

(C) by aligning the margin of subparagraph (D) (as so redesignated) so as to align with the margin of subparagraph (C) (as so redesignated).

SEC. 5. LOAN PARTICIPATION AUTHORITY FOR FARM CREDIT BANKS AND DIRECT LENDER ASSOCIATIONS.

IN GENERAL.—Title IV of the Farm Credit Act of 1971 (12 U.S.C. 2151 et seq.) is amended by inserting after section 4.18 (12 U.S.C. 2206) the following new section:

“SEC. 4.18A. AUTHORITY OF FARM CREDIT BANKS AND DIRECT LENDER ASSOCIATIONS TO PARTICIPATE IN LOANS TO SIMILAR ENTITIES FOR RISK MANAGEMENT PURPOSES.

“(a) DEFINITIONS.—As used in this section:“(1) PARTICIPATE AND PARTICIPATION.—The terms ‘participate’ and ‘participation’ shall have the meaning provided in section 3.1(11)(B)(iv).

“(2) SIMILAR ENTITY.—The term ‘similar entity’ means a person that—

“(A) is not eligible for a loan from the Farm Credit Bank or association; and

“(B) has operations that are functionally similar to a person that is eligible for a loan from the Farm Credit Bank or association in that the person derives a majority of the income of the person from, or has a majority of the assets of the person invested in, the conduct of activities that are functionally similar to the activities that are conducted by an eligible person.

“(b) LOAN PARTICIPATION AUTHORITY.—Notwithstanding any other provision of this Act, any Farm Credit Bank or direct lender association chartered under this Act may participate in any loan of a type otherwise authorized under title I or II made to a similar entity by any person in the business of extending credit, except that a Farm Credit Bank or direct lender association may not participate in a loan under this section if—

“(1) the participation would cause the total amount of all participations by the Farm Credit Bank or association under this section involving a single credit risk to exceed 10 percent (or the applicable higher lending limit authorized under regulations issued by the Farm Credit Administration if the stockholders of the respective Farm Credit Bank or association so approve) of the total capital of the Farm Credit Bank or association;

“(2) the participation by the Farm Credit Bank or association would equal or exceed 50 percent of the principal of the loan or, when taken together with participations in the loan by other Farm Credit System institutions, would cause the cumulative amount of the participations by all Farm Credit System institutions in the loan to equal or exceed 50 percent of the principal of the loan;

“(3) the participation would cause the cumulative amount of participations that the Farm Credit Bank or association has outstanding under this section to exceed 15 percent of the total assets of the Farm Credit Bank or association; or

“(4) the loan is of the type authorized under section 1.11(b) or 2.4(a)(2).

“(c) PRIOR APPROVAL REQUIRED.—

“(1) IN GENERAL.—With respect to a similar entity that is eligible to borrow from a bank for cooperatives under title III, the authority of a Farm Credit Bank or association to participate in a loan to the entity under this section shall be subject to the prior approval of the bank for cooperatives having, at the time the loan is made, the greatest loan volume in the State in which the headquarters office of the similar entity is located.

“(2) TERMS AND CONDITIONS.—Approval under paragraph (1) may be granted on an annual basis and under such terms and conditions as may be agreed on between the Farm Credit Bank or association, as the case may be, and the bank for cooperatives granting the approval.

“(3) APPROVAL BY SUPERVISING FARM CREDIT BANK.—An association may not participate in a loan to a similar entity under this section without the approval of the supervising Farm Credit Bank of the association.”.

SEC. 6. CONFORMING AMENDMENTS.

Section 3.1(11)(B)(i)(I)(bb) of the Farm Credit Act of 1971 (12 U.S.C. 2122(11)(B)(i)(I)(bb)) is amended—

(A) by striking “the other banks for cooperatives under this subparagraph” and inserting “other Farm Credit System institutions”; and

(B) by striking “all banks for cooperatives” and inserting “all Farm Credit System institutions”.

The bill, as amended, was ordered to be engrossed and read a third time, was read a third time by title, and passed.

A motion to reconsider the vote whereby the bill, was passed was, by unanimous consent, laid on the table.

Ordered, That the Clerk request the concurrence of the Senate in said bill.

¶116.29 LOANS AND GRANTS FOR TIMBER-DEPENDENT COMMUNITIES

On motion of Mr. JOHNSON of South Dakota, by unanimous consent, the Committee on Agriculture was discharged from further consideration of the bill (H.R. 4196) to ensure that all timber-dependent communities qualify for loans and grants from the Rural Development Administration.

When said bill was considered and read twice.

Mr. JOHNSON of South Dakota submitted the following amendment in the nature of a substitute which was agreed to:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. TEMPORARY EXPANDED ELIGIBILITY OF CERTAIN TIMBER-DEPENDENT COMMUNITIES IN THE PACIFIC NORTHWEST FOR LOANS AND GRANTS FROM THE RURAL DEVELOPMENT ADMINISTRATION.

(a) FINDINGS.—Congress finds the following:

(1) Timber-dependent communities in the Pacific Northwest have contributed significantly to the economic needs of the United States and have helped ensure an adequate national supply of timber and timber products.

(2) A significant portion of the timber traditionally harvested in the Pacific Northwest is derived from Federal forest lands, and these forests have played an important role in sustaining local economies.

(3) A number of traditionally timber-dependent communities are experiencing significant economic difficulties as a result of their proximity to the range of the north-west spotted owl.

(4) These timber-dependent communities need economic assistance to help them diversify, including support from water and waste facility loans and grants and community facility loans and grants funded through the Rural Development Administration.

(b) EXPANDED ELIGIBILITY.—During the period beginning on the date of the enactment of this Act and ending on September 30, 1998, the terms “rural” and “rural area”, as used in the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.), shall include any town, city, or municipality—

(1) part or all of which lies within 100 miles of the boundary of a national forest covered by the Federal document entitled “Forest Plan for a Sustainable Economy and a Sustainable Environment”, dated July 1, 1993;

(2) that is located in a county in which at least 15 percent of the total primary and secondary labor and proprietor income is derived from forestry, wood products, or forest-related industries such as recreation and tourism; and

(3) that has a population of not more than 25,000 inhabitants.

(c) EFFECT ON STATE ALLOTMENTS OF FUNDS.—This section shall not be taken into consideration in allotting funds to the various States for purposes of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.), or otherwise affect or alter the manner under which such funds were allotted to States before the date of the enactment of this Act.

The bill, as amended, was ordered to be engrossed and read a third time, was read a third time by title, and passed.

By unanimous consent, the title was amended so as to read: “A bill to ensure that timber-dependent communities adversely affected by the Forest Plan for a Sustainable Economy and a Sustainable Environment qualify for loans and grants from the Rural Development Administration.”.

A motion to reconsider the votes whereby the bill was passed and the title was amended was, by unanimous consent, laid on the table.

Ordered, That the Clerk request the concurrence of the Senate in said bill.

¶116.30 NATIONAL HIGHWAY SYSTEM

On motion of Mr. MINETA, by unanimous consent, the bill of the Senate (S. 1887) to amend title 23, United States Code, to provide for the designation of the National Highway System, and for other purposes; was taken from the Speaker’s table.

When said bill was considered and read twice.

Mr. MINETA submitted the following amendment which was agreed to:

Strike out all after the enacting clause and insert the provisions of H.R. 4385, as passed by the House.

The bill, as amended, was ordered to be read a third time, was read a third time by title, and passed.

A motion to reconsider the vote whereby said bill, as amended, was passed was, by unanimous consent, laid on the table.

When on motion of Mr. MINETA, by unanimous consent, it was,

Resolved, That the House insist upon its amendment and request a conference with the Senate on the disagreeing votes of the two Houses thereon.

Thereupon, the SPEAKER pro tempore, Mr. ROEMER, by unanimous consent, announced the appointment of Messrs. MINETA, OBERSTAR, RAHALL, SHUSTER, and PETRI, as managers on the part of the House at said conference.

Ordered, That the Clerk notify the Senate thereof.

¶116.31 MOTOR CARRIERS REGULATIONS

On motion of Mr. RAHALL, by unanimous consent, the Committee on Public Works and Transportation was discharged from further consideration of the bill (H.R. 5123) to make a technical