

JOURNAL OF THE HOUSE OF REPRESENTATIVES

CONGRESS OF THE UNITED STATES

Begun and held at the Capitol, in the City of Washington, in the District of Columbia, on Tuesday, the twenty-fifth day of January, in the year of our Lord nineteen hundred and ninety-four, being the *second session* of the ONE HUNDRED THIRD CONGRESS, held under the Constitution of the United States, and in the two hundred and eighteenth year of the independence of the United States.

FRIDAY, AUGUST 5, 1994 (91)

¶91.1 DESIGNATION OF SPEAKER PRO TEMPORE

The House was called to order by the SPEAKER pro tempore, Mr. MONTGOMERY, who laid before the House the following communication:

WASHINGTON, DC,
August 5, 1994.

I hereby designate the Honorable G.V. (Sonny) Montgomery to act as Speaker pro tempore on this day.

THOMAS S. FOLEY,
Speaker of the House of Representatives.

¶91.2 APPROVAL OF THE JOURNAL

The SPEAKER pro tempore, Mr. MONTGOMERY, announced he had examined and approved the Journal of the proceedings of Thursday, August 4, 1994.

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

¶91.3 COMMUNICATIONS

Executive and other communications, pursuant to clause 2, rule XXIV, were referred as follows:

3647. A letter from the Secretary of the Treasury; transmitting the annual report on the operations of the Exchange Stabilization Fund [ESF] for fiscal year 1993, pursuant to 31 U.S.C. 5302(c)(2); to the Committee on Banking, Finance and Urban Affairs.

3648. A letter from the Acting Director, Office of Thrift Supervision, transmitting the 1993 annual report on enforcement actions and initiatives, pursuant to 12 U.S.C. 1833; to the Committee on Banking, Housing and Urban Affairs.

3649. A letter from the General Counsel, Department of Transportation, transmitting the views of the Department concerning H.R. 4422; to the Committee on Merchant Marine and Fisheries.

3650. A letter from the Chairman, Physician Payment Review Commission, transmitting a copy of the Commission's report on the fee update and Medicare volume performance standards for 1995, pursuant to Public Law 101-239, section 6102(a) (103 Stat. 2176); jointly, to the Committees on Ways and Means and Energy and Commerce.

¶91.4 MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed a bill and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 617. An Act to authorize research into the desalinization of water and water reuse and to authorize a program for States, cities, or any qualifying agency which desires to own and operate a desalinization or water reuse facility to develop such facilities; and S.J. Res. 194. Joint resolution to designate the second week of August 1994 as "National United States Seafood Week."

¶91.5 PROVIDING FOR THE CONSIDERATION OF H.R. 4217

Mr. MOAKLEY, by direction of the Committee on Rules, called up the following resolution (H. Res. 507):

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 4217) to reform the Federal crop insurance program, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and the amendments made in order by this resolution and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Agriculture now printed in the bill modified by the amendments printed in part 1 of the report of the Committee on Rules accompanying this resolution. The committee amendment in the nature of a substitute, as modified, shall be considered as read. All points of order against the committee amendment in the nature of a substitute, as modified, are waived. Before consideration of any other amendment it shall be in order to

consider the amendments printed in part 2 of the report of the Committee on Rules. Each amendment printed in part 2 of the report may be offered only by a Member designated in the report, shall be considered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against the amendments printed in part 2 of the report are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute, as modified. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

When said resolution was considered. After debate,

On motion of Mr. MOAKLEY, the previous question was ordered on the resolution to its adoption or rejection and under the operation thereof, the resolution was agreed to.

A motion to reconsider the vote whereby said resolution was agreed to was, by unanimous consent, laid on the table.

¶91.6 FEDERAL CROP INSURANCE REFORM

The SPEAKER pro tempore, Mr. MONTGOMERY, pursuant to House Resolution 507 and rule XXIII, declared the House resolved into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 4217) to reform the Federal crop insurance program, and for other purposes.

The SPEAKER pro tempore, Mr. MONTGOMERY, by unanimous con-

sent, designated Mr. CARDIN as Chairman of the Committee of the Whole.

The Acting Chairman, Mr. DICKS assumed the Chair; and after some time spent therein,

91.7 RECORDED VOTE

A recorded vote by electronic device was ordered in the Committee of the Whole on the following substitute amendment submitted by Mr. DE LA GARZA for the amendment, as modified, submitted by Mr. PENNY:

Substitute amendment submitted by Mr. DE LA GARZA :

Page 31, after line 4, add the following new paragraph:

“(4) INDIVIDUAL AND AREA CROP INSURANCE COVERAGE.—The Corporation shall allow approved insurance providers to offer to producers a plan of insurance that combines both individual yield coverage and area yield coverage at a premium rate determined by the provider, subject to the following conditions:

“(A) The individual yield coverage shall be equal to or greater than catastrophic risk protection, as described in subsection (b).

“(B) The combined policy shall include area yield coverage that is offered by Corporation or similar area coverage, as determined by the Corporation.

“(C) The Corporation shall provide reinsurance on the area yield portion of the combined policy at the request of the provider, except that the provider shall agree to pay to the producer any portion of the area yield and loss indemnity payment received from the Corporation or a commercial reinsurer that exceeds the individual indemnity payment made by the provider to the producer.

“(D) The Corporation shall pay a part of the premium equivalent to—

“(i) the amount authorized under subsection (e)(2) (except provisions regarding operating and administrative expenses); and

“(ii) the amount of operating and administrative expenses authorized by the Corporation for the area yield coverage portion of the combined policy.

“(E) The provider shall provide all underwriting services for the combined policy, including the determination of individual yield coverage premium rates, the terms and conditions of the policy, and the acceptance and classification of applicants into risk categories, subject to subparagraph (F).

“(F) The Corporation shall approve the combined policy unless the Corporation determines that the policy is not actuarially sound or that the interests of producers are not adequately protected.”.

Page 33, line 22, add after the period the following: “Beginning with the 1995 crop year, the Corporation shall establish for each insurable crop a sales closing date that is 30 days earlier than the corresponding sales closing date that was established for the 1994 crop year.”.

Page 55, after line 12, insert the following new paragraphs:

“(4) PROHIBITION ON ASSIGNED YIELDS IN CERTAIN COUNTIES.—If the acreage of a crop in a county has increased by more than 100 percent since the 1987 crop year, a producer who produces that crop on a farm located in that county may not obtain an assigned yield under paragraph (3). Instead, the producer must provide detailed documentation of production costs, acres planted, and yield (as required by the Corporation) to become eligible for a noninsured assistance payment.

“(5) LIMITATION ON RECEIPT OF SUBSEQUENT ASSIGNED YIELD.—A producer who receives an assigned yield for the current year of a natural disaster because required production

records were not submitted to the local office of the Department shall not be eligible for an assigned yield for the year of the next natural disaster unless the required production records of the previous 1 or more years (as applicable) are provided to the local office.

“(6) YIELD VARIATIONS DUE TO DIFFERENT FARMING PRACTICES.—The Corporation shall ensure that noninsured crop disaster assistance accurately reflects significant yield variations due to different farming practices, such as between irrigated and nonirrigated acreage.

Page 63, strike line 6 and all that follows through line 5 on page 65.

Page 50, strike lines 9 through 11 and insert the following new clause:

“(ii) which is produced for food or fiber.

Page 18, strike line 7 and all that follows through line 7 on page 21, and insert the following new paragraph:

“(4) APPLICATION.—To participate in catastrophic risk protection, producers shall submit an application at the local office of the Department of Agriculture or to a private insurance provider approved by the Corporation.

Page 11, strike lines 8 through 11 and insert the following new paragraph:

(2) in subsection (c), by striking “, in which case the agent or broker” in the first sentence and all that follows through the period at the end of the second sentence and inserting the following: “, except that the rate established by the Board of reimburse approved insurance providers and agents for their administrative and operating costs shall not exceed, for the 1997 crop year, 29 percent of the premium used to define loss ratio under section 502, and for the 1998 and 1999 crops, such reimbursement rate shall not exceed 28 percent of the premium used to define loss ratio under section 502. Consistent with the provisions of section 506(p), the Board shall provide regulatory relief to such approved insurance providers and agents in an amount proportional to the reduction in the reimbursement rate established by the Board for the 1997, 1998, and 1999 crop years. No action shall be taken which would jeopardize program integrity, enhance opportunities for fraud or abuse, hinder program expansion or diminish quality of service to customers.”.

Page 21, line 13, strike “\$100 per producer per county.” and insert “\$200 per producer per county up to a maximum of \$600 per producer for all counties in which a producer has insured crops.”.

Page 25, strike lines 8 through 11 and insert the following: “would reduce to less than \$200 the total amount of the administrative fees paid by the producer for 2 or more crops in the same county for which a lower level of coverage is obtained.”.

On page 65, strike line 6 and insert the following:

SEC. 14. GAO CROP INSURANCE PROVIDER STUDY.

The General Accounting Office shall, within 2 years of enactment, investigate the contractual relationship between the Federal Crop Insurance Corporation and approved insurance providers to determine the quality, costs and efficiency of the provision of multiperil crop insurance to producers of agricultural commodities covered in this Act. The study shall be completed in two parts. The first, to be completed within one year of enactment, shall examine the currently available data to make the determinations required by this section. The second part shall examine the changes that occur because of expansion of the program as participation increases.

This study shall include, but not be limited to, an investigation of providers' actual cost

of delivery of multiperil crop insurance for which providers receive reimbursement from the Corporation, cost differences for different provider firm sizes, and changes in cost resulting from expansion of the program. The study shall also compare delivery costs of multiperil crop insurance to other insurance coverage that the provider may sell and identify any cross-subsidization from federally reimbursed delivery to delivery costs of other insurance coverage.

The study shall assess, to the extent practicable, alternative methods of reimbursing delivery costs to providers. In addition, the study shall identify unnecessary expenditure, if any, required by the Corporation for compliance and program integrity.

In addition, the study shall include, but not be limited to, the provisions of the standard reinsurance agreement between the Corporation and approved providers including the risk transferred to Corporation under the terms of the agreement, the return on providers' capital, a determination of the return on capital relative to differences in provider firm size, and a determination of the return on providers' capital in multiperil crop insurance relative to other insurance coverage.

The study shall assess, to the extent practicable, the potential for provider firm concentration in the multiperil crop insurance industry and any economic distortions that might occur from such concentration.

In conducting this study, the General Accounting Office shall maintain the privacy of provider proprietary information.

The General Accounting Office shall have full powers to subpoena any required information from any provider firm.

Amendment, as modified, submitted by Mr. PENNY:

Page 6, line 13, insert the following new paragraph (and redesignate subsequent paragraphs accordingly):

(1) in the matter preceding the paragraphs, by inserting after “1.1.” the following: “and on and after October 1, 1998, an overall projected loss ratio of not greater than 1.0.”;

Page 46, line 4, insert after “operations,” the following: “all other amounts collected by or on behalf of the Corporation.”

Page 46, strike lines 10 through 12 and insert the following:

“(c) EXPENDITURES FROM INSURANCE FUND.—In such aggregate amount as provided in advance in appropriation Acts, the Corporation may use amounts in the insurance fund to pay the following:

Page 11, strike lines 8 through 11 and insert the following new paragraph:

(2) in subsection (c), by striking “, in which case the agent or broker” in the first sentence and all that follows through the period at the end of the second sentence and inserting the following: “, except that the reimbursement rate established by the Board for such agents and brokers may not exceed 30 percent of the premium for each new sale and may not exceed 28 percent of the premium for the renewal of an insurance policy for a successive term.”;

Page 17, line 12, strike “indemnified at 60 percent” and insert “indemnified at 56 percent”.

Page 18, strike line 7 and all that follows through line 7 on page 21, and insert the following new paragraph:

“(4) APPLICATION.—To participate in catastrophic risk protection, producers shall submit an application at the local office of the Department of Agriculture or to a private insurance provider approved by the Corporation.

Page 21, line 13, strike “\$100 per producer per county.” and insert “\$200 per producer per county up to a maximum of \$600 per producer for all counties in which a producer has insured crops.”.