineer Isaac Newton, the chief engineer of the vessel and his assistants, managed the machinery with attention and skill and gave prompt and correct attention to all the signals from the pilot house.

Acting Assistant Paymaster W.F. Keeler and Captain's Clerk Danl. Toffey made their services very useful in transmitting my orders to the turret.

Peter Williams, quartermaster, was at the helm by my side and merited my admiration by his cool and steady handling of the wheel.

Very respectfully, your obedient servant,

JOHN L. WORDEN,
Captain.

Honorable Gideon Welles
Secretary of the Navy, Washington, D.C.

APPENDIX II

LIST OF OFFICERS OF USS MONITOR, MARCH 6, 1862

Lieutenant

Lieutenant Worden, John L., Commanding
Lieutenant Greene, Samuel D., Executive Officer
Stodder, Louis N., Master
Webber, John J.N., Master
Logue, Daniel C., Assistant Surgeon
Keeler, W.P., Paymaster
Newton, Isaac, 1st Assist. Engineer
Campbell, Albert B., 2nd Assist. Engineer
Hands, R.W., 3rd Assist. Engineer
Sunstrum, A.T., 3rd Assist. Engineer
Toffey, Daniel, Captain's Clerk
Frederickson, Geo., Acting Master's Mate
Stimers, A.C., Chief Engineer, passenger, and volunteer officer

MUSTER ROLL USS MONITOR BEFORE SAILING FROM NEW YORK NAVY YARD 6 MARCH, 1862

Augier, Richard, Quartermaster
Atkins, John, Seaman
Anderson, Hans, Seaman
Bringman, Girick, Carpenter's Mate
Baston, Anton, Seaman
Bryan, William, Yeoman
Crown, Joseph, Gunner's Mate
Cuddeback, David, Capt. Steward
Carroll, Thomas 1st, Capt. Hold
Conklin, John P., Quarter Gunner
Carroll, Thomas 2d, 1st Class Boy
Connoly, Anthony, Seaman
Driscoll, John, 1st Class Fireman
Durst, William, Coal Heaver
Fisher, Hugh, 1st Class Fireman
Feeny, Thomas, Coal Heaver
Fenwick, James, Seaman
Garrety, John, 1st Class Fireman
Geer, George S., 1st Class Fireman
Hubbell, R.K., Ship's ——
Hannan, Patrick, 1st Class Fireman
Joice, Thomas, 1st Class Fireman
Leonard, Matthew, 1st Class Fireman
Longhran, Thomas, Seaman
McPherson, Norman, Seaman
Moore, Edward, Wardroom Cook
Murray, Lawrence, Wardroom Steward
Mooney, Michael, Coal Heaver
Mason, John, Coal Heaver
Marion, William, Seaman
Nichols, William H., Landsman
Peterson, Charles, Seaman
Quinn, Robert, Coal Heaver
Riddey, Francis A., Seaman
Rooney, John, Master-at-Arms
Richardson, William, 1st Class Fireman
Roberts, Ellis, Coal Heaver
Sinclair, Henry, Ship's Cook
Seery, James, Coal Heaver
Stocking, John, Boatswain's Mate
Stearns, Moses M., Quartermaster
Sylvester, Charles, Seaman
Truscott, Peter, Seaman
Tester, Abraham, 1st Class Fireman
Viall, Thomas B., Seaman
Williams, Peter, Quartermaster
Williams, Robert, 1st Class Fireman
Welch, Daniel, Seaman
John L. Worden, Lt. Commander

A TRIBUTE TO HUMBLE MAYOR HADEN E. McKAY, JR., M.D.

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. FIELDS of Texas. Mr. Speaker, it is with profound sadness that I bring to the attention of the House the passing of former Humble, TX, Mayor Haden Edwards McKay, Jr., M.D. Dr. McKay died on Saturday, January 13 in Humble—a town he lived in, helped build, and governed for more than three quarters of a century. Indeed, Dr. McKay was known throughout my home town simply as "Mr. Humble."

I know you join with me in extending your deepest sympathy to his loving wife of 55 years, Lillian McKay.

Dr. McKay served as an Humble city councilman for 14 years before beginning his 24-year tenure as mayor. During that time, he oversaw Humble's transition from a sleepy little town with wooden sidewalks and privately-owned utility companies to a modern, booming town with an unsurpassed quality of life for all of its people.

The impact Dr. McKay had on my home town—both as a respected medical doctor and a dedicated public servant—was demonstrated by the more than 1,000 persons who attended his funeral in the Humble Civic Center on Wednesday, January 17.

Dr. McKay was, first and foremost, a medical professional who delivered into this world and cared for generations of Humble-area residents—including generations in my own family. With his family, Dr. McKay moved to Humble in late 1919. He graduated from Charles Bender High School—now Humble High School—in 1926 before receiving his bachelor of science degree from Mississippi State University and his medical degree from the Chicago Medical School in 1936. With his father, the late Dr. Haden E. McKay, Sr., he opened a thriving medical practice in Humble in 1938.

Some health care providers might have retired to easier and more peaceful pastures as they aged. Not Dr. McKay. He passed away Saturday at 87; he saw his last patient on the day before his death.

It was that type of dedication that earned Dr. McKay innumerable medical and community service awards.

In 1993, Dr. McKay received the Dr. Nathan Davis Award, presented by the American Medical Association, in recognition of his long and distinguished medical career as well as his government and community service. In 1979, he received the Distinguished Service Award of the Texas Medical Association, only the fourth physician to receive the award.

Dr. McKay was a past president of the Texas Academy of Family Practice; a past chairman of the board of councilors to the Texas Medical Association; a past president of the Harris County Academy of General Practice; and a former committee member of the American Medical Association. He found and served as the first chief of staff of the Northeast Medical Center Hospital, and he was a medical staff member at both St. Joseph Hospital and Memorial Baptist Hospital in Houston.

Dr. McKay even found a way to combine his love of medicine with his devotion to his country. In 1942, he enlisted in the U.S. Army Medical Corps as a 1st lieutenant. Serving until 1946, he held the rank of major at the time of his discharge.

Despite the pressures and long hours Dr. McKay spent caring for the health of his neighbors, he also found time to serve his community in other ways. A long-time member of the Humble Area Chamber of Commerce, Dr. McKay was the recipient of the chamber's Outstanding Citizen Award—which was later renamed the Haden E. McKay Award. Dr. McKay was a longtime member of the Humble Intercontinental Rotary Club, of which he was a charter member and a past president, and he was an active member of the First United Methodist Church of Humble.

Dr. McKay was a member of the Masonic Lodge and the Arabia Shrine. He not only was the recipient of a 50-year Masonic membership pin, but he was presented with the Sam Houston Award by the Most Worshipful Grand Master of the Grand Lodge of the State of Texas—the highest Masonic award for distinguished service that a Texas Mason can receive.

As mayor of Humble, Dr. McKay played a key role in building a new community center; in remodeling and expanding the new Humble City Hall; in building a new criminal justice center; in building a new fire/EMS center; in building a new public works center; in expanding city parks and the criminal justice center; in spearheading the effort to build Deerbrook Shopping Mall; and in offering a site for the Houston Intercontinental Airport.

Mr. Speaker, it is fair to say that Dr. Haden E. McKay, Jr., was larger than life. For several generations of Humble residents, he was the man who delivered them into this world; cared for them when they were sick; ensured the quality of their life and the lives of their fellow citizens as their mayor; and comforted their survivors following their passing.

Dr. McKay did for my home town what he did for many of his patients—helping it grow from infancy to maturity, providing his wisdom and compassion in time of need, and prescribing effective treatments for the problems that inevitably arise in any community as it grows and matures.

Mr. Speaker, those of us who knew him, loved him, and depended on his wise counsel,

were deeply saddened at Dr. McKay's passing. But we know that our community, and those of us whose lives he touched, are much the better for his having spent his life among us. We will continue to honor his memory and the contributions he made to our city's well-being, and we will continue to keep him, and his beloved Lillian, in our thoughts and our prayers.

ANTITRUST HEALTH CARE ADVANCEMENT ACT OF 1996

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. HYDE. Mr. Speaker, today I am introducing legislation designed to ensure that the antitrust laws permit full utilization of private cooperative initiatives which can help make the Nation's health care system more efficient. H.R. 2925, the Antitrust Health Care Advancement Act of 1996, provides that when doctors, nurses, and hospitals form integrated joint ventures to offer health are services, their conduct will be reviewed on the basis of its reasonabless—rule of reason—for purposes of the antitrust laws. The end result of this case-by-case analysis will be to increase consumer choice while ensuring full competition in the marketplace.

Health care provider networks, or HCPN's—those composed of doctors, hospitals, and other entities who actually deliver health care services—are potentially vigorous competitors in the health care market. Their formation will lead to lower health care costs and higher quality of care. Costs will be lower because contracting directly with health care providers would eliminate an intermediate layer of overhead and profit. Quality will be higher because providers, and particularly physicians, would have direct control over medical decision-making. Physicians and other health care professionals are better qualified than insurers to strike the proper balance between conserving costs and meeting the needs of the patient.

Currently, however, there are obstacles to the formation of HCPN's. One of the most serious is the application of the antitrust laws to such groups in a manner which does not allow the network to engage in joint pricing agreements, regardless of whether its effect on competition is positive rather than negative. It is this obstacle, that H.R. 2925 will eliminate, by conforming agency enforcement practices to the manner in which courts have interpreted the law.

Antitrust law prohibits agreements among competitors that fix prices or allocate markets. Such agreements are per se illegal. Where competitors economically integrate in a joint venture, however, agreements on prices or other terms of competition that are reasonably necessary to accomplish to procompetitive benefits of the integration are not unlawful. Price setting conduct by these joint ventures should be evaluated under the rule of reason, that is, on the basis of its reasonableness, taking into account all relevant factors affecting competition.

The antitrust laws treat individual physicians as separate competitors. Thus, networks composed of groups of physicians which set prices for their services as a group will be considered per se illegal under the antitrust laws if they are not economically integrated joint ventures. In the typical provider network, competing physicians relinquish some of their independence to permit the venture to win the business of health care purchasers, such as large employers. These networks promise to provide services to plan subscribers at reduced rates. The ventures also achieve another central goal of health care reform: careful, common sense controls on the provision of unnecessary care.

However, agreements among physicians who retain a great deal of independence but set fees for their services as part of a network bear a striking resemblance to horizontal price fixing agreements. These are the most disfavored and most quickly condemned restraints in antitrust jurisprudence. The key factual question which distinguishes an arrangement that is per se unlawful from one which, upon consideration of the circumstances, is acceptable because it is not anticompetitive in nature, is the degree of integration of the individuals who form the network.

While the antitrust laws provide substantial latitude in the context of collaboration among health care professionals, there is an understandable degree of uncertainty associated with their enforcement. Because each network involves unique facts—differences not only in the structure of the network, but also in the market in which it will compete—the ability of providers to prospectively determine whether their arrangement will be considered legal is limited.

In order to eliminate this uncertainty, and to encourage procompetitive behavior that would otherwise be chilled, the Department of Justice and Federal Trade Commission have established a mechanism for prospective review of proposed HCPN's. In 1993, the antitrust enforcement agencies jointly issued "Statements of Enforcement Policy and Analytical Principles Relating to Health Care and Antitrust." These guidelines, which were amended in 1994, contain safety zones which describe providers network joint ventures that will not be challenged by the agencies under the antitrust laws, along with principles for analysis of joint ventures that fall outside the safety zones. A group of providers wishing to embark on a joint venture may request an advisory opinion from the agencies. The agencies, after reviewing the particulars of the proposed venture, then determine whether the network would fall within a safety zone, or otherwise not be challenged under the antitrust laws.

The problem is that these enforcement guidelines articulate standards that are more restrictive than the realities of the agencies' enforcement practices and the current state of the law. They treat as per se illegal many more networks than the antitrust laws would require.

The guidelines promise rule of reason treatment to ventures where the competitors involved are "sufficiently integrated through the network." This is consistent with judicial interpretations of the law. See, e.g., *Broadcast Music, Inc.* v. *Columbia Broadcasting Sys.*, 441 U.S. 1, 19–20 (1979). Where the guidelines diverge significantly from current law, however, is in defining integration solely as the sharing of "substantial financial risk." A network which integrates in any other way—regardless of the extent of that integration, or whether a court interpreting the antitrust laws would find it to be integrated—cannot qualify as a legitimate joint venture. This means that the agencies would not proceed to examine the specific facts of these joint ventures to determine their likely impact on competition; the arrangement would be deemed per se illegal.

This restrictive notion of what constitutes a legitimate joint venture discourages procompetitive ventures from entering the health care marketplace, under the guise of antitrust enforcement. It excludes potential provider networks which would mean an expanded set of consumer choices and increased competition, and thereby, lower costs, for health care services.

H.R. 2925 overcomes this barrier by requiring that the conduct of an organization meeting the criteria of a health care provider network be judged under the rule of reason. The result will be to permit a case-by-case determination as to whether the conduct of that HCPN would be procompetitive, and thus permissible under the antitrust laws. It is important to understand, however, that this is not an exemption from the antitrust laws. In no event would providers be allowed to set prices or control markets if, in doing so, they have an anticompetitive effect on the market. The normal principles of antitrust law will continue to apply.

Only an organization meeting specified criteria would qualify for the more liberal, rule of reason consideration. The network must have in place written programs for quality assurance, utilization review, coordination of care and resolution of patient grievances and complaints. It must contract as a group, and mandate that all providers forming part of the group be accountable for provision of the services for which the organization has contracted. If these criteria are not met, the entity could still be considered per se illegal.

Rule of reason consideration would be extended not only to the actual performance of a contract to provide health care services, but also to the exchange of information necessary to establish a HCPN. An important limitation on the exchange of information is that it must be reasonably required in order to create a HCPN. Further, information obtained in that context may not be used for any other purpose.

H.R. 2925 delegates to the Department of Justice and the Federal Trade Commission authority to specify how rule of reason consideration would be implemented under these circumstances.

Mr. Speaker, the Antitrust Health Care Advancement Act of 1996 means greater choice for consumers regarding health care services and the delivery of quality health care at lower price. Later this month, on February 27 and 28, the full Judiciary Committee will be holding hearings on health care reform initiatives, both in the antitrust area and in the liability area. H.R. 2925 will be one of the proposals considered in those hearings.

GUAM COMMONWEALTH PROCESS MOVING TOWARD CLOSURE

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. UNDERWOOD. Mr. Speaker, I had the privilege of participating in a meeting in San Francisco earlier this week with the Governor of Guam, the Honorable Carl T.C. Gutierrez, the Guam Commission on Self-Determination, and the Deputy Secretary of the Interior, the Honorable John Garamendi. Mr. Garamendi will be soon named as the President's Special Representative for the Guam Commonwealth discussions. The members of the Guam Commission on Self-Determination who participated in this meeting with the Governor included Presiding Judge Alberto Lamorena, Senator Hope Cristobal, Senator Francis Santos, Mayor Francisco Lizama, former Senator Jose R. Duenas, and Youth Congress Speaker Rory Respicio.

The Guam Commonwealth process that we are engaged in sorely needed a jump start, and the meeting in San Francisco renewed the commitment of the President and the leadership of Guam to an improved political status for our island. I am pleased that the administration has refocused on the Guam Commonwealth, and that bringing some form of closure to this process is the common goal of the participants.

The people of Guam are growing increasingly frustrated by the lack of progress on the Guam Commonwealth. There is a growing sense that the Commonwealth discussions will continue to drag on with no end in sight. This is not acceptable to the people of Guam. Our patience has limits, but our resolve is not diminished. That is why I am particularly encouraged by the consensus to complete the current discussions in a timely manner, and to wrap up these discussions by early this summer.

It is important to note that Mr. Garamendi reaffirmed in San Francisco that progress already made, and agreements already reached with Guam, will be honored.

Once the Clinton administration has completed its discussions with the Guam Commission on Self-Determination, the focus of our efforts will shift to the U.S. Congress, which has plenary authority over the territories.

I commend Governor Gutierrez, the Guam Commission on Self-Determination, and Mr. Garamendi for this very good beginning. I look forward to continuing the progress for the Guam Commonwealth, and to advancing the cause of self-government for the people of Guam in this legislative body.

PLAYING WITH FIRE

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. COLEMAN. Mr. Speaker, the past 2 months have brought into sharp focus the lengths our new House Majority will go to get their way. The Republicans have virtually abandoned any pretense of true debate and discussion of differing views as they have literally stalled the functions of government in an attempt to force their extreme priorities on the President and the American people.

Twice, the Republicans shut down the Federal Government because the President and Congressional Democrats wanted to balance the budget without large tax breaks for the wealthy, and without the deep cuts in Medicare, Medicaid, education, and the environment needed to pay for them. House Republicans seriously miscalculated the President's resolve and thought closing our Nation's Social Security offices, Medicare offices and national parks, would force him to sign their budget, a right wing vision of how America should be run. To his credit, the President did not succumb to this pressure.

Now, once again, the Republicans want to take this country down the road of irresponsibility; this time with very dangerous consequences. Republicans want to throw our country into default by refusing to extend America's borrowing authority. This would jeopardize our Nation's credit rating—currently the highest in the world. Not only would this throw the world's financial markets into a tailspin, and would cause the value of the dollar to plummet worldwide, it would have a devastating impact on hard-working American families who are struggling to pay their own bills and obligations.

The reason we must raise our debt limit is because America must issue bonds and borrow money to meet its current obligations, even as we gradually eliminate all borrowing to balance the Federal budget. Those obligations include $30 billion in Social Security checks, which would not be issued if the Government goes into default next month. It would also mean that no tax refunds would be paid to Americans who are owed these funds. And it would prevent America from making payments on its other financial obligations, which would mean that America's financial credibility—unquestioned throughout our history—would be destroyed.

The result? Interest rates would go up on credit cards, home mortgages, and loans. Average Americans would pay a heavy price for the Republicans' childlike behavior for decades. Moody's Investors Service announced recently that for the first time in history it was considering lowering the credit rating for certain U.S. Treasury bonds.

The reason? Because NEWT GINGRICH and his extremist allies would rather promulgate their right-wing agenda than compromise. The Republicans understand the need to raise the debt limit. In their Seven Year Balanced Budget Reconciliation Act, even after cutting Medicare and Medicaid, they, themselves, call for the raising of the debt limit by $5.5 trillion.

America paid its bills during the Reagan-Bush years. When a Republican President controlled the White House and Democrats controlled one or both Houses of Congress, and we borrowed to pay for annual deficits, the debt limit was raised 27 times. Our predecessors understood the importance of keeping our financial obligations. Now, the Republican-run Congress is willing to throw that away and risk financial catastrophe in order to score political points.

The Republicans have said they will use any means at their disposal to force the President to accept their program.

America must not default on its debt. We are the preeminent financial power in the world because we keep our word. If we allow that faith to be damaged, our economy will be hurt in ways that will hit every family in the pocketbook.

Congress should not go into recess, as the Republicans propose to do, until we vote to raise the debt limit. The situation will become critical by the end of February unless we do so.

On January 22, the Treasury Secretary notified the Congressional leadership by letter, that unless the debt ceiling is increased, he would have to take additional steps to prevent default in mid-February, and that even those steps would provide funds only until March 1. Congress should take action this week to enact a clean debt limit increase.

It is time to raise the debt limit with no gimmicks, conditions, threats or delays. The American people deserve congressional action, not watching a parade of politicians go to recess.

TRIBUTE TO THE PARKWAY CENTRAL HIGH SCHOOL SYMPHONIC BAND

HON. JAMES M. TALENT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. TALENT. Mr. Speaker, I rise today to pay tribute to the Parkway Central High School Symphonic Band from Chesterfield, MO. The Marching Colts proudly represented the St. Louis area by participating in the 1996 Tournament of Roses Parade.

Parkway Central is located in the Parkway School District, which has long been committed to providing their students excellent facilities and instructors for its music programs. Under the skilled guidance of their director, Mr. Doug Hoover, the Parkway Central band has a history of national performances; including performances at the 1989 George Bush Presidential Inaugural Parade, and the 1991 and 1993 King Orange Parades in Miami.

The Marching Colts have benefitted from outstanding community support from Chesterfield and the entire St. Louis community. The band has successfully used various fundraising efforts, including their annual fall craft show known as the Craft Harvest, to raise thousands of dollars. This event boasts over 200 vendors and several thousand patrons. These efforts stand as a testament to the dedication of the parents, faculty, and local community who have rallied around the efforts of these young people.

Mr. Speaker, the Parkway Central band is to be commended for its continued hard work and dedication to excellence, which has brought not only their school nationwide recognition, but is also a great source of pride to the residents of St. Louis County. It is with great pride that I congratulate these fine educators and students and recognize the contributions they have made while at Parkway Central High School.

PARENTS TELEVISION EMPOWERMENT ACT OF 1996

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. KENNEDY of Massachusetts. Mr. Speaker, the bill I am introducing today addresses a problem faced by parents across the country—controlling what their children see on television.

Parents can control what movies their children see, but what can a parent do when their kids can turn on the TV every night and see murder and gore? What can a parent do when their kids can come home after school, flip on the TV and see talk shows with titles such as, "Nude Dancing Daughters, "Incest Family," "Get Bigger Breasts or Else," and "Women Who Marry Their Rapists"?

The television industry, in a rush for ratings, too often takes an anything goes attitude and loses its sense of responsibility. The industry has every right to make a profit, but when in the process they help to debase our culture, we have to say enough is enough. They're chipping away at our moral foundation and, in the long run, this will be disastrous. It may sound corny in this day and age, but it's still true: A society without clear collective values and strong morals is like an engine without oil—eventually, it grinds to a halt.

The Parents Television Empowerment Act of 1996 requires the Federal Communications Commission to establish a toll-free number that television viewers can call to complain about violence and other patently offensive material. The complaints would be considered by the FCC when deciding whether to renew the licenses of stations that aired the material.

Callers' comments would also be forwarded to the offending stations, and the stations would have to respond to each caller.

This is not censorship. This is an attempt to give viewers a better way to bring pressure on television producers and to help improve a situation that has truly gotten out of hand.

The average American child watches 8,000 murders and 100,000 acts of violence on television before finishing elementary school. Study after study has shown that television violence causes aggressive and violent behavior in children who watch it. Despite this growing body of evidence, TV and cable companies continue to broadcast murders, rapes, and gratuitous violence into our living rooms.

Psychologists have raised strong concerns about the impact on children from talk shows that explore such topics as incest, rape, and pornography in an manner intended more to sensationalize and shock than educate and inform.

The V-chip is part of the solution. But I think that the conversation about this problem should not be just in our living rooms, but also in institutions where public policy is made.

Television producers are fond of saying, "We're only giving viewers what they want." Well, this bill gives consumers, especially parents, a way to tell the television industry what it wants.

STATEMENT OF REPRESENTATIVE JOSEPH P. KENNEDY II REGARDING THE PARENTS TELEVISION EMPOWERMENT ACT OF 1996

Mr. Speaker, the bill I am introducing today addresses a problem faced by parents across the country—controlling what their children watch on television.

When it comes to movies, parents can control what their children see by paying attention to ratings. But what can a parent do when their kids can turn on the TV almost every night and see murder, blood and gore? What can a parent do when their kids can come home after school, flip on the TV and see talk shows with titles such as, "Nude dancing daughters," "Incest Family," and "Wives of Rapists"?

The television industry, in a rush for ratings, too often takes an 'anything goes' attitude and loses its sense of responsibility. The industry has every right to make a profit, but when in the process they help to debase our culture, we have to say enough is enough. In the long run, this chipping away at our moral foundation will be disastrous. It may sound trite, but it's certainly true: A society without clear collective values and a strong sense of moral responsibility is like an engine without oil.

The Parents Television Empowerment Act of 1996 requires the Federal Communications Commission (FCC) to establish a toll-free number that television viewers can call to complain about violence and other patently offensive material. The complaints would be considered by federal officials when deciding whether to renew the licenses of stations that aired the material.

The FCC would be required to publish summaries of viewer comments on a quarterly basis. The comments would also be forwarded to the offending station and would become part of that station's relicensing process. The stations must, under law, respond to each complaint.

Let me stress: This is not censorship. This is not some sort of pollyanish attempt to block out the real world. This is an attempt to give viewers a better way to bring pressure on television producers and to help improve a situation that has truly gotten out of hand.

The average American child watches 8,000 murders and 100,000 acts of violence on television before finishing elementary school. Study after study has shown that violence on television causes aggressive and violent behavior in children who watch it. Despite this growing body of evidence, networks, cable TV companies and producers continue to broadcast murders, rapes and gratuitous violence into our living rooms for our children to see.

While there is less scientific evidence about the impact of television talk shows on children, psychologists have raised strong concerns about them. Many of these shows explore topics such as incest, rape and pornography in a manner intended more to sensationalize and shock than educate and inform.

Television producers are fond of saying, "We're only giving viewers what they want. Let the market decide what shows appear on TV." Well, this bill simply establishes a way to make the market work better by giving consumers, especially parents, an avenue to express their opinions and concerns.

Concern about television programming cuts across lines of ideology, race and gender. There's an outcry across the land to give people a better way to do something about what they see on TV. My bill gives them that opportunity.

H.R. ——

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 "Parents Television Empowerment Act of 1996".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) The average American child watches 8,000 murders and 100,000 acts of violence on television before finishing elementary school.

(2) Many of the poorest and potentially most vulnerable groups in our society are the heaviest viewers of television.

(3) Television violence is often presented without context or judgment as to its acceptability.

(4) Most of the violence on television is presented during times when children are likely to be viewing.

(5) The 1972 Surgeon General's Report, Televised and Growing Up: The Impact of Televised Violence, found that there was a significant and consistent correlation between television viewing and aggressive behavior and a direct, causal link between exposure to televised violence and subsequent aggressive behavior on the part of the viewer.

(6) The 1982 National Institute of Mental Health report, Television and Behavior: Ten Years of Scientific Progress and Implications for the Eighties, found that "violence on television does lead to aggressive behavior by children and teenagers who watch the programs," and that some viewers learn to be passive victims.

(7) Numerous other studies establish a causal connection between watching violence on television and increasingly violent behavior of children.

(8) There has been a proliferation of television talk shows that, in a race for ratings, air ever more outrageous programs dealing with rape, incest, and other sensitive topics in a manner that seeks to sensationalize and shock rather than educate and inform. Although the impact on the hundreds of thousands of children who view these programs has yet to be fully documented, the programs have raised strong concerns among psychologists.

SEC. 3. AMENDMENT.

Title VII of the Communications Act of 1934 is amended by adding at the end the following new section:

"SEC. 714. COMPILATION AND PUBLICATION OF COMPLAINTS CONCERNING VIOLENT PROGRAMMING.

"(a) ESTABLISHMENT OF FACILITY FOR THE COLLECTION OF COMMENTS AND COMPLAINTS.—The Commission shall, within 6 months after the date of enactment of this section, establish a toll-free number for the collection of comments, suggestions, and complaints from the public concerning the transmission by broadcast stations or cable systems of programming containing depictions of violence and other patently offensive material. The Commission shall take such steps as may be necessary to publicize such number and the Commission's functions under this section.

"(b) PUBLICATION OF DATA CONCERNING COMPLAINTS.—The Commission shall publish in the Federal Register, on a quarterly basis, a summary of the comments, suggestions, and complaints received pursuant to subsection (a) during the preceding period. Such summary shall include—

"(1) a breakdown of the complaints by broadcast or cable network and broadcast station, and by program name, date, and time;

"(2) an identification, with respect to the 50 programs for which the highest number of complaints were received, of the production company, the principal advertisers supporting network distribution, the broadcast or cable network and broadcast station, and the program name, date, and time; and

"(3) a statement of observed trends in such complaints as compared with complaints received during prior periods.

"(c) AVAILABLE OF RECORDS.—The Commission shall transcribe the comments, suggestions, and complaints received pursuant to this section and shall—

"(1) transmit to each licensee any comments, suggestions, or complaints made with respect to its station; and

"(2) make the transcribed comments, suggestions, and complaints available for public inspection.

The Commission shall omit from any records transmitted or made available under this subsection the name and address of any caller requesting confidentiality.

"(d) REPORT TO CONGRESS.—The Commission shall include in each annual report to Congress under section 4(k) an analysis of the complaints received pursuant to this section. Such analysis shall include—

"(1) an evaluation of whether, consistent with its obligations to serve the public interest and meet the educational and informational need of children, the broadcasting industry has effectively responded to the comments, suggestions, and complaints received pursuant to this section regarding video programming containing depictions of violence and other patently offense material; and

"(2) such recommendations as the Commission considers appropriate to secure more conscientious fulfillment of those obligations with regard to such programming.".

TRIBUTE TO THE ALABAMA PRESS ASSOCIATION ON ITS 125TH ANNIVERSARY

HON. TERRY EVERETT

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. EVERETT. Mr. Speaker, it is a privilege to bring to the attention of this body a historic and noteworthy anniversary. This year marks the 125th year since the founding of the Alabama Press Association [APA], the oldest statewide trade association in Alabama and one of the oldest State newspaper associations in the Nation.

In 1871, as Alabama continued to recover from the ravages of the Civil War, its newspaper editors and publishers, joined by community leaders, sought new ways to promote economic growth. This was the genesis of the Alabama Press Association which actually came into being with the first statewide meeting of newspaper executives on March 17, 1871 at the Montgomery Advertiser.

Since those early days, the APA has evolved from a social organization of editors and publishers to an association that has played an important role in developing the daily and weekly newspapers of Alabama and serving as a catalyst for the State's economic and cultural development.

The APA worked on behalf of the citizenry of Alabama by advocating stronger public access to government records and meetings. It has pushed for the State's first statewide taxes to support public education and it spearheaded a successful effort to launch a statewide chamber of commerce.

The APA played a role through many of its leaders in guiding the State through some of the important and cultural changes of the last half of the 20th century. Its officers have included some of the leading newspaper men and women in America, and its member newspapers have won the Nation's highest awards for journalistic excellence.

Additionally, before coming to the Congress it was my pleasure to serve as president of the APA in 1991. Alabama and the Nation can be justly proud of the contributions and leadership of the Alabama Press Association as it continues toward another 125 years of public service.

TRIBUTE TO LT. COL. DAVID SCHOCK

HON. WALTER B. JONES, JR.

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. JONES. Mr. Speaker, I pay tribute to a great American, a great Army officer, and a greater soldier. Last month Lt. Col. David Schock completed over 24 years of dedicated service to our country. As a soldier, leader and finally as a trusted member of the Army's Office of Congressional Liaison, House Division, he has provided dedicated and distinguished service.

Today as we honor his retirement, we reflect on the outstanding career which David started in 1972 when he enlisted in the Army. Less than 2 years later, David successfully completed Officer Candidate School and was commissioned as a second lieutenant in the infantry. David went on to complete the Rotary Wing Aviator Course and became proficient in the AH1 Cobra, CH47 Chinook, UH1 Huey, and OH58 Scout. Over the course of the past 24 years, he served in a variety of exceptionally challenging troop and staff assignments in the United States, Hawaii, and Alaska. His positions of leadership include Aviation Section Commander, Aviation Platoon Leader, Aviation Company Commander, and Squadron Executive.

As a staff officer he saw duty in many tough and challenging assignments to include Brigade and Battalion Personnel Officer and Battalion Intelligence Officer, validating the confidence the Army placed in his demonstrated abilities. After serving in the field with many aviation units, David Schock demonstrated his superb organizational skills while serving as the Aviation Branch Assignments Officers and as the Combat Arms Division Coordinator for the U.S. Army Military Personnel Command. His selection as a headquarters, Department of the Army Staff Officer further demonstrated the high regard in which David is held by the leadership of the Army. This led to his final assignment as a Congressional Liaison Officer for the Secretary of the Army, first in programs working personnel issued and lastly in the House Liaison Division.

During David Schock's tour in Army Legislative Liaison, he guided the Army's relationship with a wide variety of committees and individual Members of Congress. His ability to remain calm and focused during a period of tremendous change was demonstrated continually in his dealings with both Members of Congress, professional staff and personal staff. Through David Schock's involvement with the Speaker of the House and his staff and the House National Security and International Relations Committees, he ensured that the very best service was provided to the Congress and that the Army and its programs were professionally represented.

David Schock's career reflects a commitment to our Nation, characterized by dedicated selfless service, love for the Army and a commitment to excellence. Lieutenant Colonel David Schock's performance, almost a quarter of a century of service, personifies the traits of courage, competency, and integrity that our Nation has come to expect from its Army Officers. On behalf of the Congress of the United States and the people of this great Nation, I offer our heartfelt appreciation and best wishes for a soldier who served his country so admirably.

A TRIBUTE TO HERBERT G. PERSIL, A DEDICATED CIVIL SERVANT

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. LEWIS of California. Mr. Speaker, I rise to pay tribute to Herbert G. Persil, the Director of the Office of Budget at the U.S. Department of Housing and Urban Development. Herb is retiring after 41 years of Federal service.

Herb has appeared many times as a witness before the Appropriations Subcommittee on VA, HUD, and Independent Agencies in defense of HUD's budget requests. We have always found him to be most knowledgeable and most responsive.

Over the years, he has been of great assistance to the subcommittee in its day to day dealings with the Department. We have always valued his counsel.

Herb is, I believe, a truly dedicated civil servant. His high standards represent what is best about the civil service.

Since 1990, Herb has been Director of the Office of Budget. Prior to that he served for a number of years as Deputy Director in the Office of Budget. He has made countless contributions to efficient and effective program management.

Mr. Persil began his Federal service at the Department of Agriculture in 1958. In 1964, Herb moved to HUD's predecessor agency, the Housing and Home Finance Agency. In his early years at HUD, Herb helped in the development and initial administration of the Model Cities Program. He also helped in the development of the first community development consolidated grant proposal which later evolved into the community development block grant program.

Mr. Persil's achievements and skills are not only recognized throughout HUD, but also in the academic community. As adjunct faculty,

he teaches courses in public financial management for Golden Gate University and the American University. He is a member of the board of directors of Public Financial Publications, Inc., which publishes Public Budgeting and Finance, jointly sponsored by the American Association for Budget and Program Analysis [AABPA] and the American Society for Public Administration. He has served as chairman of special committees on AABPA and has participated as an expert in numerous panel discussions on topics such as training budget staff and managing under limited resources. He is also a frequent contributor to professional journals.

I understand that Herb plans to spend his time with his family, reading, and traveling. While he claims to be retiring, there are many who know that old habits are hard to break and suspect he will continue to serve through his teaching, writing, and panels on government issues.

Mr. Speaker, Friday, February 2, 1996, is Herb's last day at HUD. We will miss him. I know that you join with me in wishing him and his wife, Blythe, a long, happy, and healthy retirement after 41 years of distinguished Federal service.

ELECTRIC POWER COMPETITION ACT OF 1995

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. MARKEY. Mr. Speaker, I am today introducing legislation aimed at promoting competition in the electric utility industry. This legislation creates Federal incentives for the removal existing State-level barriers to competition in the generation of electricity—so that competition and market forces can be unleashed in a manner which will efficiently and reliably provide electric energy to retail consumers at a lower cost.

Today, the electric utility industry operates as one of our Nation's last great protected monopolies. Presently, the generation, transmission, and distribution of electricity remains fundamentally a monopoly enterprise. The monopoly nature of this industry has, in turn, necessitated a very strict system of Federal and State utility regulation aimed at protecting captive utility ratepayers from potential overcharges, abuses, and conflicts-of-interest.

Over the years, Congress has taken the lead in promoting increased competition in the electricity industry. In 1978, the Public Utility Regulatory Policies Act [PURPA] first opened up competition by making possible the growth of independent power. This was achieved by requiring utilities to purchase power from such independent producers at their avoided cost. While there have been problems in some States with implementation of the act, by most accounts, PURPA has been largely successful in achieving its objectives. The congressional conference report accompanying the bill predicted that 12,000 megawatts of nonutility projects would be on-line by 1995. In actuality, by 1991, 32,000 megawatts was on line. In addition, the emergence of wind, solar, biomass, geothermal, and other renewables industries can be directly traced to PURPA.

In 1982, the Energy Policy Act [EPACT] built on the foundation established under PURPA by adopting an amendment I authored along with the gentleman from California [Mr. MOORHEAD] which opened up wholesale transmission access. In the same legislation, Congress also adopted amendments to the Public Utility Holding Company Act [PUHCA] aimed at allowing utilities to establish exempt wholesale generators.

As a result of industry changes prompted by these bills, we are now at a crossroads for the electric utility industry—half-way between the old heavily regulated monopolies of the past and the new competitive electricity marketplace of the future. We now have a growing independent power industry, increased cogeneration, and increased interest by industrial customers in lowering rates through competition. While transmission and distribution systems appear likely to remain a natural monopoly, we now have an historic opportunity to bring full competition to the business of electricity generation. The transition to such a competitive market, however, will require both Federal and State action.

Right now, following the overall policy direction mandated by the transmission access provisions of EPACT, the Federal Energy Regulatory Commission [FERC] is moving forward on a proposed rulemaking on wholesale wheeling and stranded investment. This is a positive development and I look forward to adoption of a final FERC rule this year. In addition, several States, including Massachusetts, have initiated retail wheeling proceedings which, when completed, will open up retail competition and consumer choice by eliminating monopoly control over retail electricity generation.

Unfortunately, many other States are either not moving forward all or have become stalled part of the way through the process. I find this troubling in light of the fact that many in the utility industry are now arguing for a repeal of PURPA by suggesting that competition is already here. The reality is that full competition has not yet arrived. We cannot and should not deregulate into a monopoly environment; we can and should deregulate into a competitive marketplace.

The bill I am introducing today provides incentives to move toward competition. Specifically, my legislation will link any repeal of the mandatory power purchase provisions of PURPA to the arrival of real competition in the market for electricity generation. It would establish overall Federal standards for competition which could be met either by divesting generation from transmission and distribution assets or, alternatively by permitting retail power generation competition on an open and nondiscriminatory basis. In addition, the bill establishes certain minimum certification requirements aimed at ensuring that energy efficiency and renewables programs are retained and that the low-income consumers receive protections against price discrimination. Utilities in States that meet the minimum certification requirements and either the retail competition or divestiture standards in the bill would be freed of the mandatory power purchase requirements of PURPA. In other words, my bill deregulates—but it deregulates by creating the conditions in which true competition can exist.

I agree with Commerce Committee Chairman BLILEY and Energy and Power Subcommittee Chairman SCHAEFER it makes little sense to adopt piecemeal bills such as a repeal of the mandatory power purchase provisions of PURPA or a repeal of PUHCA. We cannot get rid of the protections built into these bills without also attaching the fundamental reason these laws were enacted in the first place: the continued existence of a government protected utility monopoly. With the bill I am introducing today, I hope to advance the dialog on the difficult and complex issues Congress will be confronting as we consider legislation regarding PURPA. Obviously, there are many broader restructuring issues that are not specifically addressed in my bill. These include the need to retain certain PUHCA restrictions on abusive interaffiliate transactions, the appropriate boundaries of Federal and State regulatory jurisdiction, treatment of conservation, efficiency, and renewables, and need to eliminate certain Government subsidizes for the power marketing administrations.

While these are difficult and complex issues, I believe that electric utility restructuring—if done properly—will benefit all consumers of electricity. A properly crafted approach holds out the hope of lowering electricity rates through increased competition, while simultaneously protecting the societal and environmental benefits of conservation, improved efficiency, and greater fuel diversity. I look forward to working with the leadership of the Commerce Committee as we proceed into this debate on electricity restructuring legislation, so that we can produce a truly balanced and bipartisan approach to bringing real competition and consumer choice to the electricity industry.

CONGRESSIONAL BOYCOTT

HON. PETER A. DeFAZIO

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thurdsay, February 1, 1996

Mr. DEFAZIO. Mr. Speaker, I wish to voice my strong disapproval with the French Government's nuclear testing program. I join with many of my colleagues—and most of the world community—in protesting the detonation of six French nuclear weapons in the South Pacific. That is why I am joining the congressional boycott of the French President's visit to Congress.

French President Jacques Chirac will appear today before a joint session of Congress. I can not of good conscience attend. France and the United States have a proud relationship of cooperation extending back to the beginning of our Nation. However, France's conduct in the South Pacific can not be justified. Exploding nuclear weapons in pursuit of further weapons development contradicts the view of 175 nations—including France and the United States—who signed the Nuclear Non-Proliferation Treaty. It also needlessly endangers the environment and people of the region.

Just last week, France acknowledged the presence or radioactive iodine in the lagoon near the Mururoa test site. Despite their declaration that the tests blast are perfectly safe, we have no way to know if this is true. Since the French Government refuses to allow independent assessment of the environment impact of these nuclear explosions, I must remain suspicious. Are the people who live in the South Pacific threatened by nuclear poison in their region of the world? What will the ecological and human health threats 10, 20, or 100 years from now?

Although the Clinton administration has officially denounced the French nuclear testing program, its actions hardly match its rhetoric. I urge the White House to put real pressure on the Chirac government. Let us not forget our responsibility in the matter: The United States has long supported the French nuclear weapons program.

I must take special exception to the United States decision to allow French military aircraft to fly to the South Pacific test site via the use of United States airspace. How can the world take seriously a United States criticism of the French nuclear weapons testing program when the United States refuses to take even the most basic action to resist the French action. The only assurance Congress can get from the U.S. State Department is that no nuclear materials are being transported "according to the best of our knowledge." This hardly represents strong scrutiny by our Government.

Now that the French Government has ended its series of nuclear detonations, I call on President Chirac to firmly commit his nation to end all future tests. At the very least, France should declare the permanent closing of the South Pacific test site. France should also clean up the nuclear mess it left behind and allow independent monitoring of the area. It is the least they can do for the South Pacific peoples who will have to live with the legacy of decades of nuclear weapons testing.

The rationale for nuclear testing ran out years ago. If the world governments won't stop this cold war relic now, then when? I look forward to the recognition by France that their ongoing nuclear weapons testing program was simply wrong. Perhaps we can now move toward an international ban on all future such explosive tests. The United States must continue to press for a comprehensive ban on all such future nuclear test explosions. And France must become an active player in these negotiations.

It is my hope that a change in the behavior of France's Government will allow me to participate in Mr. Chirac's next visit to Congress. I also look forward to a successful conclusion to the ongoing comprehensive nuclear talks so the world can take an important step toward nuclear disarmament.

A CLEAN DEBT CEILING EXTENSION BILL

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Ms. ESHOO. Mr. Speaker, the time has come for this Congress to face up to its responsibilities by passing a clean debt ceiling extension bill and not allow this great Nation for the first time in 220 years to default.

Just last week Moody's Investors Service announced that it might lower the credit rating for U.S. Treasury bonds—the first time in our Nation's history. This should not be a source of pride to any Member of Congress.

America cannot afford to have its full faith, its good word and its credit sacrificed on the altar of partisan posturing. Imagine Social Security checks and veterans' checks not being sent to recipients or honored when deposited by individuals who earned these benefits and rely on them. The American people cannot afford the higher interest rates that would result from default. We rail against "dead beat" dads * * * no one should be part of a "dead beat" Government.

Mr. Speaker, only you and your colleagues have the power to keep America from the disgrace and disaster of default. Let us together pass a bill now to avoid default and international discredit.

TRIBUTE TO ELIZABETH DOUGHNER

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. BEILENSON. Mr. Speaker, I rise today to pay tribute to one of Topanga, CA's most dedicated and admired citizens, Elizabeth Doughner, who passed away recently.

Betty Doughner served as executive officer/clerk of the Board of Resource Conservation District of the Santa Monica Mountains—formerly the Topanga-Las Virgenes Resource Conservation District—which carries out environmental education and restoration projects. During the 34 years Betty was employed by the District, she watched it grow from an operation with one employee—herself—to the 50-employee agency it is today.

In her position with the district, Betty worked tirelessly for our community. She helped secure conservation services for landowners in the area, wrote the district's quarterly newsletter, coordinated the annual plant sale, hired personnel, maintained all the district's records, and helped establish and maintain the district's Vance Hoyt Memorial Library. She became an expert on the law governing the operation of Resource Conservation Districts in order to properly advise the District Board.

Betty was also responsible for writing and obtaining the first grants that expanded the district's education program. The large number of awards to the district for conservation and education are a testimony to the effectiveness of her work, for which she was twice honored with a Distinguished Service Award by the Employee Association of the California Association of Resource Conservation Districts.

Betty contributed much to the community in other ways as well. For her volunteer work with schools, the Womens' Club, and the Strawberry Festival, the Topanga Chamber of Commerce recognized her as the 1979 "Citizen of the Year." She was also a volunteer with Share International, where she helped publish its monthly magazine.

Betty Doughner's warmth, enthusiasm, and dedication are greatly missed by all of her colleagues at the district, and by everyone else who knew her. The entire Topanga community joins me in expressing our deep sorrow to her family and friends, and our heartfelt appreciation for her many years of outstanding public service.

TRIBUTE TO MONROE WOODS

HON. BOBBY L. RUSH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. RUSH. Mr. Speaker, I rise today to honor Monroe Woods who is retiring as the Midwest Regional Administrator for the U.S. Department of Agriculture's Food and Consumer Service. An event will be held in his honor on Thursday, February 1, 1996, in Chicago, IL.

Mr. Woods joined the Food and Consumer Service in 1966 as a member of the Los Angeles Field Office staff. He has held various positions in Oakland and the San Francisco Regional Office, the New England Region in Boston, MA, and the Mountain Plains Region in Denver, CO, before his appointment in July 1978 as Regional Administrator of the Midwest Region in Chicago.

As Regional Administrator of the Midwest Region, Mr. Woods administers the agency's food assistance programs in Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin; oversees annual expenditures of $5.6 billion; and manages approximately 200 employees.

His service, and outstanding dedication to his work and to the citizenry, have merited him appointments on a number of national and local advisory boards, task forces, and councils, including the National Advisory Council for the Child Nutrition Programs and the Institute of Labor and Industrial Relations, University of Illinois. Mr. Woods also served as Chairman of the Chicago Federal Executive Board in 1987 and 1988, and is an alumni of the Federal Executive Institute in Charlottesville, VA.

Mr. Woods received a Presidential Rank Award at a private White House ceremony in 1984, where he was conferred "distinguished executive status". In 1991, Mr. Woods was named to Who's Who in Government Service. In 1992, Mr. Woods was presented with a medallion of the city of Detroit by the President of the Detroit City Council.

In 1994, the U.S. Department of Agriculture's Food and Consumer Service became the sponsor of, and Mr. Woods was named chairperson of, the U.S. Department of Commerce, Minority Business Opportunity Committee. It is in this capacity that I became most familiar with Mr. Woods. Mr. Woods' dedication to the Inclusion of minority and women-owned businesses in the Federal procurement process have been well documented. This dedication led him to willingly take responsibility for the continued mission of the Minority Business Opportunity Committee to increase the participation of such businesses in the marketplace.

I ask that my colleagues join me in honoring Monroe Woods, an outstanding community

and business leader and role model. I wish him the best of luck in his retirement. May he continue to share his talent and love of community that he has given to the Federal Government and the community at large.

TRIBUTE TO JEROME DAVIS

HON. HOWARD COBLE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. COBLE. Mr. Speaker, when you hear the terms rodeos and cowboys, your mind wanders off to images of the wide open plains of the American West. Now, however, when you think of champion cowboys, you will have to think of the Sixth District of North Carolina because we are now home to a world champion bullrider.

Mr. Jerome Davis of the Glenola community in Randolph County, NC, won the world bullriding title in Las Vegas, NV, on December 10, 1995. Davis had fulfilled a lifelong dream by capturing the top bullriding trophy. In fact, he entered the 10-day national finals rodeo competition ranked No. 1 in the world standings, but Davis needed a final-day win to secure the top prize.

Runner-up rider Terry West scored an 89 on his final ride which meant that Davis could not be thrown off his final mount or he would lose the title. Davis was able to stay on the aptly-named "The Jam" and scored an 84 to clinch the title. He won more than $72,000 at the national finals to complete the season with more than $135,000 in earnings. Davis beat West by only $3,000 to claim the world title.

As reported in the High Point Enterprise, more than 300 well-wishers greeted Jerome Davis when he returned to the Piedmont Triad International Airport on the day after his world victory. "I never expected anything like this," David told the Enterprise's Mark McKinney. "I figured maybe my Mom would be here with a few folks. This is more than I could have imagined." It appeared that the entire Glenola community turned out to greet Davis, sporting homemade lapel pins that read "Jerome Davis, World Champion!" and "#1 Jerome Davis." Calvin Wagner of Silver Valley, a longtime rodeo promoter and enthusiast, told the newspaper that Davis is a trail blazer. "Jerome brought it home," Wagner said. "By being the first world champion bullrider east of the Mississippi River, Jerome has opened doors for cowboys that previously were closed."

Davis told his crowd of supporters that he could not have won by himself. "A lot of work goes into winning a world title," Davis remarked. "But I never could have done it without the support of my family and friends. I don't know how to thank everybody for all this."

We know how to thank you, Jerome. On behalf of all the citizens in the Sixth District of North Carolina, we offer our congratulations on winning the world bullriding title. Now when people talk about champion cowboys, we can say just look to Glenola and Jerome Davis.

CONGRESS SHOULD VOTE "NO" ON THE AUBURN DAM

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. PETRI. Mr. Speaker, today I am introducing a bill to prohibit the use of Federal funds to pay for the construction of a dam on the North Fork of the American River at Auburn, CA. In 1992, I led the successful bipartisan effort to defeat the authorization of the $700,000,000 Auburn Dam—potentially the most expensive dam project in U.S. history. However, this project has been resurrected. I understand that the U.S. Army Corps of Engineers is poised to seek Congressional authority and funding once again for another Auburn Dam project—this time, for a larger, more expensive version of the dam that we defeated on the House floor in 1992. Furthermore, I understand that the Federal Bureau of Reclamation is now also considering dam construction proposals.

This project has been opposed and rejected time and time again in recent history. Back in 1965, it was authorized as a multipurpose project, mainly for the purpose of farm irrigation. In 1975, after about $200 million had been spent on site preparation and other separate features, construction was halted because of concerns that the dam might trigger seismic activity. In 1979, the Department of the Interior concluded that seismic activity in the earthquake faults located under the proposed dam site might jeopardize the structural integrity of the dam, the failure of which could devastate the Sacramento metropolitan area.

In 1980, the dam was redesigned, but the project never moved forward because of the advent of Federal water program cost sharing reforms under the Reagan administration. Under these reforms, traditional beneficiaries of Auburn Dam were no longer interested in advancing the project if they were to be partly responsible for its financing. Realizing that the multipurpose dam proposal was doomed, in 1992 proponents found a new reason for the dam to live: flood control. But the evidence against a dam project hadn't changed, and the House rejected funding authority for the project again on September 23, 1992.

I am introducing this legislation today to once again deliver a strong message to my fellow Members of Congress, the Army Corps of Engineers and the Bureau of Reclamation: Financial constraints, environmental concerns, and the availability of less expensive, less environmentally intrusive alternatives led the House to reject previous Auburn Dam proposals—and they will do so again if the issue is brought before Congress. Every time this proposal has been reincarnated, its estimated costs have risen dramatically. This time, the price tag has ballooned to just under $1 billion. At a time when the Congress is grappling with the question of exactly how to balance the Federal budget and desperately seeking solutions on how the deal with our $5 trillion public debt, how can the Congress possibly justify the unnecessary expenditure of such a gross amount of money?

It is not necessary to build a dam at Auburn in order to protect the California Central Valley community and the city of Sacramento from flooding in the event of a storm the size of any which have previously struck. In order to justify the latest proposal, proponents claim that the dam is needed to protect the region from storms that are far larger than the greatest flood that may reasonably be expected on the American River. Fortunately, however, the Corps of Engineers and regional flood control authorities have identified much less expensive alternatives which will significantly improve the performance of Sacramento's flood control system. And it is possible that these alternatives could be paid for by the local community without any Federal funding—or at least without the majority of project costs being borne by Federal taxpayers.

In order to build the latest Auburn Dam, project supporters expect U.S. taxpayers to bear 75 percent of its approximate cost of $1 billion. I feel strongly that the Federal civil works program is not an entitlement program, and that it certainly should not be expected to bear this kind of burden in the case of a regional water project. Those who know flood control concur with this assessment. In fact, the National Academy of Engineering released a blue ribbon report on the American River flood control project which found that, since the project was without widespread benefits and located in an area with substantial financial resources, there was no Federal interest in additional flood control work on the American River.

But cost is far from the only reason why I am introducing this bill today. A few months ago, the Environmental Protection Agency [EPA] declared an Auburn Dam to be environmentally unacceptable. Each year, about half a million people visit the American River canyons that would be inundated by such a dam, and many of them strongly oppose actions by their Government to take this resource away from them. Up to 39 miles of pristine canyon habitat would be flooded by a dam built according to the latest proposal, robbing wildlife of precious habitat. Citizens and editorial boards throughout California have denounced the dam in both its past and present incarnations.

This dam was stopped in the 1970's because of concerns about seismic safety. It never moved forward during the 1980's because of President Reagan's commitment to seek full reimbursement for the water and power benefits which a multipurpose dam would provide to the region and its residents. In the 1990's, Congress has thus far said no once already to an Auburn Dam because of economic and environmental concerns. My introduction of this legislation today is intended to send a strong message: Congress must say no to building an Auburn Dam once again—for all of the above reasons.

A REQUEST FOR KINDNESS

HON. EDDIE BERNICE JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I rise today in recognition of

Kindness Week in the city of Dallas, scheduled for the week of February 11, 1996. The mission of this event is to celebrate and promote the value and spirit of kindness, and to help bring all races, religious, and socioeconomic groups within the city of Dallas together to foster understanding among us all.

As a part of the celebration of Kindness Week, I ask all the citizens of Dallas to come together in the true spirit of the week, and if possible, to attend a formal "Kindness Celebration" at Thanksgiving Square, at 12 p.m. on February 14, 1996.

This week-long event presents the city of Dallas an opportunity that seldom occurs: a chance to lead the Nation, and hopefully the world, in making our small planet a better place to live. Attitudes are contagious, and with a unified effort, Dallas can assist the Nation in creating an attitude of kindness that can carry on for years to come.

I ask all of my friends in Dallas to participate in Kindness Week in a variety of ways, all of which are easily done but pay big rewards. Such things as visiting a senior center, driving safely and courteously, and speaking with an old friend take very little effort and time, and create a good feeling for each person involved. Compliment rather than criticize; help rather than shout; and smile rather than frown. Each of us has a role to play, and I hope we will all do our part in Kindness Week.

TRIBUTE TO REAR ADMIRAL FREDERICK JULIAN BECTON

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. WELDON of Pennsylvania. Mr. Speaker, I am saddened today to bring to your attention the recent passing of Frederick Julian Becton, a retired rear admiral of the U.S. Navy. A true hero, Admiral Becton demonstrated his courage and mettle many times over throughout his 35 years of military service.

A World War II hero, Admiral Becton passed away in his hometown of Wynnewood, PA, on Christmas Eve at the age of 87. No episode better portrays Admiral Becton's tenacity and bravery than when he refused to abandon his ship during one of the most punishing attacks of the war. Admiral Becton was later awarded the Navy Cross for extraordinary heroism as commander of the USS *LAFFEY* in action against Japanese forces off Okinawa, on April 16, 1945 * * * with his ship under savage attack by 30 hostile planes.

I would like to submit for the RECORD an article that appeared on December 26, 1995, in the Philadelphia Inquirer regarding Admiral Becton. When you read this article, I am sure that you too will come to understand what a fine gentleman and hero that America has lost. I know that my colleagues join me today in mourning the passing of Admiral Becton, an American hero.

F. BECTON, NAVY HERO IN WWII

(By Larry Fish)

Frederick Julian Becton, a retired rear admiral who was awarded the Navy Cross for refusing to give up his ship after one of the most punishing attacks of World War II, died Sunday in Wynnewood at age 87.

A native of Arkansas and a 1931 graduate of the U.S. Naval Academy, Adm. Becton was a lieutenant when the war broke out. He was to see action in the Atlantic and Pacific Theaters and would win many decorations and medals for his exploits.

The most dramatic came in April 1945, when the destroyer USS Laffey, commanded by Adm. Becton, was off Okinawa on radar picket duty.

The Laffey was a relatively new ship but had already been bloodied—in June 1944, when it supported the D-Day invasion of Normandy and participated in the bombardment of Cherbourg, France. Among its scars from that engagement was an unexploded 8-inch shell lodged in the superstructure.

By this late stage of the war, the Japanese had begun to expand the use of Kamikaze attacks, the suicidal crashing of armed planes into Allied ships.

For the Laffey, the attack began shortly after sunrise April 16 with a formation of four planes. The kamikazes split up to make it more difficult for the crew to keep guns trained on them, and the assault was on.

It was to last 79 minutes, and eventually, 22 planes drew a bead on the Laffey. Adm. Becton, wearing a steel helmet and life vest, stood in the open to better see the action.

Planes seemed to come from every direction and altitude, he said in an Inquirer interview shortly before the 50th anniversary of the battle this year.

Though the Laffey's gunners and those from nearby craft were aided by U.S. warplanes, some of the kamikaze inevitably found their mark.

"Each time one crashed, there was always a flood of gasoline from the plane—and one hell of a fire," Adm. Becton told The Inquirer.

The guns took out at least eight of the planes, but five hit the destroyer, jamming its rudder and spreading fire everywhere.

"Near the end of the action, one of my officers, Frank Mason, came to me and said, 'Captain, we're in pretty bad shape aft. Do you think you'll have to abandon ship?'

"It never entered my mind to abandon ship. The ship might sink under us. We might not be able to sail her. But I wasn't going to abandon her.

"So I said, 'No, Frank, I'll never abandon ship as long as a gun will fire.'"

Thirty-one crew members died, and the Laffey had to be towed to Seattle, where a newspaper reported that it was "riddled like a sieve above the water line."

The citation for the Navy Cross praised Adm. Becton's "extraordinary herosim" in keeping his ship afloat and in action.

He was promoted to captain in 1951 and to rear admiral in 1959, and was assigned to the Bureau of Naval Personnel and other posts. When he retired in 1966, he and his wife, the former Elizabeth Hilary Reuss, moved to her hometown of Wynnewood.

He wrote a book on his experience—The Ship That Would Not Die—and kept in touch with many former crew members.

He is also survived by two daughters, Hilary Becton Wagner and Julie Bradford Becton.

A viewing will be held at 10 a.m. Jan. 3 at Ardmore Presbyterian Church, Montgomery Avenue and Mill Creek Road; a service will follow at 11 a.m. Burial will be 11 a.m. Jan. 4 at Arlington National Cemetery, Arlington, Va.

THE NINTH CIRCUIT COURT OF APPEALS

HON. JIM BUNN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. BUNN of Oregon. Mr. Speaker, today I am introducing a plan, already approved by the Judiciary Committee in the other body, to reorganize the Ninth Circuit Court of Appeals. This proposal, which is long overdue, would divide a circuit that is twice as large as the national average in terms of geographical area, population, and caseload.

The Ninth Circuit Court of Appeals was originally designed during the Civil War, when six of the nine States in the circuit had not yet been admitted to the Union. Since then, the laws of the Nation, and the resources required to interpret those laws, have grown exponentially. Caseload growth is a concern in many circuits, but no circuit suffers the burden as does the ninth circuit.

One large problem is the magnitude of cases that has led to lengthy delays. Even Chief Judge Wallace, the top judge in the ninth circuit, admitted that cases can be delayed for 4 months over the national average. While the judges have worked very hard to improve an unacceptable situation, I believe we can do better.

The number of judges alone prevents consistency in the ninth circuit. There are 28 judges in the ninth, more than twice the national average of 12.6, leading to thousands of possible combinations of three-judge panels to hear a case. Because there are so many sitting and visiting judges, there is little uniformity among decisions, leading to greater uncertainty of the law of the land. Furthermore, the Ninth Circuit Court of Appeals has a higher rate of cases being overturned by the U.S. Supreme Court than the national average.

In addition, Chief Judge Wallace recently called for 10 additional judges to ease the burden on the current judges, while others have requested that the number of judges be doubled to 56. However, adding judges to the already unwieldy panel of 28 would only worsen the problem; reorganizing the ninth circuit into two more manageable circuits provides a much more efficient solution.

There is recent precedent for the successful split of a Circuit Court of Appeals. The Hruska Commission recommended in 1973 that both the fifth and the ninth circuits be divided due to overwhelming size and caseload. The fifth circuit was split in 1980 with great success in improving efficiency. Chief Judge Tjoflat of the 11th circuit testified before the other body's Judiciary Committee that while the new fifth and the eleventh circuits have approximately the same number of judges as does the ninth, the two new circuits are able to process 50 percent more cases than the current ninth circuit.

Judges, lawyers, and legislators have been calling for a reorganization of the ninth circuit since the formal recommendation in 1973, and the attorneys general of nearly all of the States involved have endorsed the ninth circuit split. While many people agree that much greater reform of the Federal judicial system is

needed, this bill is a crucial first step. I ask my colleagues to join me in support for this important legislation.

REMARKS BY SENATOR NUNN AT NATIONAL PRAYER BREAKFAST

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. LANTOS. Mr. Speaker, it is an honor and a great personal pleasure for me to introduce into the CONGRESSIONAL RECORD the following statement by our distinguished colleague and my good friend, Senator SAM NUNN. His speech, delivered at the National Prayer Breakfast this morning, was very powerful and given with his usual sense of thoughtfulness and sincerity. I strongly urge all of my colleagues to take a moment and read this moving address given by Senator NUNN.

[National Prayer Breakfast, Feb. 1, 1996]

SENATOR SAM NUNN—TRANSCRIPT OF REMARKS

Thank you Bob Bennett, President and Mrs. Clinton, Vice President and Mrs. Gore, fellow sinners. Have I left anyone out? I say to my good friend, Alan Simpson, Billy Graham called me also, Alan. He said, as he did in his message, that he was praying for us all. But, he felt particularly compelled to pray for Alan Simpson and for me. Alan, I don't know what he meant by that, but you and I appreciate it.

A few years ago during the Brezhnev era, Dr. Billy Graham returned from a highly publicized trip to Moscow and was confronted when he returned by one of his critics with these words, "Dr. Graham, you have set the church back 50 years." Billy Graham lowered his head and replied, "I am deeply ashamed. I have been trying very hard to set the church back 2,000 years."

Today we represent different political parties, different religions and different nations, but as your invitation states, we gather as brothers and sisters in the spirit of Jesus who lived 2,000 years ago, and who lives in our hearts and minds today.

The first prayer breakfast was held in 1953 in a world of great danger. President Eisenhower was newly inaugurated and had just returned from Korea where our young soldiers were fighting desperately. World Communism was on the move. Eastern Europe and the Baltics were locked behind the Iron Curtain. All across the globe, the lights of religious freedom and individual rights were going out, and the specter of nuclear destruction loomed over our planet.

I wonder this morning how those who attended that first national prayer breakfast 43 years ago would have reacted if God had given them a window to see the world of the 1980's and 1990's.

They would have seen truly amazing things: Catholic nuns kneeling to pray in the path of 50-ton tanks—the power of their faith bringing down the Philippine dictatorship; the Iron Curtain being smashed, not by tanks of war, but by the hands of those who built it and those who were oppressed by it; the Cold War ending, not in a nuclear inferno, but in a blaze of candles in the churches of Eastern Europe, in the singing of hymns and the opening of long-closed synagogues. I believe that God gave Joseph Stalin the answer to his question, "How many divisions does the Pope have?"

They also would have seen a black man in South Africa emerge from prison after 26 years and become the President of his nation, personifying forgiveness and reconciliation; the first hesitant but hopeful steps toward peace between Jews and Arabs in the Middle East, and between Protestants and Catholics in Northern Ireland. They would see that in 1996 we are blessed to live in a world where more people enjoy religious freedom than at any other time in history. Can we doubt this morning that a loving God has watched over us and guided us through this dangerous and challenging period?

During the early days of the Russian parliament, the Duma, I joined several other Senators in attending a meeting with a number of newly elected members of that body. The second day, a few of us were invited to a very small "prayer breakfast" with a group of Duma members who were just forming a fellowship, no doubt stimulated by Doug Coe. As in the larger meeting the day before, the breakfast discussion started with a degree of coldness and tension. One of the Russians, in obvious sadness and a little embarrassment, remarked that Russia was in great economic distress and that the United States was the only remaining superpower. It was clear that this was a very sensitive point for them. It had been abundantly clear the day before.

Senator Dirk Kempthorne and I then pointed out that in the real sense there is only one superpower in the world, our heavenly Father who watches over us all. The tension immediately eased and the spirit of fellowship was built, and we prayed together to that superpower, the God who loves us all.

Our world is a strange and tragic place. It is very ironic in many ways. The Cold War is now over, but in a tragic sense, the world has now been made safer for ethnic, tribal, and religious vengeance and savagery. Such tragedy has come to the people of Somalia, Bosnia, Rwanda, Burundi, Sudan, Haiti and others.

At home, the pillar of our national strength, the American family, is crumbling. Television and movies saturate our children with sex and violence. We have watered down our moral standards to the point where many of our youth are confused, discouraged and in deep trouble. We are reaping the harvest of parental neglect, divorce, child abuse, teen pregnancy, school dropouts, illegal drugs, and streets full of violence.

It's as if our house, having survived the great earthquake we call the Cold War, is now being eaten away by termites. Where should we turn this morning and in the days ahead?

Our problems in America today are primarily problems of the heart. The soul of our nation is the sum of our individual characters. Yes, we must balance the federal budget and there are a lot of other things we need to do at the Federal level, but unless we change our hearts we will still have a deficit of the soul.

The human inclination to seek political solutions for problems of the heart is nothing new. It is natural. Two thousand years ago, another society found itself in deeper trouble than our own. An oppressive empire strangled liberties. Violence and corruption were pervasive.

Many of the people of the day hoped for the triumphant coming of a political savior, a long-expected king to establish a new, righteous government. Instead, God sent his son, a baby, born in a stable. Jesus grew up to become a peasant carpenter in a backwater town called Nazareth. He condemned sin but made it clear that he loved the sinner. He befriended beggars and prostitutes and even tax collectors while condemning the hypocrisy of those in power. He treated every individual with love and dignity and taught that we should do the same. He died like a common criminal, on a cross, and gave us the opportunity for redemption and the hope of eternal life.

He also put the role of government in proper perspective when he said, "Render unto Caesar that which is Caesar's and unto God that which is God's."

Shortly after I announced that I would not seek reelection, a reporter asked me, "You've been in the Congress for 24 years; what do you consider to be your greatest accomplishment?" I paused for a moment and replied, "Keeping my family together for 24 years and helping my wife Colleen raise two wonderful children, Michelle and Brian." Upon hearing this, the reporter scoffed, "Don't give me that soft sound-bite stuff. What laws did you get passed?

When he said that, I had several thoughts—only a couple of them I can share with you this morning. Four years ago, my daughter, Michelle, and a few of her friends started an organization in Atlanta called Hands on Atlanta, making it exciting, efficient and fun for young people to volunteer their time to help those in need. Now, about 5 years later, 10,000 volunteers each month render about 20,000 hours of personal, one-on-one service. What laws have I passed that have had this impact?

I also thought about the difference between being a Senator and being a father. When we in the Senate make a mistake, we have checks and balances—99 other Senate colleagues, plus the House of Representatives, plus the President, plus a final review by the Supreme Court. But, when we as parents make a mistake with our children, where are the checks and where are the balances?

Congress can pass laws cracking down on those who refuse to support their children. But we cannot force husbands to honor their wives, wives to love their husbands, and both parents to nurture their children. Congress can pass laws on civil rights and equal rights, but we cannot force people of different races to love each other as brothers. Congress can promote fairness and efficiency in our tax code, but we cannot force the rich to show compassion toward the poor. We can join with our NATO allies to separate the warring factions in Bosnia, as we are doing, and give them a breathing space, but we cannot force Muslims, Croats and Serbs to live together as brothers in peace.

I recently heard a story on the radio. It happened in Bosnia, but I think it has meaning for all of us. A reporter was covering that tragic conflict in the middle of Sarajevo, and he saw a little girl shot by a sniper. The back of her head had been torn away by the bullet. The reporter threw down his pad and pencil, and stopped being a reporter for a few minutes. He rushed to the man who was holding the child, and helped them both into his car.

As the reporter stepped on the accelerator, racing to the hospital, the man holding the bleeding child said, "Hurry, my friend, my child is still alive."

A moment or two later, "Hurry, my friend, my child is still breathing."

A moment later, "Hurry, my friend, my child is still warm."

Finally, "Hurry. Oh my God, my child is getting cold."

When they got to the hospital, the little girl had died. As the two men were in the

lavatory, washing the blood off their hands and their clothes, the man turned to the reporter and said, "This is a terrible task for me. I must go tell her father that his child is dead. He will be heartbroken."

The reporter was amazed. He looked at the grieving man and said, "I thought she was your child."

The man looked back and said, "No, but aren't they all our children?"

Aren't they all our children?

Yes, they are all our children. They are also God's children as well, and he has entrusted us with their care in Sarajevo, in Somalia, in New York City, in Los Angeles, in my hometown of Perry, Georgia and here in Washington, D.C.

In the book of Micah, the prophet asks, "Shall I give my firstborn for my transgressions, the fruit of my body for the sin of my soul?"

The cruelest aspect of our wars and our sins is what they do to our children. Jesus said, "Suffer the little children to come unto me . . . For of such is the kingdom of God." Too often today we shorten this commandment to—suffer—little children.

Mrs. Clinton, thank you for the emphasis you have put on children and the spotlight you have shined on our challenges. You are great.

The world is watching America today. People around the world are watching not just our President or our Congress or our economy or even our military deployments. They are watching our cities, our towns, and our families to see how much we value our children, and whether we care enough to stop America's moral and cultural erosion. Do we in America in 1996 love our neighbors as ourselves as explained by Bob Bennett as our theme for the morning and by Tom Lantos and his personal example?

I do not have the answer to these questions this morning, and I don't pretend to. These problems can be solved only in the hearts and minds of our people and one child at a time. I do, however, have a few observations.

The Cold War provided as with a clarity of purpose and a sense of unity as a people. Our survival as a nation was at stake. We came together often in fear. The challenges that confront as today are far different, but the stakes are the same. I pray that our children, all of our children, will be the bridge that brings us together, not in fear, but in love.

Each year millions of our children are abused, abandoned and aborted. Millions more receive little care, discipline and almost no love. While we continue to debate our deeply-held beliefs as to which of these sins should also be violations of our criminal code, I pray that we as parents, as extended families, and as communities, will come together to provide love and spiritual care to every mother and to every child, born or unborn.

Government at every level must play a role in these challenges, but I do not believe that it will be the decisive role. What, then, are our duties as leaders, not just in the world of politics and government, but in every field represented here this morning and throughout our land? Like basketball stars Charles Barkley and Dennis Rodman, we are role models whether we like it or not.

I believe that the example we set, particularly for our young people, may be the most important responsibility of public service. We must demonstrate with our daily lives that it is possible to be involved in politics and still retain intellectual honesty and moral and ethical behavior.

We are all sinners, so we will slip and we will fall. But I have felt God's sustaining hand through every phase of my life—growing up in Perry, Georgia, raising a family, my relationship with my wife Colleen, in Senate floor debates, in committee meetings, visiting our troops in war, or being part of a mission for peace.

In the years ahead, when I think back on my public service, I am certain that my most cherished memories will be those moments spent with my colleagues in the Senate prayer breakfasts and in my meetings with leaders from around the world, usually arranged by Doug Coe, in the spirit of Jesus.

I have also been blessed by many friends in the Senate and also a small fellowship with a group of Senate brothers like the late Dewey Bartlett, Republican of Oklahoma; Lawton Chiles, Democrat of Florida; Pete Domenici, Republican of New Mexico; Harold Hughes, Democrat of Iowa; and Mark Hatfield, Republican of Oregon. No one can accuse that group of being of like minds politically.

Yet, these brothers have listened to my problems, shared in my joys, held me accountable and upheld me in their prayers. Fellowship in the spirit of Jesus does amazing things. It puts political and philosophical differences, even profound differences, even profound differences, in a totally different perspective.

I believe that 2,000 years ago Jesus was speaking to each of us when he delivered his Sermon on the Mount. And, my prayer this morning for our leaders and our nation is in the spirit of his words then.

May we who would be leaders always be aware that we must first be servants. May we who compete in the arena of government and politics remember that we are commanded to love our enemies and pray for those who persecute us. I can't find any exception for the news media or our opponents. May we who seek to be admired by others remember that when we practice our piety before men in order to be seen by them, we will have no reward in heaven. May we who have large egos and great ambitions recall that the Kingdom of Heaven is promised to those who are humble and poor in spirit. May we who depend on publicity as our daily bread recall that when we do a secret kindness to others, our Father, who knows all secrets, will reward us. May the citizens whom we serve as stewards of government be sensitive to the fact that we are human beings subject to error and that while we need their critiques, we also desperately need their prayers. May we never forget that the final judgment of our tenure here on earth will not be decided by a majority vote, and that an election is not required to bring us home.

May God bless each of you.

SCHOOLS YOU CAN BELIEVE IN

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. UNDERWOOD. Mr. Speaker, this week is National Catholic Schools Week. I want to take this opportunity to highlight, praise, and congratulate our Catholic schools. Catholic schools are an integral part of our island community on Guam. In fact, nearly one out of every five students on Guam attend Catholic schools.

The mission of the Catholic schools of the Archdiocese of Agana is "to proclaim the Gospel, build community, and educate for service to humanity by integrating the truths of the Catholic faith with the learning process." School children are taught values along with academics and truth along with facts.

Catholic schools on Guam are not just on the forefront of elementary and secondary education, they are on the cutting edge. Our Catholic schools, in addition to traditional quality teaching, are leaders in innovation. Last year three elèmentary schools started year-round education. This new strategy is sure to benefit our students and our island.

The Catholic school system rose to prominence after World War II. Many fine educators and religious leaders built the foundation of our present Catholic school system. On a personal note, I would also like to mention the contributions of my aunt, Mary Underwood—formerly Sister Ines. After joining the Sisters of Mercy, she returned to her native Guam after World War II to help organize the Catholic school system. After many years of retirement in San Francisco, she recently returned to Guam.

Congratulations to all the Catholic schools on Guam, Archbishop Anthony Sablan Apuron, Sr. M. Dominic Reichart, RSM, interim director of Catholic schools, and to the other members of the Archdiocesan Board of Education: Dr. Katherine Aguon, Sr. Emiline Artero RSM, Mr. Zenon Belanger, Mr. Frank Campillo, Mrs. Fay Carbullido, Mr. Manuel Cruz—vice-president, Mr. Carl Dominquez—president, Mrs. Teresita Hagen, Mr. Paul Boyd, Dr. Richardo Eusebio, and attorney Jay Arriola. These individuals, along with every teacher and student, make Guam's Catholic schools, schools we can believe in. Si Yu'os Ma'ase yan todos hamyo.

NCEITA TO PARTICIPATE IN THE TELECOMMUNICATIONS REFORM DEBATE

HON. RICHARD BURR

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. BURR. Mr. Speaker, I would like to commend the fine efforts of the North Carolina Electronics and Information Technologies [NCEITA] to play a constructive role in the debate over telecommunications reform this year. NCEITA was formed in 1993 as the primary association representing North Carolina's high-technology companies. Rapid growth in our State's electronics and information industries has made it the second largest employer in North Carolina, accounting for more than 145,000 jobs. North Carolina, with its Research Triangle Park, the Nation's oldest and largest research park, has become one of the Nation's premier locations for firms in electronics, telecommunications, computer systems, and other high-technology fields.

As Congress considered the sweeping rewrite of our communications laws this year, NCEITA encouraged policymakers to take a close look at North Carolina's commitment to build a fully interactive fiber-optic network

throughout the State and the advanced telecommunications capabilities available to its citizens. At the end of 1994, over 40,000 sheath miles of fiber-optic cable had been deployed throughout our State, providing the backbone for date transmission. Currently, over 97 percent of North Carolina businesses have access to digital switching. This interactive broadband network allows students to participate in classroom debates taking place on the other side of the State or browse through the library collections at distant universities. Cardiac specialists in Chapel Hill can now examine video images of the beating heart of an elderly woman in her doctor's office in the mountains of Hendersonville, NC.

Using North Carolina as a model of the benefits of advanced telecommunications capabilities, NCEITA urged legislators to promote the deployment of advanced telecommunications networks nationwide to enable all Americans to originate and receive affordable, high-quality voice, data, image, graphic, and video telecommunications services. NCEITA emphasized deregulation and competition in the local telephone exchange as the means toward spurring investment in these advanced broadband networks. As a result of their efforts on the legislative front, Congress chose to include a provision authorizing the Federal Communications Commission to encourage the timely deployment of advanced telecommunications capabilities, if necessary, through policies of pricing regulation, regulatory forbearance and promoting competition in the local telephone exchange. Quite simply, this will enable Americans to communicate better tomorrow than they can today. For that, NCEITA member companies—particularly Broad Band Technologies, Siecor, Nortel, and General Instruments—deserve special recognition.

BASIS FOR CHARGE THAT BILL CLINTON "LOATHES" THE MILITARY

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. DORNAN, Mr. Speaker, at your own request, Mr. GINGRICH, I am including the following letters from a young Bill Clinton to his ROTC draft board adviser Bataan Death March survivor Col. Eugene Holmes, as well as Colonel Holmes' response 20 years later. Also included are some of my comments on this issue that you and other Members have requested be printed in the RECORD.

[From the Washington Times]

TEXT OF BILL CLINTON'S LETTER TO ROTC COLONEL

The text of the letter Bill Clinton wrote to Col. Eugene Holmes, director of the ROTC program at the University of Arkansas, on Dec. 3, 1969:

I am sorry to be so long in writing. I know I promised to let you hear from me at least once a month, and from now on you will, but I have had to have some time to think about this first letter. Almost daily since my return to England I have thought about writing, about what I want to and ought to say.

First, I want to thank you, not just for saving me from the draft, but for being so kind and decent to me last summer, when I was as low as I have ever been. One thing which made the bond we struck in good faith somewhat palatable to me was my high regard for you personally. In retrospect, it seems that the admiration might not have been mutual had you known a little more about me, about my political beliefs and activities. At least you might have thought me more fit for the draft than for ROTC.

Let me try to explain. As you know, I worked for two years in a very minor position on the Senate Foreign Relations Committee. I did it for the experience and the salary but also for the opportunity, however, small, of working every day against a war I opposed and despised with a depth of feeling I had reserved solely for racism in America before Vietnam. I did not take the matter lightly but studied it carefully, and there was a time when not many people had more information about Vietnam at hand than I did.

I have written and spoken and marched against the war. One of the national organizers of the Vietnam Moratorium is a close friend of mine. After I left Arkansas last summer, I went to Washington to work in the national headquarters of the Moratorium, then to England to organize the America here for demonstrations Oct. 15 and Nov. 16.

Interlocked with the war is the draft issue, which I did not begin to consider separately until early 1968. For a law seminar at Georgetown I wrote a paper on the legal arguments for and against allowing, within the Selective Service System, the classification of selective conscientious objection for those opposed to participation in a particular war, not simply to "participation in war in any form."

From my work I came to believe that the draft system itself is illegitimate. No government really rooted in limited, parliamentary democracy should have the power to make its citizens fight and kill and die in a war they may oppose, a war which even possibly may be wrong, a war which, in any case, does not involve immediately the peace and freedom of the nation.

The draft was justified in World War II because the life of the people collectively was at stake. Individuals had to fight, if the nation was to survive, for the lives of their countrymen and their way of life. Vietnam is no such case. Nor was Korea an example where, in my opinion, certain military action was justified but the draft was not, for the reasons stated above.

Because of my opposition to the draft and the war, I am in great sympathy with those who are not willing to fight, kill and maybe die for their country (i.e. the particular policy of a particular government) right or wrong. Two of my friends at Oxford are conscientious objectors. I wrote a letter of recommendation for one of them to his Mississippi draft board, a letter which I am more proud of than anything else I wrote at Oxford last year. One of my roommates is a draft resister who is possibly under indictment and may never be able to go home again. He is one of the bravest, best men I know. His country needs men like him more than they know. That he is considered criminal is an obscenity.

The decision not to be a resister and the related subsequent decisions were the most difficult of my life. I decided to accept the draft in spite of my beliefs for one reason: to maintain my political inability within the system. For years I have worked to prepare myself for a political life characterized by both practical political ability and concern for rapid social progress. It is a life I still feel compelled to try to lead. I do not think our system of government is by definition corrupt, however dangerous and inadequate it has been in recent years. (The society may be corrupt, but that is not the same thing, and if that is true, we are all finished anyway.)

When the draft came, despite political convictions, I was having a hard time facing the prospect of fighting a war I had been fighting against, and that is why I contacted you. ROTC was the one way left in which I could possibly, but not positively, avoid both Vietnam and resistance. Going on with my education, even coming back to England, played no part in my decision to join ROTC. I am back here, and would have been at Arkansas Law School because there is nothing else I can do. In fact, I would like to have been able to take a year out perhaps to teach in a small college or work on some community action project and in the process to decide whether to attend law school or graduate school and how to begin putting what I have learned to use.

But the particulars of my personal life are not nearly as important to me as the principles involved. After I signed the ROTC letter of intent, I began to wonder whether the compromise I had made with myself was not more objectionable than the draft would have been, because I had no interest in the ROTC program in itself and all I seemed to have done was to protect myself from physical harm. Also, I began to think I had deceived you, not by lies—there were none—but by failing to tell you all the things I'm writing now. I doubt that I had the mental coherence to articulate them then.

At that time, after we had made our agreement and you had sent my 1-D deferment to my draft board, the anguish and loss of my self-regard and self-confidence really set in. I hardly slept for weeks and kept going by eating compulsively and reading until exhaustion brought sleep. Finally, on Sept. 12 I stayed up all night writing a letter to the chairman of my draft board, saying basically what is in the preceding paragraph, thanking him for trying to help in a case where he really couldn't, and stating that I couldn't do the ROTC after all and would he please draft me as soon as possible.

I never mailed the letter, but I did carry it on me every day until I got on the plane to return to England. I didn't mail the letter because I didn't see, in the end, how my going in the Army and maybe going to Vietnam would achieve anything except a feeling that I had punished myself and gotten what I deserved. So I came back to England to try to make something of this second year of my Rhodes scholarship.

And that is where I am now, writing to you because you have been good to me and have a right to know what I think and feel. I am writing too in the hope that my telling this one story will help you to understand more clearly how so many fine people have come to find themselves still loving their country but loathing the military, to which you and other good men have devoted years, lifetimes, of the best service you could give. To many of us, it is no longer clear what is service and what is disservice, or if it is clear, the conclusion is likely to be illegal.

Forgive the length of this letter. There was much to say. There is still a lot to be said, but it can wait. Please say hello to Col. Jones for me.

Merry Christmas.
Sincerely,

BILL CLINTON.

SEPTEMBER 7, 1992.

Memorandum for Record.

Subject: Bill Clinton and the University of Arkansas ROTC Program.

There have been many unanswered questions as to the circumstances surrounding Bill Clinton's involvement with the ROTC department at the University of Arkansas. Prior to this time I have not felt the necessity for discussing the details. The reason I have not done so before is that my poor physical health (a consequence of participation in the Bataan Death March and the subsequent 3½ years internment in Japanese POW camps) has precluded me from getting into what I felt was unnecessary involvement. However, present polls show that there is the imminent danger to our country of a draft dodger becoming the Commander-in-Chief of the Armed Forces of the United States. While it is true, as Mr. Clinton has stated, that there were many others who avoided serving their country in the Vietnam war, they are not aspiring to be the President of the United States.

The tremendous implications of the possibility of his becoming Commander-in-Chief of the United States Armed Forces compels me now to comment on the facts concerning Mr. Clinton's evasion of the draft.

This account would not have been imperative had Bill Clinton been completely honest with the American public concerning this matter. But as Mr. Clinton replied on a news conference this evening (September 5, 1992) after being asked another particular about his dodging the draft, "Almost everyone concerned with these incidents are dead. I have no more comments to make". Since I may be the only person living who can give a first hand account of what actually transpired, I am obligated by my love for my country and my sense of duty to divulge what actually happened and make it a matter of record.

Bill Clinton came to see me at my home in 1969 to discuss his desire to enroll in the ROTC program at the University of Arkansas. We engaged in an extensive, approximately two (2) hour interview. At no time during this long conversation about his desire to join the program did he inform me of his involvement, participation and actually organizing protests against the United States involvement in South East Asia. He was shrewd enough to realize that had I been aware of his activities, he would not have been accepted into the ROTC program as a potential officer in the United States Army.

The next day I began to receive phone calls regarding Bill Clinton's draft status. I was informed by the draft board that it was of interest to Senator Fullbright's office that Bill Clinton, a Rhodes Scholar, should be admitted to the ROTC program. I received several such calls. The general message conveyed by the draft board to me was that Senator Fullbright's office was putting pressure on them and that they needed my help. I then made the necessary arrangements to enroll Mr. Clinton into the ROTC program at the University of Arkansas.

I was not "saving" him from serving his country, as he erroneously thanked me for in his letter from England (dated December 3, 1969). I was making it possible for a Rhodes Scholar to serve in the military as an officer.

In retrospect I see that Mr. Clinton had no intention of following through with his agreement to join the Army ROTC program at the University of Arkansas or to attend the University of Arkansas Law School. I had explained to him the necessity of enrolling at the University of Arkansas as a student in order to be eligible to take the ROTC program at the University. He never enrolled at the University of Arkansas, but instead enrolled at Yale after attending Oxford. I believe that he purposely deceived me, using the possibility of joining the ROTC as a ploy to work with the draft board to delay his induction and get a new draft classification.

The December 3rd letter written to me by Mr. Clinton, and subsequently taken from the files by Lt. Col. Clint Jones, my executive officer, was placed into the ROTC files so that a record would be available in case the applicant should again petition to enter into the ROTC program. The information in that letter alone would have restricted Bill Clinton from ever qualifying to be an officer in the United States Military. Even more significant was his lack of veracity in purposefully defrauding the military by deceiving me, both in concealing his anti-military activities overseas and his counterfeit intentions for later military service. These actions cause me to question both his patriotism and his integrity.

When I consider the calabre, the bravery, and the patriotism of the fine young soldiers whose deaths I have witnessed, and others whose funerals I have attended . . . When I reflect on not only the willingness but eagerness that so many of them displayed in their earnest desire to defend and serve their country, it is untenable and incomprehensable to me that a man who was not merely unwilling to serve his country, but actually protested against its military, should ever be in the position of Commander-in-Chief of our Armed Forces.

I write this declaration not only for the living and future generations, but for those who fought and died for our country. If space and time permitted I would include the names of the ones I knew and fought with, and along with them I would mention my brother Bob, who was killed during World War II and is buried in Cambridge, England (at the age of 23, about the age Bill Clinton was when he was over in England protesting the war).

I have agonized over whether or not to submit this statement to the American people. But, I realize that even though I served my country by being in the military for over 32 years, and having gone through the ordeal of months of combat under the worst of conditions followed by years of imprisonment by the Japanese, it is not enough. I'm writing these comments to let everyone know that I love my country more than I do my own personal security and well-being. I will go to my grave loving these United States of America and the liberty for which so many men have fought and died.

Because of my poor physical condition this will be my final statement. I will make no further comments to any of the media regarding this issue.

EUGENE J. HOLMES,
Colonel, U.S.A., Ret.

LETTERS TAKE THE MEASURE OF TWO MEN

(By Robert K. Dornan)

A couple of years ago, Americans sat transfixed before the remarkable documentary on the Civil War produced by Ken Burns. It was the most watched program in the history of public broadcasting and set new standards of excellence.

Perhaps the most moving and memorable scene occurred at the end of the first episode, during the reading of a letter written by Maj. Sullivan Ballou of the 2nd Rhode Island to his wife Sarah on July 14, 1861. This was a week before the battle of Manassas in which Ballou, to use Lincoln's phrase, "gave the full measure of devotion." I have yet to meet anyone who did not have tears in their eyes after hearing Ballou's beautiful and timeless words.

I thought it might prove enlightening to compare the feelings and attitudes found in Ballou's letter to those found in the wartime letter penned by Bill Clinton on Dec. 3, 1969, concerning his being drafted into the military. By that time, Clinton had used repeated political influence to avoid the draft and had organized anti-war demonstrations on foreign soil. It is these events during the fall and winter of 1969 that make his companionless trip to Moscow and Prague during the first weeks of 1970 so suspect.

On dying for their country:

Clinton: "Because of my opposition to the draft and the war, I am in great sympathy with those who are not willing to fight, kill and maybe die for their country."

Ballou: "I know how * * * great a debt we owe to those who went before us through the blood and sufferings of the Revolution. And I am willing—perfectly willing—to lay down all my joys * * * to pay that debt."

On the future:

Clinton: "For years I have worked to prepare myself for a political life characterized by both practical political ability and concern for rapid social progress. It is a life I still feel compelled to try to lead."

Ballou: "The memories of the blissful moments I have spent with you come creeping over me, and I feel most gratified to God and to you that I have enjoyed them so long. And hard it is for me to give them up and burn to ashes the hopes of future years when, God willing, we might still have lived and loved together, and seen our sons grown up to honorable manhood."

On sacrifice:

Clinton: "The decision not to be a resister and the related subsequent decisions were the most difficult of my life. I decided to accept the draft in spite of my beliefs for one reason: To maintain my political viability within the system."

Ballou: "Sarah, my love for you is deathless, it seems to bind me with mighty cables that nothing but Omnipotence could break, and yet my love of country comes over me like a strong wind and bears me unresistably on with all these chains to the battle field."

On agony:

Clinton: "At that time, after we had made our agreement and you had sent my 1-D deferment to my draft board, the anguish and loss of my self-regard and self-confidence really set in. I hardly slept for weeks and kept going by eating compulsively and reading until exhaustion brought sleep. Finally, on September 12, I stayed up all night writing a letter to the chairman of my draft board."

Ballou: "I have, I know, but few and small claims upon Divine Providence, but something whispers to me—perhaps it is the wafted prayer of my little Edgar—that I shall return to my loved ones unharmed. If I do not, my dear Sarah, never forget how much I love you, and when my last breath escapes me on the battlefield, it will whisper your name. Forgive my many faults, and the many pains I have caused you. How thoughtless and foolish I have oftentimes been! How gladly would I wash out with my tears every little spot upon your happiness."

When you compare the two, it is astonishing that so many commentators found Clinton's mawkish letter "thoughtful" and "tormented." And I often wonder how Ballou—

who went into battle with teenagers—would have reacted to Clinton's excuse that he was just a 23-year old "boy" at the time.

But more to the point. Whereas Ballou's definition of success is raising "honorable" men, Clinton's is a career in politics. Whereas Ballou found the call of his country to be more powerful than even his "deathless" love for his wife, Clinton found the call of his country couldn't match the love he had for * * * himself.

Clearly there is more than just a century that separates these two men.

CAMP CLARK, WASHINGTON,
July 14, 1861.

MY VERY DEAR SARAH: The indications are very strong that we shall move in a few days—perhaps tomorrow. Lest I should not be able to write again, I feel impelled to write a few lines that may fall under your eye when I shall be no more.

I have no misgivings about, or lack of confidence in, the cause in which I am engaged, and my courage does not halt or falter. I know how strongly American Civilization now leans on the triumph of the Government, and how great a debt we owe to those who went before us though the blood and sufferings of the Revolution. I am willing—perfectly willing—to lay down all my joys in this life, to help maintain this Government, and to pay that debt. . . .

Sarah, my love for you is deathless, it seems to bind me with might cables that noting but Omnipotence could break; and yet my love for Country comes over me like a strong wind and bears me unresistibly on with all these chains to the battlefield.

The memories of the blissful moments I have spent with you come creeping over me, and I feel most gratified to God and you that I have enjoyed them so long. And hard it is for me to give them up and burn to ashes the hopes of future years, when God willing, we might still have lived and loved together, and seen our sons grown up to honorable manhood around us. I have, I know, but few and small claims upon Divine providence, but something whispers to me—perhaps it is the wafted prayer of my little Edgar, that I shall return to my loved ones unharmed. If I do not, my dear Sarah, never forget how much I love you, and when my last breath escapes me on the battlefield, it will whisper your name. Forgive my many faults, and the many pains I have caused you. How thoughtless and foolish I have often time been! How gladly would I wash out with my tears every little spot upon your happiness. . . .

But, O Sarah! If the dead can come back to this earth and the unseen around those they loved, I shall always be near you; in the gladdest days and in the darkest nights . . . always, always, and if there be a soft breeze upon your cheek, it shall be my breath, as the cool air fans your throbbing temple, it shall be my spirit passing by. Sarah, do not mourn me dead; think I am gone and wait for thee, for we shall meet again.

BROOKLYN CHINESE AMERICAN ASSOCIATION

HON. NYDIA M. VELÁZQUEZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Ms. VELÁZQUEZ. Mr. Speaker, it pleases me to congratulate one of the leading multiservice organizations in the 12th Congressional District, the Brooklyn Chinese American Association [BCA] on its eighth anniversary. The Brooklyn Chinese America Association serves the vibrant Asian American community in Brooklyn through a multitude of programs including a senior citizens center, and confidential police information hot line, adult literacy and citizenship programs, employment and skills training programs, leadership training and academic tutoring for youth as well as an Asian Youth Orchestra. The Brooklyn Chinese American Association serves more than 400 clients daily in these and other programs such as through case management services and a program for the mentally retarded and developmentally disabled. These services are an invaluable contribution to the Asian American community of Sunset part, Brooklyn and to New York City as a whole.

Through Brooklyn Chinese American Association's efforts, Chinese American's of Brooklyn have been able to access the information and resources needed to succeed in their new homes. Simultaneously, the tremendous talents, enterprise, and energy that immigrants have always brought to America, especially to our cities, has been untapped for all to enjoy.

In the 8 years that the Brooklyn Chinese American Association has developed from a one person service project in the corner of a surrounding Asian American community of Brooklyn has revitalized Eight Avenue, opening up more than 50 new businesses. All along the way, Brooklyn Chinese American Association has been there growing with and serving the needs of this dynamic community.

A year ago, Brooklyn Chinese American Association celebrated the grand opening of its community service center which houses its day care center, computer for employment skills training, classrooms for English as a second language [ESL] and citizenship classes as well as space for social services provision. Through this and other centers which are readily accessible, the Brooklyn Chinese American Association is able to accommodate the educational, employment training and social service needs of the Chinese American community in a culturally competent manner.

In closing, I'd like to say that as a country of immigrants, the United States has always welcomed and encouraged immigrants to fulfill their hopes and dreams as active and contributing members of our society. Hard work and enterprise by our Nation's immigrants should be applauded and it is in that spirit, Mr. Speaker, that I ask my colleagues to join me in congratulating the Brooklyn Chinese American Association and wish it much success as it works to empower the Asian American community of Brooklyn and of New York City.

A COMMITMENT TO ALL AMERICANS

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. COLEMAN. Mr. Speaker, I rise today to voice the concerns of my constituents of El Paso, TX. I voted today for the current continuing resolution to avert a third Government shutdown. I also concur that the shutdown would have had disastrous ramifications, most of all for our Social Security beneficiaries, veterans, Federal employees and our students.

The ongoing chaotic budgetary clashes have paralyzed parts of the Government and alienated many Americans. Partial shutdowns that started in mid-November and December closed many Federal operations for 27 days and cost taxpayers $1.4 billion. My constituents should not have to suffer nefarious consequences because of Republican ineptness at passing necessary appropriations bills. Many El Pasoans were furloughed and received truncated paychecks. My constituents are fed up with Republican maneuvers and several Federal employees publicly protested against NEWT GINGRICH and the Republicans' extreme agenda. These hard working citizens should not be treated as pawns by the Republican majority in order to score political points.

I voted for the measure to restore funding for many social, health and educational programs which many citizens depend on. I do, however, have grave concerns regarding the Republicans' decision to curb education funding for programs such as safe and drug free schools and bilingual education.

I am proud to represent El Paso, TX, whose 600,000 citizens and residents have successfully integrated bilingualism and biculturalism into their education system, health care facilities, and economy. Bilingual education programs are essential in my district and many others throughout the country to integrate new immigrants and their children into our society successfully. Because much of the rhetoric surrounding the subject of immigrants has become increasingly harsh, these programs are easy targets for budget cuts. However, any decrease in funding for bilingual and immigrant education would be very poorly advised. Our immigrant population is growing and the vast majority of these immigrants are from Asia and Latin America. If we can capitalize upon their linguistic abilities, we can ensure that young immigrants and the children of immigrants will be a valuable asset to our national competitiveness in the global economy.

Moreover, if we fail to adequately fund bilingual and immigrant education programs, we will set many children up for failure and lose the benefits of their valuable linguistic skills. In the long run, the result will be that many of our young immigrants and their children will be unable to contribute fully to the future of this Nation. I do not believe neglecting the needs of citizens that speak English as a second language is sound policy.

Any decrease in funding for bilingual education programs will promote frustration, segregation, and discrimination between those who have mastered the English language and those who have been denied the opportunity to do so.

Further, the safe and drug free schools have proven to be effective in informing our youth of the severe consequences of participating in this illicit activity. Although there has been a shift in favor of punishment rather than prevention in dealing with crime, this approach may not be the best solution for young people. The sad fact is that between 1985 and 1993, juvenile crime rose 58 percent. Clearly, an interventionist response that reaches out to

our Nations' youth is needed. Funds for crime and drug prevention programs in schools help to meet this need. Furthermore, these funds ensure that important State and local educational resources will not have to be increasingly diverted from mainstream educational initiatives in order to address the problems of crime and drugs. In short, the program not only provides important preventative initiatives, but indirectly helps to ensure that all students get the resources they deserve for education, and that they are educated in a safe and focused environment.

These particular programs address some of the most pressing needs of my district and I believe these programs simply cannot afford to be cut.

I am pleased by the bipartisan effort to stave off another Government shutdown. Moreover, I encourage my colleagues to fulfill their commitment to the American people and continue to serve the interest of the American people in protecting essential social and educational programs.

NO DESSERT UNTIL WE CLEAN OUR PLATES

HON. RICHARD J. DURBIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. DURBIN. Mr. Speaker, until we have taken care of spending bills for the rest of government operations, we have no business taking care of ourselves. Today, along with my colleagues, Representatives MORELLA, DAVIS, and LUTHER, I am introducing a resolution to postpone final action on Legislative Branch appropriations for any fiscal year until all other regular appropriations for that fiscal year have been enacted into law.

The resolution adds new points of order under three House Rules. These would preclude final action on the regular Legislative Branch appropriations bill, if all other regular appropriations bills for the fiscal year have not been enacted into law. Similarly, a continuing resolution could not contain Legislative Branch appropriations unless it also included continuing appropriations for the same period for all other regular appropriations bills for the fiscal year that have not yet been enacted into law.

Basically, this means, for Legislative Branch appropriations, there could be no final action on conference reports, no motions on Senate amendments, and no action on continuing resolutions if we have not first, or concurrently, provided appropriations for the other twelve regular appropriations. This resolution would ensure that the Legislative Branch is last in line for appropriations in the future.

The concept is elementary—no dessert until we clean our plates.

Last September, Congress made the mistake of trying to fully fund the Legislative Branch bill for fiscal year 1996 before taking care of nearly every other appropriations bill. And it backfired. The Legislative Branch spending bill was vetoed the first time around—not because of its content, but because of its timing.

Even after a Legislative Branch appropriations bill was enacted, many regular appropriations bills remained in limbo. As a result, the second Government shutdown did not affect Congressional operations.

We should never again leave major portions of the Government hanging, with ourselves high and dry. We should never again play with the lives of innocent Federal employees and disrupt the operations of Government unless we are willing to risk our own time, our own staff, and our own operations. We should never again enjoy our dessert while our main course remains on the table before us.

I urge my colleagues to join me in cosponsoring this resolution to make sure that before we ever fund ourselves again, we have first met our obligation to take care of the rest of our Government operations and the public we are here to serve.

NINTH CIRCUIT COURT OF APPEALS REORGANIZATION ACT OF 1966

HON. RICK WHITE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. WHITE. Mr. Speaker, today, the gentleman from Oregon, Mr. Bunn, is introducing the Ninth Circuit Court of Appeals Reorganization Act of 1996. I am an original cosponsor of this legislation.

The Ninth Circuit Court of Appeals Reorganization Act is important legislation which will vastly improve the judicial process in the western United States. In terms of geographic area, population, and caseload, the current Ninth Circuit is much too big. By splitting the Ninth Circuit and creating a new Twelfth Circuit, we will ensure the highest quality and most efficient jurisprudence for both the Ninth Circuit and the new Twelfth Circuit.

Under Mr. Bunn's bill, the headquarters of the Twelfth Circuit will be Portland, OR. Although I am original cosponsor of this legislation, it is my belief that the Twelfth Circuit's headquarters should be Seattle, WA. I commend Mr. Bunn for his leadership on this issue, but I differ with him on this one point. In terms of accessibility and economic significance, Seattle is the logical location for the headquarters of the Twelfth Circuit. As this bill moves through the legislative process, I look forward to working with Mr. BUNN and Chairman HYDE and hopefully come to an equitable solution to this issue.

TRIBUTE TO SENATOR MARSHALL BURNS WILLIAMS

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. SPENCE. Mr. Speaker, I rise today to honor the memory of Marshall Burns Williams, who at the time of his death, on December 28, 1995, was the president pro tempore of the South Carolina Senate. Senator Williams was a distinguished statesman, who had been a member of the South Carolina Legislature for 48 years. He served continuously in the senate for 42 years, and was the longest serving State senator in the Nation.

Marshall Williams was a gentleman of the "old school," who was an accomplished trial attorney, a successful farmer, and a sportsman. He lived all of his life in rural Orangeburg County, an area in which his family had resided for many generations. Growing up on a farm, Marshall Williams developed a deep affection for the land and the people who made their living from it. When asked his occupation, he would tell you that he was a lawyer and a farmer. He excelled at both.

Senator Williams and I became friends when I was elected to the South Carolina House of Representatives, and I had the privilege of serving with him when I was in the senate. He was a reasonable person who appreciate the needs of his constituency and he was always working to improve the lives of those who lived in rural areas of our State.

Senator Williams was noted for his contemplative style. He was very effective at bringing lawmakers holding opposing views together to craft a compromise, often using humorous stories to make a point. He was a skillful arbiter of issues, and he was highly respected by his colleagues.

Marshall Williams also distinguished himself in the legal profession. He relished being a trial attorney, and he was widely recognized for his courtroom skills. He was especially proud of being a Fellow of the American College of Trial Lawyers.

Throughout his life, Marshall Williams was dedicated to being of service to others. This brought him much success in politics and in his profession; however, he did not seek recognition. In his unassuming manner, he helped to direct South Carolina from being a State in which the economy was largely based on agriculture, to one which focused on education and economic development—the progressive Palmetto State that we know today.

Senator Williams was an outstanding man who cherished his family. His passing is mourned by many who knew him as their friend. Our State has greatly benefited from his leadership.

THANK YOU SHERIFF ENGLEHARDT

HON. WILLIAM J. MARTINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. MARTINI. Mr. Speaker, I rise today to honor an outstanding citizen and public servant who has contributed to the growth and the safety of his community. Sheriff Ed Englehardt of Passaic County, NJ, has for decades been a leader who has inspired both the men and women of Passaic County to tackle the challenges their community faces on a daily basis.

In the very challenging world of law enforcement, Sheriff Englehardt has demonstrated the uncanny ability to harness all the energy available to him, and create a safer environment for the betterment of the residents of his community. His commitment is to serve with firmness, fairness, and efficiency.

At a time when other sheriffs are complaining that their jails are full and they cannot take any more prisoners, Sheriff Englehardt stands alone in letting the judges know that he can always find room to receive the criminals that they sentence.

For over 20 years, Ed Englehardt has served as Sheriff of Passaic County, employing approximately 600 sworn and civilian personnel. Sheriff Englehardt's strong leadership abilities have enabled him to foster feelings of mutual respect and trust between the civilians and the Sheriff's officers of Passaic County. Despite budgetary constraints that are affecting not only Passaic County but also the entire country, Sheriff Englehardt vowed not to be a victim. He has avoided any cutbacks that would alter his proficient training system. Sheriff Englehardt's officers receive top-of-the-line training to guarantee safety and efficiency for the entire community. This is an unbelievable accomplishment, one that the entire community should be thankful for.

One of Sheriff Englehardt's greatest accomplishments is his creation of the Sheriff's Emergency Response Team. For over 13 years, this service has provided immediate response to emergencies anywhere in the county. The men and women who serve on the emergency response teams are highly trained professionals who volunteer their time to meet the needs of their community 24 hours a day. Sheriff Englehardt's ability to make his vision a reality is exemplary. He not only has provided this sophisticated service to the county, but also he has saved taxpayers thousands of dollars and more importantly, he has saved lives and has protected the residents of Passaic County.

To recognize Sheriff Ed Englehardt is a great honor for me. By honoring him, I am also applauding the county of Passaic for recognizing his abilities and his successes time and time again. His constant will to improve a diversified community is a testament to his belief in and love of Passaic County. His reputation as being, "The toughest Sheriff in the State" is respectfully deserved.

Mr. Speaker, it is a pleasure today not only to recognize the toughest Sheriff in the State, but the best. It is a real honor to be able to call Sheriff Ed Englehardt a friend.

CAN THE FDA REDUCE UNDERAGE TOBACCO USE?

HON. JOHN S. TANNER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. TANNER. Mr. Speaker, almost six months go, claiming his desire to curb underage tobacco use, President Clinton announced that the Food and Drug Administration would be asserting regulatory jurisdiction over tobacco products. I share the President's concern for preventing tobacco use by minors. But, for the FDA to assume responsibility for this issue runs counter to statutory, regulatory, and agency precedence. I do not believe, it will prove effective in reducing underage tobacco use.

The FDA's proposed assertion of jurisdiction over tobacco stands out as another example of the Federal Government attempting to assume powers rightfully within the purview of Congress and of the individual states. Congress has expressly reserved to itself the authority to regulate tobacco products, leaving the bulk of tobacco regulation to the states—including taxation, age of purchase, and certain aspects of tobacco use, including the manner and method of retail transaction.

In its most recent action with respect to the regulation of tobacco, the ADAMHA Reorganization of 1992, Congress addressed this in the appropriate manner—it required states, as a condition for receiving certain federal grants, to enact statutes prohibiting tobacco sales to minors. Also required of the states are random inspections and certain reporting obligations.

As a result of the congressional-established scheme, every state in the Union now has a law on its books banning tobacco sales to minors. But beyond this arrangement, Congress left to the States virtually every other aspect of underage sale of tobacco. All States accepting funds under the federal scheme remain free to enact or reject other steps relative to tobacco sales to minors.

Proposed regulations for implementing this Act were issued on August 23, 1993. Last week, after nearly 2 years and 5 months, the Department of Health and Human Services finally promulgated its final regulations. The fact that it took the Department so long to set forth these regulations underscores the inherent limitation of Federal action and further demonstrates that Congress was on the right track when it gave to the states the primary responsibility for handling this complex problem.

Still, FDA has attempted to seize jurisdiction over tobacco products. For nearly 90 years, and on at least twenty different occasions congress has specifically rejected proposed legislation to grant FDA jurisdiction over tobacco. This includes seven occasion over the last decade.

During this same period, FDA itself has concluded on numerous occasions that it has no jurisdiction over tobacco markets without claims of "therapeutic benefit." It has recognized that Congress never granted it such authority, and it has acted only where a particular brand of cigarettes carried specious claims that it would prevent disease or affect the structure of the body. Indeed, as recently as last year, FDA Commissioner Kessler stated that Congress would need to provide some new direction before the FDA could assert jurisdiction over cigarettes.

Despite this long history of Congressional denial of FDA jurisdiction over tobacco, and the long history of FDA concurrence in this jurisdictional arrangement, the FDA is now without any legislation or other guidance from Congress whatsoever, attempting to assert jurisdiction over tobacco products.

The FDA proposal cites 21 U.S.C., section 352 (misbranded drugs), section 360 (registration of producers of drugs or devices), section 360j (general provisions respecting control of devices intended for human use), section 371 (authority to promulgate regulations for the efficient enforcement of the Federal Food, Drug and Cosmetic Act), and section 374 (inspection of manufactures of food, drugs, devices or cosmetics) as authority. However, nowhere in these statutes is there any expression of congressional intent or grant of authority to the FDA to assume authority over tobacco sales to minors.

The President recently addressed the Nation, sharing with American people his assessment as to the state of the nation—and the challenges the country faces in the coming year. Among the challenges he cited was reducing underage tobacco use. However, this is challenge which Congress has already addressed. With the promulgation of the final rule implementing the ADAMHA Reorganization Act of 1992, the tools for addressing this problem in the most effective and efficient manner are now in place. The Federal Government should continue to work with the individual states as they each undertake, as delegated to them under this Act, the challenge of preventing the distribution of tobacco products to minors.

At the same time, for the purpose of preserving the integrity of the Constitutional framework of our government, the FDA must be prevented from assuming jurisdiction over this product. A precedent must not be set whereby a Federal bureaucrat, in contravention of the Constitution, can carve out for himself and his agency, rights and prerogatives specifically reserved by the Constitution to the Congress and the states.

A GREAT MAN RETIRES

HON. ROB PORTMAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. PORTMAN. Mr. Speaker, I would like to call your attention to a constituent of mine, Robert Groh, who has devoted over two and a half decades of service to the State of Ohio and the Town of Amelia. He retired on Sunday January 1, 1995 and Mayor of Amelia, ending his 18 years of public life.

Mayor Groh first served in the early 1950's when the town of Amelia was a rural community with roughly 500 residents and only one two-lane road. Today, thanks to Robert Groh's dedication, Amelia has bloomed into a community of over 2,200. Mr. Groh is credited with being able to ease the "growing pains" of this developing community with his ability to understand the concerns of the parties involved and to create solutions meeting the needs of all concerned.

As a father of three, and a grandfather of six, Robert Groh balanced a career at Proctor & Gamble with his family-run monument business, and his 26 years of service to Amelia as Mayor and Councilman. He was responsible for developing the Amanda Acres senior-citizen facility and the village municipal building. He also assisted in developing the town's infrastructure from his position on the Public Works District Integrating Committee.

Robert W. Groh is the heart and soul of Amelia and has made this town a wonderful place in which to live and work. He has unselfishly given his time and energy to the community and to our country. Robert Groh is a special man to Amelia and its citizens and he will always be a valued member of the community. I am proud to know Mayor Groh, have him as a constituent, and call him a friend.

Mr. Speaker, Members of the House of Representatives, please join me in saluting Robert W. Groh for his many years of service and wishing him the best for many years to come.

IN SUPPORT OF FDA LEGISLATION

HON. CHARLES W. STENHOLM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. STENHOLM. Mr. Speaker, I am pleased to be an original cosponsor of the Food and Drug Administration [FDA] legislation introduced today by Congressman BURR, which would provide some regulatory relief for health professionals. The legislation would allow the holder of an approved new drug application to provide health professionals a reprint of a medical journal article which includes information about the drug that is not in the FDA-approved package insert.

While I certainly support the basic health and safety mission of the FDA, I have heard numerous concerns from my constituents about the FDA approved process and the frustrations they have in dealing with the Federal bureaucracy in general. As a representative of a rural district, I am very aware of the feeling of isolation that rural providers experience. Many times, rural providers find themselves with limited access to information they are unable to find someone to cover their practices so that they can attend conferences or meetings at which new medical technology is discussed. I believe Representative BURR's legislation is a good first step in addressing some of my constituents' frustrations.

Current law allows doctors to prescribe drugs for the users they feel most appropriately meet their patients' needs. For instance, if a doctor reads a journal article showing the effectiveness of a particular drug treating an illness for which it was not originally approved, the doctor is not prohibited from prescribing the drug for that use.

However, current FDA regulations prohibit drug manufacturers from providing doctors with information about any use of the drug that has not been previously approved by the FDA. Therefore, while studies might have shown the safety and effectiveness of the drug for additional uses, manufacturers are not allowed to share this information with doctors. Representative BURR's legislation attempts to address this issue in a fair way that will maintain the FDA's mission of protecting consumers from unsafe, ineffective drugs.

I believe it is important for the committees of jurisdiction to consider this legislation and all of its ramifications, particularly with regard to consumer safety. I feel very confident that liability responsibilities shouldered by physicians more than adequately ensure that they will not carelessly prescribe inadequately proven drugs.

Many agree that the FDA approval process, while attempting to ensure consumers have safe and efficient drugs, may actually delay the availability of some breakthrough drugs. This bill may not contain all of the answers, but it is a productive first step and it should receive a hearing in the regular committee process, so that interests on all sides of the issue can be heard and considered. It is important that we reform the FDA with an awareness of the agency's responsibility, which is to see that the medicines we use are safe and effective.

PERSONAL EXPLANATION

HON. PETER G. TORKILDSEN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. TORKILDSEN. Mr. Speaker, I requested and was granted on January 23, 1996, leave of absence for that day, the 23d, as well as the 24th and 25th, as I was on my honeymoon.

However, I would like to enter in the RECORD how I would have voted on the three suspension votes had I been here.

On rollcall vote No. 13—H.R. 2657, I would have voted "yes."

On rollcall vote No. 14—S. 1341, I would have voted "yes."

On rollcall vote No. 15—H.R. 2726, I would have voted "yes."

Additionally, I would also like it to be noted that on rollcall vote No. 16—S. 1124 a nonsuspension vote, I would also have voted "yes."

BURDENSHARING LEGISLATION

HON. JIM CHAPMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. CHAPMAN. Mr. Speaker, this summer the world celebrated the 50th anniversary of V–J Day and the end of World War II. For thousands of veterans who fought to defend democracy in Europe, North Africa and the Pacific, it recalled a proud moment in American history.

For America's veterans and the widows of America's fallen heroes, the observance of this anniversary was laced with poignant irony. Those who made the sacrifices 50 years ago are being asked by some in our Government to make sacrifices again.

Since the United States won victories in Europe and Japan more than 50 years ago, and in Korea more than 40 years ago, we have continued our military presence in those nations. At a vast cost to the American taxpayer, we have preserved the peace, assured victory over global communism and allowed war-ravaged economies to prosper and grow.

America did the right thing in building world stability, freedom and hope. But America can no longer afford to bear the financial burden imposed on our people by protecting Europe, Japan and Korea.

I am introducing legislation today to require the host nations of NATO, Japan and Korea to share the burden of the direct costs of the United States military presence in those nations. My legislation also provides that the revenues resulting from those burdensharing agreements be deposited in the Medicare trust fund. The revenue generated by my bill will guarantee the solvency of the Medicare trust fund through 2007, eliminating the need for the huge cuts in Medicare services that have been approved by the Republican Congress and vetoed by President Clinton.

It is not fair that the United States continues to pay for the defense costs of these countries while they continue to pour billions into subsidizing industries that compete with American jobs, and provide social services to their citizens that the American taxpayer cannot afford for our own. It is not fair to the American taxpayer or the American worker.

It is not fair that the United States continues to pay the defense costs of these countries while our Nation cuts billions from services provided to the people who won World War II on the front lines and the homefront. The soldiers who fought at Iwo Jima and the Battle of the Bulge and Inchon now receive Medicare benefits. The future of that program has been jeopardized by huge reductions in services approved by the House but vetoed by the President. My legislation guarantees the solvency of Medicare by generating up to $90 billion in revenue from burdensharing agreements.

My bill gives the administration a hammer to force the host nations to share this burden by requiring the withdrawal of our troops if agreements are not reached by the end of 1997. I do not expect one company of troops, one wing of aircraft or a single tank to be withdrawn as a result of this legislation. The host nations involved want the American military presence in their countries. We have failed in the past to achieve adequate burden-sharing agreements because there was no credible incentive to force them to the table. My bill gives the host nations every possible motivation to bargain in good faith because a failure in negotiations delivers results unacceptable to them. If I am wrong about the wishes of the host nations, my bill will still protect Medicare by investing the savings that result from a troop withdrawal into the Medicare trust fund.

It is time, Mr. Speaker, that those who won World War II and contained communism at the 38th Parallel stop paying the price for our victory through unacceptable cuts in health care. It is time that the United States force the host nations of NATO, Japan, and Korea to pay the bills for their own protection. It is time that the U.S. taxpayer stop subsidizing foreign industries that compete with American jobs. It is time that the U.S. taxpayer stop subsidizing better health care and social security for our allies than American can afford for our own. It is time, Mr. Speaker.

CHARITABLE MEDICAL CARE ACT OF 1996

HON. BOB GOODLATTE

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. GOODLATTE. Mr. Speaker, I would like to bring to my colleagues' attention the Charitable Medical Care Act of 1996 which I am today introducing with Representatives MOORHEAD, MCCOLLUM, SMITH of Texas, HOKE, and

BRYANT of Tennessee. This important legislation will make it easier for free medical clinics to recruit medical professionals to volunteer their services for the poor.

Free clinics have developed as a privately funded, grass-roots effort to provide outpatient health services primarily to the working poor. There are over 200 free clinics in the United States which have evolved with no Federal support and little local government support.

My District is privileged to be home of several outstanding free clinics including one of the finest free clinics in the country, the Bradley Free Clinic of Roanoke, VA. The Bradley Free Clinic is also headquarters of the Free Clinic Foundation of America, which has been working to provide services to assist and establish free clinics across the country.

My friends at the Bradley Free Clinic brought to my attention the problems free clinics nationwide encounter finding medical staff willing to volunteer their time and services because of concerns over medical liability. Medical professionals who would like to provide free care for the poor are discouraged by the possibility that doing so will put their medical malpractice coverage at risk. Retired medical professionals don't have liability coverage and therefore can't volunteer. As a result, the poor don't get the care they need.

In response I am introducing a bill similar to legislation passed in Virginia in the 1980's to exempt health care professionals who provide free services in connection with a free clinic from liability for simple negligence only. In fact, Virginia is one of eight States which have laws in place exempting doctors who voluntarily provide free care in good faith from liability for simple negligence.

While Medical liability suits against health care professionals who volunteer their services at free clinics are very rare, under this legislation health care professionals would not be protected if they commit gross negligence or willful misconduct. In addition, the exemption would only apply if the patient received the care at no charge, there was no reimbursement to the health care professional for providing the service and the patient had informed consent before the service was rendered that any liability incurred by their health care provider would be limited to gross negligence and willful misconduct.

With over 30 million uninsured Americans, the need for privately sponsored free clinics and health services has never been more acute. It is estimated that charitable medical care provides care to 30 percent of the Nation's uninsured and is an important alternative to expensive emergency room care which is far too often the only care available for the uninsured or underinsured. This legislation would help ensure that free clinics continue to fulfill this important role by making it possible for them to attract volunteers.

The Free Clinic Foundation and the Catholic Health Association are strong supporters of this legislation. Senator MOSELEY-BRAUN has sponsored companion legislation in the Senate. I urge my colleagues to support this bipartisan effort and cosponsor the Charitable Medical Care Act of 1996.

DISPUTE SETTLEMENT IN THE WORLD TRADE ORGANIZATION

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. CRANE. Mr. Speaker, the World Trade Organization [WTO] recently ruled against the United States in a case involving the Environmental Protection Agency's [EPA's] regulations on reformulated gasoline to achieve the standards of the Clean Air Act. Unfortunately, this decision has been portrayed by some as an assault on U.S. environmental laws. Nothing could be further from the truth.

To begin, it should be pointed out that the case involved an EPA regulation, not U.S. law, U.S. air quality standards, as legislated in the Clean Air Act, were not at issue. Rather, the case dealt with the different set of regulations that are imposed on imports of reformulated gasoline from those imposed on domestically refined reformulated gasoline. In the WTO, the case was filed under the national treatment clause which says that you cannot have one regulatory standard for imports and a different one for domestic products. This is a principle of trade that the United States, as the world's leading exporter, has espoused for years in our efforts to open new markets to U.S. goods and services. It works to protect the competitiveness of U.S. goods and services overseas by ensuring that our trading partners treat our exports in their markets in the same manner that they treat their own products.

I urge my colleagues to carefully study this decision and, more importantly, to learn the facts before urging action which would damage U.S. credibility in the short term and our trading relationships in the long run. Indeed, the United States fought to establish the WTO dispute settlement process because of the way it will help us pry open foreign markets to our products. Under the old GATT dispute settlement procedure, the United States filed the greatest number of cases of any member country. However, because countries could block the old dispute settlement process, we sometimes could not get decisions in cases that would have helped us remove barriers to our exports overseas. The new process established in the WTO removes the possibility of such obstruction and ensures that the procedure will work on a predictable timetable and that a decision will be rendered. Based on our history of using the GATT dispute settlement process, the new procedure is likely to be used frequently by the United States in the future to help us achieve our trade liberalization goals.

As chairman of the Ways and Means Subcommittee on Trade, I am proud of the great strides that the United States has made in recent years toward opening markets and removing barriers to trade around the world. As we work to ensure that our trading partners fulfill their WTO commitments, it is critical that we set an example by living up to our own.

In sum, I would like to quote from an editorial from the January 21, 1996 issue of the New York Times. The editorial, entitled "Winning, by Losing on Trade," concludes:

The ruling helps establish the W.T.O. panels as deliberative judicial bodies willing and able to enforce rules of fair trade. That is beneficial to the United States, which brings more complaints to trade-dispute panels than any other country. Washington will win more than its cases in the years ahead. The W.T.O. has shown it can keep trading honest. That is a welcome development.

HONORING MRS. ANNA GAYLE

HON. DAN MILLER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. MILLER of Florida. Mr. Speaker, I would like to thank you for this opportunity to honor a remarkable person and a wonderful citizen. I am sad to report that this past Tuesday, one of my most admired constituents, Anna Gayle, passed away at the age of 99. Now Ms. Gayle was known for many great things in Manatee County. She was a deaconess and missionary at St. John First Baptist Institutional Church in Palmetto, FL. She served as the director of the Senior Citizens Centers of Manatee County in Bradenton and Palmetto for over 10 years. And she also in 1984 received a national award from the National Council on Aging for her advocacy.

But the qualities that everyone attributed most to her were her strong character, her kindness, and above all, her willingness to help those that were less fortunate. As stated by one of her many fans, "If people were sick, she helped them. If a child needed care, she saw that he got it. If you needed a hand, she was there." It was this commitment to provide for those less fortunate and her drive to better surrounding neighborhoods which led to the Anna Gayle Resource Center—a neighborhood center for families experiencing drug and crime problems in her much loved community of Palmetto, FL. Her legacy of improving the quality of life will long be remembered by many for years to come.

I have always found such commitment to help others inspiring, and mourn deeply the passing of such an outstanding human being. We will all miss her.

LET'S REEXAMINE THE CUBAN EMBARGO

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. FARR of California. Mr. Speaker, I rise to bring to the attention of my colleagues a recent event in California.

On Wednesday, a caravan of 30 vehicles was stopped at the United States-Mexico border by United States Customs officers. The caravan was carrying approximately 300 used personal computers and modems for medical and educational purposes in Cuba.

Why was the delivery stopped? Because the United States imposes a comprehensive trade and travel embargo against Cuba.

Mr. Speaker, the equipment these people were trying to deliver to Cuba was not high technology. It was not a threat to our national

security. The equipment—outdated 286 personal computers and used modems—was for schools and hospitals in Cuba.

This recent event demonstrates the problems with our embargo against Cuba. How could the Cuban Government oppress the Cuban people with obsolete computers? How could these computers be used to threaten the security of the United States, a country where many individuals have personal computers that are many times more powerful?

We need to face the fact that the best way to help the Cuban people is to work with Cuba, not against it. How better could we bring our values to Cuba than help improve the health and welfare of the Cuban people? How better could we help Cubans learn about American philanthropy and goodwill than support private donations by Americans?

Mr Speaker, we need to reexamine our approach to Cuba. We are the only nation left that imposes such severe restrictions on trade with Cuba. Let us help the Cuban people by letting Americans help Cubans.

TRIBUTE TO SYLVIA E. THOMAS

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. PALLONE. Mr. Speaker, on Saturday, February 10, a retirement ceremony for a remarkable woman will be held. On that date, at the Fort Monmouth Officers Club, the friends and colleagues of Sylvia E. Thomas will pay tribute to Ms. Thomas' 35-year career as an educator, school administrator and a perfectionist who has always strived to give the most for her students.

A resident of Neptune Township, NJ, Ms. Thomas retired on January 1 as the principal of Neptune Middle School. The career that Sylvia Thomas is now concluding is not only a great testimony to her own talent, courage and determination, but it is a true indication of what public education in this country is all about: dedicated professionals, often working under adverse conditions, without lavish salaries, to shape future generations. Sylvia Thomas, like so many unsung heroes working in public education, has earned the respect and gratitude of her former students, their parents and our entire community.

Mr. Speaker, Ms. Thomas was born in Georgia and raised in Alabama, the daughter of educators Royal and Lilian Hope Dunham. She earned her bachelor of science degree in secondary education from Tuskegee University in Alabama in 1958, and received her masters degree from Columbia University in New York in 1959. She earned her principal's and supervisor's certificates from Monmouth College—now Univesity—in West Long Branch, NJ, between 1974 and 1976.

Ms. Thomas began her career as a ninth grade teacher in Augusta, GA., in 1959. She taught math and science throughout the country wherever her husband, Govan, a former Army serviceman, was stationed at the time. She has also taught GI's. In 1973, the Thomases settled in Neptune, on the Jersey Shore. She taught math to eighth graders at Asbury Park Middle School, in the neighboring community. From 1978 to 1981, she served as coordinator of the math program and the compensatory education program. For the next three years, she chaired the math/science department for kindergarten through eighth grade in Asbury Park. In 1984, Ms. Thomas moved into the administrative side, becoming principal of Green Grove Elementary School in Neptune. She was transferred to the Middle School as vice principal, and subsequently became principal six years ago. During her tenure at Neptune Middle School, the school increased its emphasis on math and science, acquired additional computer equipment and made many capital improvements.

In a recent profile of Ms. Thomas by staff writer Travis R. Moore in The Asbury Park Press, one of the major newspapers in our area, Mr. Michael T. Lake, superintendent of Neptune public schools, who has worked with Ms. Thomas for the past 11 years, described her as "a consummate professional." Ms. Peola Smith-Smith, chairperson of the counseling/guidance department at Neptune High School, said Ms. Thomas has been an "inspiration" and an "exemplary administrator." In the article, Ms. Thomas herself described the key to success for the men and women who run our public schools. While she stressed her reluctance to compromise on her high expectations, she nonetheless recognized the need for flexibility: "You do whatever has to be done to get the job done."

In addition to her distinguished career as a teacher and administrator, Ms. Thomas has been a leader in numerous community organizations, including the Central Jersey Club of the National Association of Negro Business and Professional Women's Club, the National Coalition of Black Meeting Planners, St. Augustine's Episcopal Church in Asbury Park, and Lambda Omega Omega Chapter of Alpha Kappa Alpha Sorority. She has also maintained a long-time association with Drifters, Inc., a nonprofit civic organization of black women with 30 chapters nationwide dedicated to serving the community and enhancing the universal image of womanhood. Ms. Thomas served as national president of Drifters from 1989 to 1993, is a charter member of the Ocean Chapter of Drifters, and has also coordinated public relations and edited the organization's newsletter. She was the recipient of the 1993 Now Black Woman Award given by the national Drifters, Inc.

Mr. Speaker, it is a great honor and privilege for me to join the friends and colleagues of Sylvia Thomas in saluting a great educator and community leader.

REMOVAL OF RUSSIAN MILITARY FORCES FROM MOLDOVA

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. SMITH of New Jersey. Mr. Speaker, in October 1994 the Prime Minister of Russia and the Prime Minister of Moldova signed an agreement according to which Russian military forces would leave Moldovan territory by October 1997. Last April, the Russian Duma approved a resolution opposing the 3-year withdrawal agreement.

The Russian Government has stated its intention to live up to the agreement but little progress has been made. At present about 4,000–4,500 Russian troops stationed in as many as eight garrisons in eastern Moldova, known as Transdniestria. These are the vestiges of the former Soviet 14th Army which once had troops stationed throughout Moldova and the Odessa Military Region in Ukraine. The Russian Army has essentially maintained its force strength in the region, and troops have even been sent to Moldova to replace those that have been demobilized. Mr. Speaker, Moldova is the only former Soviet Republic upon which Russian troops are still stationed without permission of the host government, and Moldovan officials have raised this issue at several international meetings.

Mr. Speaker, I would note that the administration has consistently supported the withdrawal of Russian forces from Moldova. During his meeting with Moldovan President Snegur last year, President Clinton made clear that the United States expects the 1994 agreement to be implemented on time.

With respect to the international community, the Organization for Security and Cooperation in Europe and the United Nations have passed resolutions calling for the removal of the Russian military forces. As part of the recent vote of the Council of Europe Parliamentary Assembly that recommended Russian accession to the Council of Europe, an amendment was included that Russia should ratify the October 1994 agreement within 6 months.

In view of this situation, I—along with Mr. WOLF, Mr. SOLOMON, Mr. HOYER, and Mr. DURBIN—am introducing a resolution calling upon the Government of the Russian Federation to adhere to the provisions of the withdrawal agreement signed on October 21, 1994. The resolution further urges the Secretary of State to use every appropriate opportunity and means, including multilateral and bilateral diplomacy, to secure removal of Russian military forces from Moldova.

In addition, this resolution calls upon Moldova's neighbors to recognize its territorial integrity and notes the efforts of the OSCE and the Government of Ukraine to assist in resolving issues that have arisen in Transdniestria, including the withdrawal of the Russian forces.

Mr. Speaker, I would stress that this resolution does not ask the Russian Government to do anything to which it has not already agreed. It merely underscores the concern of Congress and the American people for the implementation of international law and for the easing of potential conflict in Europe.

I urge my colleagues to support this resolution.

TRIBUTE TO HON. DONALD P. McCULLUM

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. DELLUMS. Mr. Speaker, I rise today to share with my colleagues the tremendous contributions of a highly esteemed constituent, Judge Donald P. McCullum. Judge McCullum was born in Little Rock, AR, to Charles and Irene McCullum, and was the fourth of six children.

Influenced by NAACP lawyer Thurgood Marshall's court victories, Justice McCullum attended Talladega College in Alabama. After attending and graduating with honors from Boston University, School of Law in 1951, he was then sworn in as a member of the Massachusetts Bar in 1953. A highly decorated Naval Officer during the Korean War, he separated from the service and settled in Oakland, CA in 1955.

As a civil rights attorney and NAACP activist, he championed the causes of the disenfranchised, the politically under-represented, the non-represented and poor youth. He then led his contemporary colleagues in the fight for civil rights during the 1950's, 1960's and 1970's and received recognition as a civil rights leader. He served as Deputy District Attorney of Alameda County, and was the first Black City Attorney of Berkeley, and serviced as a California State Inheritance Tax Referee. In 1977, Justice McCullum was appointed to the Alameda County Superior Court bench by Governor Edmund G. Brown, Jr., and was then elected Presiding Judge for two terms. In 1982, McCullum was appointed Associate Justice of the State Court of Appeals, and in 1984, was appointed Associate Justice of the California Supreme Court.

His organizational affiliations include Sigma Pi Phi and Alpha Phi Alpha fraternities, the American Bar Association, the National Bar Association, the California Association of Black Lawyers, Director of the National Urban Coalition in Washington, DC, lifetime member of both the National Council of Negro Woman and the NAACP and Director of the New Oakland Committee. Justice McCullum has also been characterized by the San Francisco Examiner's Image Magazine, as "one of three great contributors to Bay Area Social Justice in the past 100 years."

Judge Donald P. McCullum is survived by his wife of 25 years, Peggy, a son, Donald Anthony, two daughters, Peggy Lisa and Erica, one brother, Charles and two sisters, Laura and Ernize. He will forever shine bright in the hearts of those he touched, and will be remembered for years and years to come.

Judge McCullum's philosophy for life is reflected in the following statement by him, "The measure of performance and the value of an endeavor is directly related to the obstacles surmounted, the adversity overcome and the sacrifices made by a person."

SALUTE TO THE TOWN OF SOMERSET, MD

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mrs. MORELLA. Mr. Speaker, I rise today to salute the town of Somerset, MD, which celebrates its 90th birthday this year.

Somerset is a very special place. One of the oldest suburbs of Washington, DC, Somerset was originally settled in 1890 by five Department of Agriculture scientists who paid a total of $19,000 for their 50-acre "suburban colony." One of the town's distinguished founders, Dr. Harvey Wiley, was the father of the Pure Food and Drug Act of 1906.

By 1905, 35 families called Somerset "home" and it was soon apparent that if the "colony" were to succeed it needed to organize to provide for the common good. In 1906 the "colony" received a charter from the State of Maryland and it became a town. Soon, taxes were levied for water, sewers, roads, schools, and the public safety.

Women played an important role in the development and history of Somerset and, indeed, in the civic life of Montgomery County throughout this century. In 1902, Somerset women organized themselves into the Wednesday Club, where over tea and the week's mending they discussed the town's problems and later the larger issues of child labor, their right to vote, and the war in Europe in each other's parlors. By 1916, the Wednesday Club became the Women's Club of Somerset and eventually joined with the Montgomery County Federation of Women's Clubs.

The town of Somerset has a mayor-council form of government. Current officials elected by residents of Somerset are Mayor Walter J. Behr, Council members George Snow, Nat Finkelstein, Judy Frankel, Peter Gubser, and Richard Kessler.

As the town celebrates its history this year, there will be a special tour highlighting Somerset's private gardens that contribute so much to the natural beauty of the area. And in July, the town will come together as it has traditionally done over the years for a glorious July 4th celebration.

Mr. Speaker, please join me in wishing the town and people of Somerset, MD, a most happy 90th birthday.

IN PRAISE OF WEST VIRGINIANS DURING RECENT FLOOD DISASTER

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. RAHALL. Mr. Speaker, it is difficult to know where to begin in praise of the people of West Virginia in their concerted and unselfish efforts to help start cleaning up and digging out after recent disastrous floods throughout 6 of the 16 counties I have the high honor to represent in the House. The counties which are scheduled to receive both Federal and State assistance were: Mercer, Greenbrier, Pocahontas, Webster, Summers, and Monroe Counties.

Let me begin by saying that the West Virginia Legislature acted promptly and with compassion without politics in expeditiously approving the State's matching share of $7.5 million to begin to assist southern West Virginia to clean up and dig out after the devastation of the flood waters. The Salvation Army, who is ever present at disasters of all kinds, was there in force to help southern West Virginia. The West Virginia National Guard provided cleaning supplies, shovels, and helped set up the shelter at the elementary school in Talcott, Summers County, for families and children whose homes were washed away or who had to be evacuated from their homes. Our National Guard was super.

The State Department of Highways and county emergency services directors took immediate action to make heavy equipment available and provided other debris-removal and salvage assistance. Directors of emergency services made local relief available immediately. Local businesses are to be commended highly for their free donation of necessary supplies of immediate necessity to families in the community at large in dealing with all aspects of the flooding.

Deserving of highest praise were the local fire departments, city mayors, county commissioners, and concerned individuals and families who took it upon themselves to stand by night and day to provide food and beverages for the workers, and shelter, blankets, space heaters, and clothing for families.

I would like to specifically mention many of—but not all—those individuals and agencies by name, who were strong and steadfast in getting assistance to those who needed special food for those on medically required diets, many who needed warm clothing for themselves and children who lost homes and escaped with only the clothes on their backs. There were those in need of special medications left behind when home evacuations were necessary, and transportation was provided for those in need of a physician's care or for shopping for other of life's necessities for people finding themselves suddenly homeless. And those who wanted cleaning supplies and brooms, shovels, and water hoses to start getting rid of the mud and muck in their homes, businesses, churches and public buildings were also served by local businesses and emergency relief offices mentioned above.

First I want to pay tribute, with the highest praise possible, to the Talcott Volunteer Fire Department Chief Tom Talbott and Tim Ulrich, his able assistant chief, in Summers County—for it was this volunteer fire department that stood by night and day throughout the flood's intensity and afterward, and who provided food and drink for everyone else on the flood sites. These volunteers showed real leadership in stressful and often dangerous situations, including heroic rescues, and who helped keep the local victims of the flood—their neighbors—calm, safe, warm, and fed.

In that context, I wish to convey special thanks and gratitude to the following individuals who are members of the Talcott Volunteer Fire Department:

Kenny Simmons, Pete Weikle and his sons, David, James, and Darin; Matt Stalnaker, Evelyn and Robert Bailey, Wayne Martin, Bryan Keatley, Wesley Ward and John Gold, Kellis Miller, Tommy Ward, and Charles "Chucky" Gore, all of whom responded beyond the call of duty as they reached out to neighbors and friends to provide food and shelter.

During my tour of Pocahontas County's Marlinton flood area, I received able assistance and support from Dana Moyers, president of the Pocahontas County Commission, and Commissioner Joel Collison, as well as county superintendent of schools, Thomas Long. I have the highest praise for Marlinton's acting mayor, Jean Hite, who did an outstanding job. For myself and all others engaged in assessing how to best meet the short- and long-term needs of the city's people, she went all out to make the city's emergency relief and other resources available. Her's was a job well done.

Last, but certainly not the least of fine-caliber, able people who accompanied me on the Marlinton tour of damages, I am most deeply appreciative of the work and support of Jane Price Sharp, of the Pocahontas Times, whose job it was to observe and to write of the flood and its devastating effects on people and institutions. Under the time-honored banner of the Fourth Estate's credo that "people have the right to know," Jane did an outstanding job.

The Salvation Army—any organization on which all of can and do rely during disasters of all kinds—were outstanding in their offers of assistance to individuals and families and followed through with clothing, blankets, and all other forms of human assistance possible to the flood victims throughout the areas hardest hit.

I want to particularly thank Mayor Jim Leslie of Hinton in Summers County for his assistance in touring the Bluestone Dam. My deep appreciation goes to Mayor Lindy Hodges of Ronceverte in Greenbrier County, who met me at the Ronceverte townhall—the old townhall because the new one was flooded—as we discussed Greenbrier County to assess the damage and determine what the immediate and long-term needs would be.

Mayor Tom Housby of Alderson, between Monroe and Greenbrier Counties, met me at the Alderson townhall and accompanied me to view the flood's toll taken on the people, their homes and businesses in that area, and to do a quick assessment of damage and loss there.

And I salute the locally elected members of the West Virginia Legislature, Delegate Ron Thompson of Beckley, Delegate Mary Pearl Compton of Summers County, house majority leader Jim Rowe and Delegate Bill Wallace of Greenbrier County, Delegate Joe Martin and Delegate Bill Proudfoot of Pocahontas County, and State Senators Mike Ross and Walt Helmick, for their quick action along with their colleagues in the West Virginia House of delegates and the State senate, to approve the State's matching share of funds so that the cleanup of their communities could go forward.

Honorable mention must go also to Postmaster John "Bill" Dillion, of the Talcott Post Office, and his assistant Lorene Cales, and carriers Ronnie Quick and Patsy Mills for keeping the post office open for mail services as well as a community center, so that not only could people get their mail—a very important daily ritual of normalcy for people everywhere—as well as a place for people to gather and assure one another that they were safe. I commend each of them for this public service and for their humanitarian concern.

My hat is off to Talcott Elementary School Principal Gaye Shaver, whose assistance in turning the school's gymnasium and cafeteria over as a shelter to families seeking refuge from the storms and the rising waters is and was invaluable. Praise goes also to Rev. Dana Stalnaker, pastor of the local Baptist Church for helping with the shelter and getting the Red Cross involved in Summers County, and to Peggy Elkins who started within a few hours of receding flood waters to obtain local emergency relief for families—while awaiting the often longer process of getting State and Federal relief started. Thank you Peggy.

During the early tour of the flood-torn area in my district, I was accompanied by FEMA's regional director from Kansas City, John Miller, who was asked by the Philadelphia Regional Director to help us out due to the intensity of the flooding.

In the week after the floods, after the six counties were declared an emergency disaster area by the President, I was joined by FEMA Director James Lee Witt on a tour of Pocahontas County and other areas, again to stress the need for Federal assistance and to assess the extent of the damages suffered in the six-county area.

As we have seen happen in natural disasters throughout the country and the world, people do come together and help one another in times of stress and even danger. Disasters, call upon the best that is in us—and people seldom fail to meet their duties and responsibilities to their neighbors both close and far.

This is what I have observed in West Virginia: A binding together of people from all walks of life, helping each other in this most frightening of ordeals with floodwaters swirling about their homes, schools, churches, businesses, and public buildings. It makes me very proud to be a West Virginian and to be their Representative in Congress.

My hat is off to the people of West Virginia—all those whom I have named in these remarks, and all those whose names are unknown to me who did their part and who continue to help one another.

TRIBUTE TO ROBERT E. LEO, VETERAN AND EDUCATOR

HON. FRANK TEJEDA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. TEJEDA. Mr. Speaker, I rise today to pay tribute to the memory of a true patriot, a man who dedicated his life to the principles that make this Nation great. I am referring to Mr. Robert Leo, a veteran, rancher, and educator, who for many decades was a great and respected leader in south Texas. Mr. Leo passed away on Saturday, January 27, and I respectfully request that this House of Representatives take a moment to honor his many accomplishments. South Texas will miss this strong leader, who fought so hard and so well for the principles we all hold dear.

Robert Leo served this Nation in the United States Army during World War II, defending this Nation in the battle of Attu in the Aleutian Islands. He received the purple heart for his service. Mr. Leo sacrificed his future for this Nation, because his wound prevented him from enjoying a career in baseball with the New York Yankees, who had selected him in the baseball draft.

After serving this Nation in war and sacrificing himself to protect our freedoms, Mr. Leo never forgot the foundations of the republic he fought to preserve. He knew that a healthy democracy depends on the education of its citizens, so he went to work educating young south Texans, teaching in his native La Joya and later serving as principal and assistant superintendent of Webb County school district in Oilton. Even after his retirement, he served as the president of the board of trustees of the Ramirez Common School District for many years. He enjoyed researching the rich history of south Texas all the way back to the Spanish colonial and Mexican land records.

Robert Leo understood the importance of public service to American democracy. He was active with the Disabled American Veterans and was a life member of the Boy Scouts of America. He served on many boards, including an appointment to the State Committee for the Control of Pesticides and the State Committee for Exports to Mexico. As a member of the board of directors for Valley Telephone Cooperative, including 2 years as chairman, he helped spearhead improvements in communications for south Texas. Whether it was helping veterans, or young people, or promoting the Texas economy, modernizing communications, or preserving our agricultural and ranchlands, Robert Leo, with his energy and dedication, left his unique stamp on these critical efforts.

Above all, Robert Leo stood for the importance of the accountability of those in Government and the free exchange of ideas. He founded the Freedom Party in Duval County, and was appointed to chair the committee to investigate county corruption. Above all he cared deeply about our Democratic institutions and he was outspoken in their defense, working for decades to make them serve the people as they should.

We in Congress should take a moment to remember this outstanding man, who had a rare gift for giving to others and for public service. Above all, he stands as a shining example of how to work for change and at the same time honor the principles of liberty and freedom which make this democracy unique.

As his local newspaper, The Duval County Picture, wrote recently, "There will never be another Robert Leo but we must never forget the genuine article. He will serve as a role model for all citizens. His life will serve as an example to future leaders of what a true public servant is about.

"We will miss our friend. He can never be replaced but we must never stop trying to live up to the high standards he set for all of us." We have lost a great American, but his memory will provide inspiration for years to come.

TRIBUTE TO SYD KRONENTHAL

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. DIXON. Mr. Speaker, I rise to bring to the attention of the House Syd Kronenthal, whose remarkable record of 50 years of service as Director of Human Services for the City of Culver City has become a major source of civic pride.

Syd began his work for Culver City on December 14, 1945, following his service in the United States Air Corps in World War II. His Culver City employment record was punctuated only by a brief hiatus in 1946, when General Omar Bradley summoned him to be rehabilitation supervisor for the Veterans Administration. He returned to Culver City in April of 1947 where he has been ever since.

One of his most significant contributions was his leadership in drafting and obtaining voter approval for Culver City's first major recreation bond issue after World War II. This bond issue enabled the city to construct the Veterans Memorial Building, the Olympic-size swimming pool, new recreation buildings at McManus Park and Culver West Park. It also provided the means to rehabilitate the old pistol range at Lindberg Park that has been converted into the present recreational facility.

As a leader in the Sister City Program, Syd has been a pioneer in building bridges of understanding to people of other nations and cultures. His commitment to the Olympic movement dates back to the historic 1932 Olympic Games where he helped create the Olympic Village in the area now known as Baldwin Hills, and later served as a member of the 1984 Los Angeles Olympic Games Citizens Advisory Committee.

It was under Syd's leadership that in later years Culver City developed a youth and community center, and converted the former county library into a multi-purpose senior citizen center. The Culver City Senior Center is widely recognized as one of the finest senior facilities in the United States. He continues his outstanding stewardship over a myriad of essential social services and recreational programs.

In grateful appreciation of his many efforts on behalf of the city, McManus Park was renamed Syd Kronenthal Park in 1992.

Over the years these important institutions have proven to be vital community assets which have greatly enriched the lives of the people of Culver City. Like a tall oak tree which has endured the test of time, his leadership and service become more valuable with every passing year.

Mr. Speaker, on Friday, February 23, 1996, there will be a civic celebration and appreciation of Syd Kronenthal in Culver City. I know I speak for all of my colleagues in congratulating him on this extraordinary milestone, and offering best wishes for another 50 years.

TRIBUTE TO SID LUCKMAN

HON. WILLIAM O. LIPINKSI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. LIPINSKI. Mr. Speaker, I rise today to pay tribute to a true Chicago sports legend—Sid Luckman—at the news he will receive our State's highest honor, the Order of Lincoln, on April 20, 1996.

Sid Luckman joined the Chicago Bears in 1939 and quarterbacked them to four NFL championships in the next 12 seasons, the years that earned the Bears their reputation as the "Monsters of the Midway."

Perhaps his most memorable performance was in the 1946 championship game against the New York Giants, the first football game I can remember listening to on the radio. Sid Luckman's championship performance was capped by scoring the winning touchdown on what was called the "bingo keeper" play. With the Bears at the goal line, he faked a handoff to one running back, faked to another rusher, tucked the ball under his arm and outran the defense along the line of scrimmage and into the end zone.

In addition to earning his teammates respect while serving as their captain, he was honored by all of football as the NFL's most valuable player three times and was named an all-pro seven times. He received football's highest honor when he was enshrined into the Hall of Fame after his retirement.

Sid Luckman also enjoyed a 14-year stint as a coach with both the Bears and the University of Notre Dame. In addition, he recently completed a successful business career when the packaging company, Cell-Craft, he bought into in 1946 was sold.

But perhaps the thing that has made Sid Luckman so special has been his tireless devotion to his community. He has always been willing to lend his time, efforts, and stellar reputation to good causes both in the Chicago area and throughout the country. For instance, he established a scholarship to the prestigious Mayo Clinic to help deserving medical students study there.

For his athletic and civic accomplishments, Sid Luckman will join the likes of former President Reagan, actor Charleton Heston, journalist John Chancellor, and one of his successors in football's pantheon, Walter Payton of the Bears, in the Lincoln Academy. The Academy, named for Illinois' most famous son, was established 31 years ago to honor distinguished Illinoisans, either by birth or residency, who have brought honor to the Land of Lincoln.

Mr. Speaker, I congratulate Sid Luckman on joining the Order of Lincoln and wish him many more years of enjoying the respect and admiration of his community.

TRIBUTE TO STOP OF SAN DIEGO COUNTY, CA

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. CUNNINGHAM. Mr. Speaker, I rise today to pay tribute to Safe Tables Our Priority [STOP]. STOP is a national coalition organized by families and friends who have lost loved ones to serious illness due to the contamination of ground beef with E. coli 0157:H7 bacteria. The coalition has been dedicated to educating the public and legislators about this deadly bacteria.

Americans became painfully aware of the dangers associated with the consumption of raw meat products upon an outbreak of the E. coli bacteria 3 years ago. This outbreak, which occurred on the west coast, infected 600 people and killed 4 children. Following this tragedy, STOP began actively working to change the system in order to make sure others did not suffer from this deadly bacteria. Their journey brought them to Capitol Hill to work with Members of Congress to reduce this E. coli hazard, and educate Americans on the safe handling of foods.

I commend the efforts of STOP in their work on the Family Food Protection Act, H.R. 1423, of which I am a cosponsor. This legislation amends the Federal Meat Inspection Act and the Poultry Products Inspection Act to improve public health and safety through reduction in harmful contaminants in meat and poultry. When the Center for Disease Control estimates that 500 deaths and 20,000 illnesses are attributed to E. coli each year, legislation such as this will help protect the health of Americans.

STOP has also been very active in the agriculture appropriations process. Most recently, I worked on their behalf to ensure that there would not be a delay of the USDA's implementation of safeguards and standards to improve meat inspection. Because of their efforts, additional public hearings will be held to consider the views of all interested parties throughout the rule-making process.

Once again, I thank each member of STOP. I encourage my colleagues in Congress to follow their lead in the fight against the E. coli bacteria, and for better food safety.

SALUTING DANA MORAN

HON. DAN SCHAEFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. SCHAEFER. Mr. Speaker, I am pleased to salute Dana Moran of Golden, CO. Dana, an aero engineer at the National Renewable Energy Laboratory [NREL], is retiring after 18 years of service to that national laboratory.

Among other things, Dana has served NREL in the structures and materials design/application field and has provided research project management in materials science. He is also experienced in large program and subcontract management, having spend more than two decades in technology transfer activities. He was the executive secretary for NREL's Science and advisory board, as well as of all previous NREL advisory boards and committees, including the days when NREL was known as the Solar Energy Research Institute [SERI]. In fact, Dana spearheaded SERI/NREL's participation in promoting the Lena Gulch interchange on Interstate 70 and replacing its overpass.

Not only has Dana served NREL with distinction during these 18 years, but he has been extraordinarily active in a number of other professional, civic, and business affairs. For example, Dana is a fellow of the American Association for the Advancement of Science, an associate fellow of the American Institute of Aeronautics and Astronautics and a past director of the Technology Transfer Society.

Dana's civil and community service has been extensive. He has been a member of the board of directors and vice president of the Jefferson Economic Council. He has been a member of the Denver Chamber of Commerce's Energy and Transportation Committee and of the Golden Rotary Club, serving as its president in 1989–90. He was the founder, trustee, and president of the Colorado Innovation Foundation from 1984 to 1995. Serving three 3-year terms on the Golden Chamber of Commerce, Dana was its president in 1995. He has also served in a wide range of civic groups and organizations dedicated to community advancement and technological innovation.

Among his many business associations, Dana has participated in small business incubators and has served as the Department of Energy's Regional Small Business Coordinator. He has experience in trade shows and exhibits, as well as international business, especially in the Australia/New Zealand area.

Mr. Speaker, I want to thank Dana for his tireless devotion to NREL and to the Community. On a personal note, I want to thank him for his work on the small business conferences I have sponsored in my district.

NREL is losing a valuable member of its team, but I am certain that the community will continue to benefit from his many talents and skill for years to come. On behalf of all the residents of Colorado's Sixth Congressional District, I want to wish Dana Moran all the best in his retirement.

TRIBUTE TO CATHOLIC SCHOOLS DURING CATHOLIC SCHOOLS WEEK

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. LIPINSKI. Mr. Speaker, I rise today to pay tribute to an educational institution that has been educating American children since the founding of the Republic, and continues to provide top quality instruction and a moral framework for young students—Catholic schools—during Catholic Schools Week, Jan. 29–Feb. 2.

There are dozens of these fine institutions serving my district, and they are celebrating their educational contributions with events ranging from family skating parties to a visit from a NASA astronaut. Ms. Penny Wright, a music teacher at St. Cletus School in LaGrange, is being honored with a Heart of the School Award from the Chicago Archdiocese for her dedication and creative approach to education. Ms. Wright is 1 of only 20 teachers working in the archdiocese receiving this honor.

Mr. Speaker, I congratulate Catholic schools on their heritage of providing academic excellence and a moral grounding for their students, and I wish these institutions continued success in educating our young people.

STOP THE ATTACK ON AMERICA'S AVOCADO GROWERS

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. CUNNINGHAM. Mr. Speaker, America's avocado growers are threatened with extinction. Why? The Department of Agriculture is likely to modify the quarantine on Mexican Hass avocados. The quarantine was placed in 1914 to protect our avocado crops from Mexican pests and fruit flies. The USDA believes that Mexico can eradicate their serious pest problem. But, science has proven that Mexico has failed to destroy pests for years. NAFTA specifically left the quarantine intact, because Mexican pests would devastate American avocados.

Avocado growers in my district are ringing my phone off the hook. They fear that this Clinton administration action will destroy their crops and destroy their lives.

Mexican pest-infested avocados have already been smuggled across our border. Most recently, on January 5, 1996, the U.S. Customs Service confiscated and destroyed 3,337 pounds of Mexican Hass avocados at the Otay Mesa commercial facility in San Diego County. The driver, who had previously been arrested for the same offense, admitted to similar smuggling activities in recent months. Although U.S. Customs officials thought they were seizing a truck loaded with drugs, they definitely touched on a problem of significant concern to California's avocado-growing region.

We must stop this from happening every day. Stop the Clinton administration's assault on California jobs. Join me in stopping the USDA's attack on America's avocado growers.

TRIBUTE TO THE ALABAMA PRESS ASSOCIATION ON ITS 125TH ANNIVERSARY

HON. TERRY EVERETT

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. EVERETT. Mr. Speaker, it is a privilege to bring to the attention of this body a historic and noteworthy anniversary. This year marks the 125th year since the founding of the Alabama Press Association [APA], the oldest statewide trade association in Alabama and one of the oldest State newspaper associations in the Nation.

In 1871 as Alabama continued to recover from the ravages of the Civil War, its newspaper editors and publishers, joined by community leaders, sought new ways to promote economic growth. This was the genesis of the Alabama Press Association which actually came into being with the first statewide meeting of newspaper executives on March 17, 1871, at the Montgomery Advertiser.

Since those early days, the APA has evolved from a social organization of editors and publishers to an association that has played an important role in developing the daily and weekly newspapers of Alabama and serving as a catalyst for the State's economic and cultural development.

The APA worked on behalf of the citizenry of Alabama by advocating stronger public access to government records and meetings. It has pushed for the State's first statewide taxes to support public education and it spearheaded a successful effort to launch a statewide chamber of commerce.

The APA played a role through many of its leaders in guiding the State through some of the important and cultural changes of the last half of the 20th century. Its officers have included some of the leading newspaper men and women in America, and its member newspapers have won the Nation's highest awards for journalistic excellence.

Additionally, before coming to the Congress it was my pleasure to serve as president of the APA in 1991. Alabama and the Nation can be justly proud of the contributions and leadership of the Alabama Press Association as it continues toward another 125 years of public service.

TRIBUTE TO THE WINNERS OF THE TAKE PRIDE IN CICERO AWARD

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. LIPINSKI. Mr. Speaker, I rise today to pay tribute to the winners of the Take Pride in Cicero Award, which recognizes residents and businesses in the community for improving their property.

While many communities sponsor similar programs, Cicero, a community in my district, warrants special mention because of the leaps and bounds it has made in improving its image. While municipal government leaders have played an important role in this transformation, it is the residents, small businesses, and community organizations in Cicero who have been the real catalyst for this change. To recognize these efforts, the Take Pride in Cicero Award was established by the town government, Cicero Chamber of Commerce, and Life newspapers.

The winners of the Take Pride in Cicero Award in four different categories included: Ms. Geraldine Ceranek; Mr. Juan Perez; Mr. Clark Burkhart; Mr. Edward Lopez; Seguin Services; Central Building Materials; St. Dionysius Church; Lang's Ace Hardware; CasaAmerica; Osco Drug; and Ms. Mary Rosario, with help from Habitat for Humanity.

Mr. Speaker, I commend the winners of this award and hope their spirit of community improvement spreads throughout Cicero and all the towns and villages of our great country.

"JUST SAY 'WHOA'"

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. RANGEL. Mr. Speaker, on behalf of the congressional narcotics abuse and control caucus, I would like to bring to my colleagues' attention the following article, "Just Say 'Whoa'", written by former First Lady Nancy Reagan, which appeared last month in the Wall Street Journal.

I rise to thank and congratulate her for her editorial, "Just Say 'Whoa'", which appeared in this week's Wall Street Journal. The article correctly described how apathy, neglect, and irresponsible attitudes have corrupted efforts to stem the trafficking and abuse of narcotics in this country. I share her outrage, but I am heartened to know that Mrs. Reagan's commitment to this Nation's future—our children—continues.

As Americans, we all hail from different backgrounds. Our ethnic, cultural, and spiritual diversity have served us well as sources of community, strength, and pride but occasionally test the strength of our Union. The one virtue that unites us all however, is our goal to provide a better future for children. This shared sense of destiny will always include a world free of drugs and the associated violence, crime, disease, and death. Increased drug use and tolerance by our children however, turns our dreams into nightmares.

As discouraging as the increase in the use of drugs by teens is the silence and indifference of responsible policymakers who have ignored the fears of our children. Worse still are the people, both conservative and liberal, who perpetuate misguided rhetoric supporting legalization of this scourge. Such irresponsible behavior further erodes the ability of teachers, mentors, and parents to shield children from the seductive lure of drugs.

Instead of equivocating on the harms of drugs, we need to inspire, educate, train, and employ our young people. Opportunity and responsibility offer perhaps the best alternative to drug use. Instead of endlessly incarcerating our children at a shameful rate, we need to lift them up with hope and show them alternatives. It's time to act.

The article follows:

JUST SAY "WHOA"

(By Nancy Reagan)

Statistic released last fall from the annual Household Survey of Drug Use and, more recently, from the 21st annual Monitoring the Future Survey show that marijuana use among teenagers was up again last year. Where is the public outrage over this finding? When will this country realize that as long as we don't wake up and adopt a zero tolerance for drug use, we are heading down a path of no return? Must we lose another generation of children to the horrors of crack addiction? Must the statistics soar to all-time highs before we bother to take notice?

Last March I was invited to testify before a congressional committee, at which time I said: "I am not here to criticize or place blame, but after the great strides that were made just a few years back, I'm worried that this nation is forgetting how endangered our children are by drugs. I'm worried that for the first time in many years, tolerance for drugs and the mistaken perception that 'everyone is doing it' is creeping back into our national mentality. And I am worried that the psychological momentum we had against drug use has been lost.

"[Y]et it's more than worry," I pleaded. "This weakening vigilance against the drug threat can have a tragic effect on this country for many years to come. . . . How could we have forgotten so quickly? Why is it we no longer hear the drumbeat of condemnation against drugs coming from our leaders and our culture? Is it any wonder drug use has started climbing again, and dramatically so?"

Regarding the drug use survey, NBC News reported: "'Just Say No' was an effective message in the '80s . . . in the '90s much more will be needed," Denver drug counselor Bob Cota emphasized, "Kids have to be shown why they need to learn it early, in the third and fourth grades—and it has to be repeated often."

Repeated often—like in the '80s when the national leadership was vigilant and visible. And yes, we do need even more now. In response to the 1994 Monitoring the Future Survey, Joseph Califano Jr., chairman and president of the Center on Addiction and Substance Abuse at Columbia University (CASA), warned: "If historical trends continue, the jump in marijuana use among America's children (age 12–18) from 1992 to 1994 signals that 820,000 more of these children will try cocaine in their lifetime. Of that number, about 58,000 will become regular cocaine users and addicts." In a 1995 survey by CASA, adolescents said that drugs were their "number one" problem. Our children are crying out for help.

While drug use is on the rise, the perceived risk of drug use is on the decline. The two go hand in hand. Only a few short years ago, the constant message to young people—in the media, in their classrooms, and in their homes—was that drugs lead to destruction. But where are those messages today? Those messages, those lessons, are what change perceptions, change attitudes, change lives. Each of us have a responsibility to bring back those messages—loud and clear.

Before the drug-use increases of the past three years, we really had seen marked progress. As I told the members of the committee: "A decade of effort was beginning to pay off. Attitudes were being changed. I don't mean to sit here and say that we had won the battle against drugs. I think it's plain we had not." However, between 1985 and 1992, monthly cocaine use declined 78%, or to an annual rate of 3.1% from its peak of 13.1% in 1985. It's the same story with other numbers: Annual use of any illicit drug by high school seniors dropped to 27.1% in 1992 from 54.2% in 1979. "The battle was going forward one child at a time," I said in March. "There was momentum, unity, intolerance of the exaggeration and glorification of drug use by the media—we were building peer support for saying 'no.' Children were being taught resistance skills—in short, there was progress."

Now there is silence—and not without consequence. In 1994, twice the number of eighth-graders were experimenting with marijuana as did in 1991, and daily use of marijuana by high school seniors in 1994 was up by half from 1993. The 1995 Monitoring the Future Survey shows that daily use has made another jump.

We should all, as citizens of this great nation, be frightened by the latest drug statistics. We should all question what they mean to our futures and those of our children. We should all resolve not to be silent any longer. By the latest drug statistics and the renewed calls for legalization of marijuana, it is painfully obvious that our "letting up" is going to let down the young people of this country. It's time to just say "Whoa!"

TRIBUTE TO THE HONORABLE BETTY LOREN-MALTESE

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. LIPINSKI. Mr. Speaker, I rise today to pay tribute to a leader in my district who has worked diligently to dramatically improve the quality of life in her community, Betty Loren-Maltese, town president of Cicero, IL. President Loren-Maltese was recently recognized for her efforts by Grit magazine which bestowed her with its True Grit Award for Distinguished Volunteer Service.

Although I could comment on the remarkable job president Loren-Maltese has done for her community in her less than 3 years in office, I will instead convey the words of the Cicero resident who nominated her for the award: "Cicero had a bad reputation. But because of town president Loren-Maltese, we can hold our heads up high. She has declared war on gangs, slums, and dope pushers and [is] making Cicero a haven for law-abiding citizens."

Mr. Speaker, I congratulate president Loren-Maltese for receiving this prestigious award and the great job she has done as a leader of her community.

TRIBUTE TO ELMER "FUZZY" MUELLER

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. LIPINSKI. Mr. Speaker, I rise today to pay tribute to a true community servant in my district, Mr. Elmer Mueller, who was recently selected as the Pleasantview Fire Protection District Employee of the Year.

Mr. Mueller, or "Fuzzy," as he is known to virtually everyone, has served the district as a paid-on-call firefighter for 35 years, starting when the multicommunity district had two firehouses and two full-time employees. Now there are 4 facilities, 2 paramedic units, and 16 people on duty staffing the district around the clock.

Fuzzy's dedication has helped the department become one of the finest in the State. He currently oversees the district's air rehab unit, which provides sometimes life-saving air to firefighters and victims on the scene. The unit also provides a few comforts for his colleagues weary from battling a fire, like coffee, snacks, and blankets. Fuzzy also serves as treasurer, responsible for fundraising that helps cover the district's expenses and special programs, like providing bath thermometers to senior citizens so they will be less likely to scald themselves.

Fuzzy is also active in his church, Hope Lutheran in LaGrange, singing in the choir, and he only recently stepped down as coach of the church's softball team after 48 years.

In the words of his chief, Dan Hemers, Fuzzy "goes at it full-bore, does it on his own, and makes sure it's done right."

TRIBUTE TO KURT ENGEL, JOHN SIEPLE, AND BOB BOYD

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. LIPINSKI. Mr. Speaker, I rise today to salute three teachers in my district who represent all that is good in education today—Mr. Kurt Engel, Mr. John Sieple, and Mr. Bob Boyd of Lyons Township, IL, High School. These three educators were recently honored as a Most Inspirational Teacher, an award for which they were nominated by former students.

Mr. Engel, a physics teacher and baseball and football coach, characterizes his teaching method as stepping back and putting yourself in the students' shoes and seeing how you're meeting their needs. Mr. Sieple, a psychology teacher and football coach, said he likes to use students' own experiences to illustrate the points he makes in class and believes teachers must be flexible for their students. Mr. Boyd, a music teacher and choral director at LTHS for 23 years, often gets to teach students from their freshman through senior years and says he finds it rewarding to witness the progression of their skills.

Mr. Speaker, I congratulate these three fine teachers on receiving this honor and wish them, and all other dedicated teachers in our Nation, further success in shaping the minds and character of young people.

TRIBUTE TO CARYN M. SAIMO, TOM HAYMES, AND EUGENE WOJCICHOWSKI

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 1, 1996

Mr. LIPINSKI. Mr. Speaker, I rise today to pay tribute to three heroic citizens who helped prevent three crimes in Berwyn, IL, in my district—Ms. Caryn Saimo of Berwyn, Mr. Tom Haymes of Berwyn, and Mr. Eugene Wojcichowski of Chicago. All three were recently honored with commendations by the police department and the city council of Berwyn for their efforts in preventing crimes and apprehending criminals in the community.

Ms. Saimo stepped in to physically rescue an 11-year-old girl who was the victim of an abduction attempt and provided information to the police on the attacker. Mr. Wojcichowski pursued a purse snatcher and helped police catch him. Mr. Haymes' telephone call to the police about a suspicious stranger in his apartment building led police to recover $1,400 in stolen property in the suspect's car.

Mr. Speaker, I congratulate these three individuals on their willingness to get involved and not look the other way, and I hope that all Americans develop their spirit of responsibility in our war against criminals.