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Senate

The Senate met at 9 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:

Almighty God, source of strength for those who seek to serve You, we praise You for that second wind of Your power that comes when we feel depleted. You have promised that, ''As your days so shall Your strength be.''

Lord, You know what these days are like before the August recess. The Senators and all who work with them feel the pressure of the work and the little time left to accomplish it. In days like these, stress mounts and our emotional reserves are strained. Physical tiredness invades effectiveness and relationships can be strained. In this quiet moment, we open ourselves to the infilling of Your strength. We admit our dependence on You, submit to Your guidance, and commit our work to You. Give us that healing assurance that You will provide strength to do what You guide and that there will always be enough time in any one of these days to do what You have planned for us to do. In Your all-powerful name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable WAYNE ALLARD, a Senator from the State of Colorado, led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDING OFFICER (Mr. ALLARD). The acting majority leader is recognized.

SCHEDULE

Mr. COCHRAN. Mr. President, today the Senate resumes consideration of the Agriculture appropriations bill and, by previous order, will begin 40 minutes of debate on the dairy amendment, to be followed by a cloture vote at 9:45 a.m. Following the vote, the Senate will resume consideration of the pending Ashcroft amendment. Further amendments and votes are expected throughout today's session of the Senate with the anticipation of completing action on the bill.

For the remainder of the week, the majority leader has asked it be announced that he hopes the Senate can complete action on the tax reconciliation conference report and the Interior appropriations bill. Therefore, Senators should expect votes throughout the day and into the evenings prior to adjourning for the August recess.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2000

The PRESIDING OFFICER. The Senate will now resume consideration of S. 1233, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1233), making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2000, and for other purposes.

Pending:

Lott (for Daschle) amendment No. 1499, to provide emergency and income loss assistance to agricultural producers.

Ashcroft amendment No. 1507 (to amendment No. 1499), to provide stability in the United States agriculture sector and to promote adequate availability of food and medicine for humanitarian assistance abroad by requiring congressional approval before the imposition of any unilateral agricultural or medical sanction against a foreign country or foreign entity. (By 28 yeas to 70 nays (Vote No. 251), Senate failed to table the amendment.)

The PRESIDING OFFICER. Under the previous order, there will now be 40 minutes for debate to be equally divided between the proponents and opponents prior to the vote on a cloture motion.

Mr. KOHL. Mr. President, I yield myself up to 5 minutes.

I rise today in strong opposition to cloture on the majority leader's motion to recommit. If it carries, the Agriculture appropriations bill will be reported back to the floor with what is known as the Jeffords dairy compact amendment and will be subject to 30 hours of continuous debate.

Now, as most in the Senate know by now, I am committed to fighting the creation, expansion, or continuation of the price-fixing cartels known as dairy compacts. They embody bad national policy, bad economic policy, bad precedent, and disastrous implications for farmers who are forced to operate outside the protectionist walls these compacts throw up.

But that is not only why I oppose the Jeffords amendment. I oppose the Jeffords amendment because it would do something much worse. It would remove the Federal Government from the milk market order system. The Jeffords compact amendment would specifically disallow USDA from spending money to administer the milk market order system. What would be the result of that? According to the Secretary of Agriculture, with whom I spoke yesterday, the result would be ''chaos and confusion'' in the dairy industry. USDA would have no way to enforce any price system, so processors would end up setting the price of milk. Farmers would have no recourse to USDA or anywhere else if they thought they were receiving an unfair price.

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

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What does the amendment achieve by creating this mess? Certainly not what its proponents claim. The amendment would not continue the current pricing system, or 1–A, as many of you know it. Regardless of whether this amendment passes or not, the old pricing system will expire on October 1.

I have a letter from the general counsel of USDA that says just that, and I ask unanimous consent that it be printed in the RECORD.

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

U.S. DEPARTMENT OF AGRICULTURE,
OFFICE OF THE GENERAL COUNSEL,
Washington, DC, August 2, 1999.

Hon. HERB KOHL,
U.S. Senate,
Washington, DC.

DEAR SENATOR KOHL: In your letter of July 23, 1999, you ask several questions concerning our issuance of a final rule to implement the milk marketing order reform required by the Agricultural Market Transition Act and the effect of a possible appropriations bill prohibition on the use of fiscal year 2000 funds to implement the reform.

As you know, the final dairy reform order was published in the Federal Register on April 2, 1999, and we are now in the process of conducting referenda to determine if the orders should be implemented. This will be completed and a final implementing order published at the end of August. Implementation will thereafter occur on October 1st without further action by the Department. You are correct in your understanding that existing marketing orders and the Northeast Interstate Dairy Compact will expire upon implementation of milk marketing order reform on October 1st. If the Department were prohibited from spending appropriations to carry out the order reform, it would not be able to provide oversight for the milk marketing order system. Day-to-day operation of the respective order areas could continue, however, because such operations are funded through industry assessments, not appropriated funds. As you correctly point out, the specific implementation date requirement contained in Public Law 105–277 prohibits the Department from altering the effective date. The issue of whether the statutory language also prevents the Secretary from rescinding the order presents novel questions which will require further analysis.

Sincerely,

CHARLES R. RAWLS,
General Counsel.

Mr. KOHL. The amendment will not create new dairy compacts in the Southeast or open up the current Northeast Compact to any new members. None of those items is contained in this amendment.

The amendment will not extend the life of the Northeast Dairy Compact. USDA has made it clear that the compact will expire on October 1, whether this amendment passes or not.

So, then, why are we even considering this amendment? I can only imagine it is because the proponents of the amendment are betting that they will get some of the things they promised—most notably, an extension of the Northeast Dairy Compact—in conference.

I think that is a cynical and an irresponsible bet, especially by Senators who are not even on the conference committee. Under an uncertain and unregulated system, dairy farmers across the country stand to lose $194 million a year. Furthermore, this very week dairy farmers all across America are voting on what sort of milk market system they want. So should we not wait to see what farmers have to say before we bet their farms on the Jeffords amendment?

The Jeffords amendment is not 1–A. It is not a dairy compact. It is a desperate last attempt to carve a dairy cartel for the Northeast out of the current pricing system. Unfortunately, the authors of the amendment used an ax rather than a knife, and the result will be a milk market order system that will be a bloody mess.

The proponents of this amendment have accused us of describing their amendment in a way that makes it more terrifying than the ''Blair Witch Project.'' They are correct. Their amendment is more terrifying. That is because the chaos it would create would not be a fiction; it would be real.

The Jeffords amendment is opposed by the 300,000 farmers of the National Farmers Union and the 300,000 taxpayers of the National Taxpayers Union. I urge my colleagues to join the taxpayers and the farmers of your States and oppose cloture on the Jeffords amendment.

The PRESIDING OFFICER. Who seeks recognition?

Mr. JEFFORDS. Mr. President, has the Senator from Wisconsin finished?

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, first of all, the reason we are here today is to talk about cloture, whether we should have time to fully discuss and be able to make sure that this body knows the importance of what we want to do, and that is to protect the dairy farmers of the United States. We are not here to discuss the fine points of the issues which the Senator from Wisconsin has brought out, with which we sincerely most heartily disagree, but whether or not we ought to have the opportunity and whether it is important enough to this country and to the dairy farmers to have a full discussion by getting cloture. If we don't get cloture, then chaos will happen in many areas, in especially New England which has a compact which would go out of being and would require dramatic action in order to repair the damage that would be done.

Dairy farmers around the country are watching the actions of the Senate this week with great anticipation and anxiety. They know that under the 1996 farm bill, Congress instructed the Secretary of Agriculture to develop much needed new pricing formulas for how milk is priced. Unfortunately, they also know that Secretary Glickman's resulting informal rulemaking process is developing pricing formulas that are fatally flawed and contrary to the will of Congress.

The Nation's dairy farmers are counting on this Congress to prevent the dairy industry from being placed at risk and instead to secure its sound future.

This chart says it all. This is the devastation that will come from the proposed order of the Secretary. What this shows is, with the new order 1–B, there is only one area of this country that will substantially benefit. Guess what area that is? Wisconsin and Minnesota. The rest, clearly delineated by the red, will lose money—all of them. There is a little green in the tip of Florida, there is a little green on the coast of California, and there is a little green in a couple of States, but the rest all lose money.

The question is whether 1–A, which was studied, should be replaced to make sure that does not occur. Mr. President, 1–A, which is supported by a letter to the Secretary by 61 Members of the Senate, will not create this devastation. In fact, it will provide an orderly system for farmers all over this country to make a decent income.

Secretary Glickman's final pricing rules, scheduled to be implemented on October 1, will cost dairy farmers, not the Government, millions of dollars in lost income from their pockets. There are no Federal funds involved with this. That is something that may be confusing because in the past, the dairy program cost millions of dollars. It does not cost anyone anything now.

This amendment will prevent the Secretary's rule from being implemented, thereby maintaining the current law for dairy pricing for another year.

Do not be taken in by any of the misleading claims made by the opposition, including their references to the letter from USDA supposedly indicating the amendment does not accomplish its purpose. First of all, it can be easily modified in conference and, secondly, it does accomplish its purpose. This will allow a new rulemaking procedure for the Secretary to carry out the will of Congress for a new and improved pricing structure. It will also allow the Northeast Dairy Compact pilot project—remember, this is a pilot project which was put into law in 1996 to see if by States gathering together they can organize an order system which would protect them from high prices to the consumers and low prices to farmers because of the fact, when you get into milk situations, you can get devastation with a little bit of surplus.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. About 15½ minutes.

Mr. JEFFORDS. I thank the Chair. I yield 5 minutes to the Senator from Vermont, Mr. LEAHY.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I strongly support this amendment which helps dairy farmers across the country.

I think the least the Senate should do when debating a relief bill for farmers is to not reduce farm income.

The Department of Agriculture's milk marketing order—the so-called modified ''option 1–B''— would reduce farm income by about a million dollars per day. That doesn't sound like farm aid to me. It sounds like a recipe for disaster.

Why should dairy farmers in Mississippi, North Carolina, Georgia, or California, for example, have their income cut by USDA rules when other farmers will get helped under this bill? I think dairy farmers are as deserving as other farmers.

Isn't it enough that the price of milk paid to dairy farmers dropped by almost 40 percent recently? Why should the Secretary be allowed to change current policy to punish dairy farmers even more by reducing their income?

Sixty-one Senators signed a letter to Secretary Glickman opposing the cuts in farm income that would result from implementing the so-called option 1–B.

Those sixty-one Senators pointed out that ''dairy farmers . . . are receiving essentially the same price for their milk that they received fifteen years ago while the cost of production has increased. Option 1–B would further reduce the price of milk received by farmers in almost all regions of the country, thereby reducing local supplies of fresh, fluid milk and increasing costs for consumers.''

This amendment—the Lott amendment—mandates that current law be continued and that option 1–B be put on ice.

I must address some unfortunate misinformation that is being spread about the amendment.

We received a ''Dear Colleague'' letter from Senator FEINGOLD that incorrectly suggests that the Lott amendment would terminate the milk marketing order system.

That, of course, is not the case. Probably only a few Senators want to eliminate milk differentials and the marketing order system. The great majority of Senators, including myself, believe that this is not the time to terminate the milk order system.

The Lott amendment would not terminate that system and a letter from the General Counsel of USDA that is being used by opponents of the Lott amendment does not even make that point.

Indeed, the General Counsel says: ''the issue of whether the statutory language also prevents the Secretary from rescinding the order presents novel questions which will require further analysis.''

But, we already know this amendment does not terminate the marketing order system since it is drafted the same way we drafted a similar extension of the milk marketing order system last year.

Section 738 of last year's appropriations bill provided a similar extension. No one at USDA argued that last year's extension terminated all milk marketing orders.

Indeed, Congress can pass laws that supercede rules issued by Departments.

Of course any drafting glitch could be fixed at Conference, but there is no glitch since we are simply extending current law, just like we did last year.

I want to address other misinformation that is being spread. Some have been saying that the amendment could mean higher prices for consumers.

I will compare milk prices in New England against the Upper Midwest any day of the week.

A General Accounting Office, GAO, report dated October, 1998, compared retail milk prices for various U.S. cities.

For example for February, 1998, the average price of a gallon of whole milk in Augusta, ME, was $2.47 per gallon.

The price for Milwaukee, WI, was $2.63 per gallon. Prices in Minneapolis, MN, were much higher—they were $2.94 per gallon.

Let's pick another New England city—Boston. The price of a gallon of milk was $2.54 as compared to Minneapolis, MN, which was $2.94 per gallon.

Let's look at the cost of 1% milk for November, 1997, for example.

In Augusta, ME, it was $2.37 per gallon, the same average price as for Boston, New Hampshire and Rhode Island. In Minnesota, the price was $2.82 per gallon.

I could go on and on comparing lower New England retail prices with higher prices in other cities for many different months.

It is clear that our Compact is working as it was intended to by benefitting consumers, local economies and farmers. I will submit a lengthy list of additional price comparisons to prove my point for the record.

I conclude by saying that sixty-one Senators warned the Secretary of Agriculture to not cut farm income by implementing option 1–B.

What we are offering is narrowly tailored, sensible and modest. It simply extends current law. Punishing dairy farmers in New England and other regions of the country makes no sense.

I urge my colleagues to join with me in protecting farm income for dairy farmers by voting for cloture for this amendment.

Mr. President, I would also like to make a few additional comments on the Northeast Dairy Compact.

The success of the Northeast Dairy Compact is undeniable. In fact, thanks to the Northeast Compact, the number of farmers going out of business has declined throughout New England for the first time in many years.

If you are a proponent of States rights, regional compacts are the answer. Compacts are State initiated, State ratified, and State supported programs which assure a continuous safe supply of milk for consumers.

If you support interstate trade, then regional compacts are the answer. The Northeast Dairy Compact has prompted an increase of milk sales from neighboring States into the northeast compact region.

If you support a balanced budget, then regional compacts are the answer. The Northeast Compact does not cost taxpayers a single cent, and this is a lot different than most farm programs.

If you support farmland protection programs, then regional compacts are the answer. Major environmental groups have endorsed the Northeast Dairy Compact because they know it helps preserve farmland and prevent urban sprawl.

If you are concerned about the impact of prices on consumers, then regional compacts are the answer. Retail milk prices within the compact region are lower on average than in the rest of the country, something the opponents do not point out.

The Northeast Compact has done exactly what it was established to do: stabilize fluctuating dairy prices, assure a fair price for dairy farmers, keep farmers in business, and protect consumer supplies of fresh milk.

Many of our friends in the South have seen how the compact provides a modest but crucial safety net for struggling dairy farmers, and I think all of us should look at these compacts as a way to help farmers without costing the taxpayers.

There are many additional areas to discuss. I am going to reserve my time, but in closing I do want to say this: It is clear that our compact is working as intended by benefiting consumers, local economies, and farmers.

Sixty-one Senators have warned the Secretary of Agriculture to not cut dairy farm income by implementing option 1–B. What we are offering is narrowly tailored, sensible, and modest. It simply extends current law.

We are here to protect hard-working dairy farmers. I urge the 61 Senators, plus everyone else, to join with us and vote for cloture on this amendment. The 61 Senators who signed that letter to Secretary Glickman should, and I hope that other Senators, having listened to this debate, will as well.

Mr. KOHL. I yield 5 minutes to the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. I first thank the senior Senator from Wisconsin for his leadership and dedication on this issue. He has been determined, and I think effectively, in fighting this battle that we have to fight on behalf of Wisconsin dairy farmers, upper Midwestern dairy farmers, and I think dairy farmers all over this country. I thank him and join in his words that we will fight this thing as hard and as long as we have to, to prevent this extremely unfair idea of trying to continue the New England Dairy Compact.

But the really interesting thing about the measure before us, the issue the cloture is going to be about, is that it really does not have the impact that a lot of Senators think it might have.

The Jeffords-Leahy amendment that they have offered will withhold funding—it will withhold funding—for implementation of the Federal milk marketing order reform in an attempt to preserve the Northeastern Interstate Dairy Compact.

They thought this amendment would produce the same result it did when a similar amendment was offered during the appropriations bill last year—and that is a delay of milk marketing order reform—and then an extension of the compact. But it does not do that. As the senior Senator from Wisconsin has indicated, it does not do that.

This isn't what the 61 Senators whom the Senator from Vermont was talking about signed a letter about. It isn't about picking 1–B or 1–A. That isn't what it does. What it simply does is create chaos. That is exactly what Senator KOHL has indicated. And we are not asking you to just take our word for it. Take the word of the general counsel of the USDA, who has made it clear that he believes the legal effect of this latest dairy initiative by the Senators from Vermont will be uncertainty and no Federal oversight of the system.

A lack of funding at USDA will throw administration of the Federal Milk Marketing Order Program into chaos, effectively leaving no program at all.

The Senator from Vermont hangs his hat on the notion that this letter says, at the end, that the issue involves novel questions. But that ignores the heart of the letter, which I want to repeat. It is a letter addressed to Senator KOHL, dated August 2, 1999, from Charles Rawls, general counsel, U.S. Department of Agriculture. It says:

> You are correct in your understanding that existing marketing orders and the Northeast Interstate Dairy Compact will expire upon implementation of milk marketing order reform on October 1st. If the Department were prohibited from spending appropriations to carry out the order reform, it would not be able to provide oversight for the milk marketing order system. Day-to-day operation of the respective order areas could continue, however, because such operations are funded through industry assessments, not appropriated funds.

So it is not equivocal about whether, in fact, this will happen. It simply says that the compact will expire and that in fact at this point we will not have an order system. That is not ambiguous.

I think it is very ironic that the Senator from Vermont came up and tried to argue that somehow our position on this is unfair to the rest of the country. It is just the reverse. The amendment that has been offered actually makes things much worse for almost the entire country than the current status under the bill.

Under the Jeffords-Leahy amendment, the impact on dairy income in various regions is startling. For the Northeast—if you can believe this—it involves a net loss of $225 million in dairy income, if this chaos ensues; in the Appalachia area, $122 million in lost dairy income; in Florida, $100 million; in the Southeast, $112 million in lost dairy income—and down the line.

Overall, I believe the figure is a total loss of some $194 million net income if this amendment goes through and the consequence that we believe occurs.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the National Farmers Union, also addressed to Senator KOHL, of August 3, indicating opposition and concerns about this amendment.

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

NATIONAL FARMERS UNION,
Washington, DC, August 3, 1999.

Hon. HERBERT H. KOHL,
U.S. Senate,
Washington, DC.

DEAR SENATOR KOHL: I write today on behalf of the 300,000 members of the National Farmers Union to express our concern regarding the Jefford's amendment that would prohibit the use of funds for USDA to implement or administer dairy marketing order reform later this year.

As you know, expiration of the current national marketing order is due October 1st, and with the passage of the Jefford's amendment, dairy farmers across the nation could be left without any federal marketing order that could risk destroying the remnants of the dairy safety net.

We have deep concerns about pitting region versus region in agricultural policy, especially dairy policy. We strongly encourage a policy that will benefit all dairy producers nationally.

Specifically, we support legislation to establish dairy compacts and amend the federal order system if those provisions are coupled with legislation to establish the national dairy support price at $12.50 per hundredweight. If Congress chooses to amend the federal order system, the amendment should strike the provision in the final rule that increases the processors' manufacturing allowance at the expense of family farmers.

Thank you for your consideration of our position on dairy policy.

Sincerely,

LELAND SWENSON,
President.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. FEINGOLD. I ask the Senator from Wisconsin if I could be granted 1 more minute.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. I thank the Chair and Senator KOHL.

The other piece that I think ought to be printed in the RECORD, especially in light of the comments of the Senator from Vermont with regard to some of the groups interested in this issue, is a letter from the National Taxpayers Union strongly opposing this amendment and specifically saying that, ''the Dairy Compact concept acts as a cartel system that only a Robber Baron could admire.'' I ask unanimous consent that the letter be printed in the RECORD.

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

NATIONAL TAXPAYERS UNION,
Alexandria, VA, August 3, 1999.

Vote NO on Cloture on Tomorrow's Ag Approps Dairy Amendment—And Keep the Glass Half Full for Taxpayers

DEAR SENATOR: Tomorrow the Senate will vote on cloture for an amendment to the Agriculture Appropriations Bill that is intended to halt the progress of dairy subsidy reform. In order to prevent this consumer rip-off and preserve the prospect of modest gains towards a competitive dairy market, the 300,000-member National Taxpayers Union (NTU) urges you to vote ''NO'' on this cloture motion.

The U.S. Department of Agriculture's (USDA's) final rule on Milk Marketing Order reform was, at best, an imperfect solution. In an ideal legislative and regulatory climate, the cumbersome 893-page document would be jettisoned in favor of a comprehensible blueprint that simply substitutes a free market for the current cartel. In the absence of this approach, taxpayers' interests can best be served by ongoing Congressional oversight of the results of USDA's plan, rather than legislative micro-mandates that only further cloud a murky reform.

Price-setting mechanisms such as the Northeast Dairy Compact can not only cost consumers millions due to overinflated prices, they can also raise omnious Interstate Commerce issues. Rather than promoting trade and preventing abusive tariffs among states—the clear intent of the Constitution's Commerce Clause—the Dairy Compact concept acts as a cartel system that only a Robber Baron could admire.

The 1996 Freedom to Farm Act held the promise of finally phasing out the dairy price support system as well as sunsetting the Northeast Dairy Compact. The bill passed Congress by strong bipartisan margins. Today, some Members believe that this timetable for reform should be discarded entirely or that new compacts should be authorized. Either action would signal a move in the wrong direction. NTU, along with many Members, would actually support a more aggressive timetable towards wholesale elimination of dairy subsidies.

The impact of tomorrow's amendment, which would withhold USDA implementation of milk marketing order reform, may not be entirely predictable. But its original intent is clear to sabotage the bipartisan consensus in Congress toward a freer milk market, and open the door for re-regulation in conference. For this reason, NTU urges you to play it safe for taxpayers, and vote ''NO'' on cloture on the Dairy Amendment to Agriculture Appropriations.

Sincerely,

PETE SEPP,
Vice President for Communications.

Mr. FEINGOLD. Mr. President, I, of course, join with my senior Senator and friend from Wisconsin, Senator KOHL, in asking that we not take what is, frankly, an irrational step of using this mechanism that was forced because of the rule XVI change to pretend that somehow this will extend the dairy compact. It will not do that. It will just lead to a chaotic situation—that the Department of Agriculture cannot do their job of administering the milk marketing order system.

I thank the Senate and the Senator from Wisconsin.

Mr. KOHL. I yield Senator GRAMS up to 4 minutes.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Mr. President, I rise in opposition to the cloture motion on the

motion to recommit the appropriations bill to committee with instructions to include the Jeffords/Leahy amendment.

First, I would like to express my displeasure with this attempt to dodge the clear purpose of Rule 16.

I am at a loss to understand how we can reinstate Rule 16 one week then turn around and justify offering what is an extremely controversial policy change that is clearly non-germane on a major appropriations bill. Drafted to circumvent Rule 16 restrictions, Mr. JEFFORDS' proposed changes to the farm bill almost guarantee litigation and confusion in the milk marketing system due to the uncertainty over its effect. It is a controversial, non-germane issue that does not belong on an appropriations bill as a floor amendment.

It is important that I remind some of my colleagues that this amendment does not extend authorization of the compact to your states. Also, this August 2nd letter from Charles Rawls, General Counsel for USDA, states that funds have already been spent to implement the milk marketing order reform and the reform could still operate without oversight from USDA. The order reform is administered by producer assessments so no other federal funds are required to implement it. Thus, though the Jeffords Amendment intends to maintain the status quo in milk marketing orders by not funding implementation, counsel for USDA states that the specific implementation date requirement contained in Public Law 105–277 remains unaltered. Any uncertainty in the effect of this amendment is between whether the reform can be implemented without USDA oversight or whether we will have no dairy marketing orders at all. Reinstating the current system similar to 1A is simply not an option here.

Mr. President, as the letter from Mr. Rawls shows, it's not clear this amendment would save the Northeast Compact, and it certainly does not solve any problems for the other states seeking to form compacts. Not only does the amendment fail to extend compacts to other areas of the country outside the Northeast, it also does not implement Option 1–A.

Despite the fact that I do not believe Mr. JEFFORDS' amendment accomplishes its intended goal I also urge you to vote against cloture on the simple grounds of rejecting the concept of providing a benefit to producers in one area of the country which gives them a competitive advantage over dairy farmers in other regions of the United States.

Dairy farmers are suffering all over the country. Why support this compact legislation that helps mainly one area of the country at the expense of others? Why support an effort that would send the signal that we can consider endless controversial non-germane issues on appropriations bills in the future? Why risk passage of needed relief to America's farmers?

Besides addressing the narrow issue of the pending amendment, I would like to remind you why compacts that penalize consumers, particularly low-income consumers, milk processors, and regional dairy producers are so dangerous, and urge my colleagues to reject this blatantly unfair barrier that penalizes some of the best and most efficient dairy farmers in America.

First, I would like to explain what dairy compacts are. The Northeast Dairy Compact raises the price of Class I fluid milk above the prevailing federal milk marketing order price within the participating states, and, I might add, above what the market would pay. Milk processors have to pay the higher price for the raw milk they process, and this higher price is passed along to the consumer at the grocery store. With higher prices, consumption goes down, and children are the biggest losers. I don't argue against a fair price—or honest price for any dairy farmer in Minnesota or Vermont, but I cannot support price fixing that distorts the free market.

The Northeast Compact was authorized in 1996 during consideration of the larger Federal Agriculture Improvement and Reform (FAIR) Act. This controversial issue was inserted in the conference committee, avoiding a separate vote, after the measure had been overwhelmingly defeated on the floor. While most of the FAIR Act was designed to help farmers compete in world markets and reduce government involvement in agriculture, the Northeast Interstate Dairy Compact established a regional price-fixing cartel within our very own country that promotes higher production which depresses prices outside the compact. The Northeast Dairy Compact has harmed dairy farmers in Minnesota, and this kind of unfair subsidy should be terminated.

When this issue came to the fore, compacts were roundly condemned in the major newspapers of the compact region. The New York Times, Boston Herald, the Connecticut Post, and the Hartford Courant all weighed in against the cartel, in addition to national publications such as USA Today and the Washington Post.

Again, compacts were hardly consensus legislation to begin with. The House refused to put the provision in its broader farm bill. And I must reiterate, the Senate voted on the floor to strip the Compact language from its bill. Despite these defeats, the compact provision was slipped into the bill in conference and signed by the President. The compact legislation could not withstand the scrutiny of a fair debate on the floor, and had to be muscled in at the last minute in conference.

Knowing that this scheme was a bad idea from the start, Congress limited the life of the compact. That's why proponents will seek an extension by amendment today.

Retail prices of milk jumped immediately after the higher Compact price was implemented. As predicted, the milk produced in New England increased by four times the national rate of increase in a six-month period following compact implementation. The surplus milk was converted into milk powder, leading to a 60% increase in milk powder production.

Soon after implementation, the Northeast Compact had to begin reimbursing school food service programs for the increases in cost caused by the milk price hikes; an admission that prices have gone up and consumers are being affected. However, low-income families that need milk in their diet are not being reimbursed by the Compact for their increased costs. Milk is a food staple, and are we going to vote today to extend this milk tax that hits low-income citizens hardest who spend a high percentage of their income on food? What's next, a special tax on bread, eggs, ground beef, or potatoes? Consider the low-income families with small children and the elderly on fixed incomes in your state and ask if this is the population you want bearing the brunt of this regressive milk tax.

I cannot stress to my colleagues enough that you simply cannot contain the market distortions and economic hardship that these compact schemes cause. Proponents present an idyllic picture of the compacts as only a few cents hike in the price of milk to preserve the small, rural dairy farmer. This is simply not true. Dairy compacts are an economic zero-sum game in which there are many losers—most importantly the consumer (especially the low-income consumer) and dairy farmers in non-compact regions. The real winners in this zero-sum game are large dairy producers in the Northeast that receive literally tens of thousands of dollars in subsidies for their already profitable businesses, not the small dairy farmer who supporters said was the focus of this idea. The average six month subsidy for large Northeast dairy farms is projected to be $78,400. Dairy farmers in Minnesota would relish that income over the whole year, but Minnesota farmers wisely reject this effort to distort the system and harm their fellow farmers in other states.

It also is erroneous to characterize this issue as small family farms in one region falling victim to large, corporate-style farming conglomerates in another. There are no, if you will, ''Wal-Marts'' of dairy farming in Minnesota. In our state, we have families that farm as a way of life, know that they must stay efficient to remain competitive, and want desperately to compete on a level playing field. Minnesota has thousands of family farms—passed from generation to generation—that are struggling to stay afloat in a rigged market that unfairly favors producers in a different part of the country. And many have failed. Compacts are not a policy that saves family farms.

As Wayne Bok, President of the Minnesota-based co-op Associated Milk

Producers has put it, consider what would happen if the Northern states decided they wanted to produce oranges, and formed a compact to do so. Oranges sold in the North would receive a higher price than oranges sold in other regions. As a result, production of oranges would increase in the North. Prices in the South would drop until production decreased to compensate for the increase in Northern production. Moreover, Northern farmers would begin to convert from, say, corn and dairy farming, to the now more profitable farming of oranges.

Would this be good for the country's most efficient orange growers in Florida and California? Absolutely not.

Would this be good for consumers?

Absolutely not.

This outrageous scenario demonstrates the ridiculousness of current dairy policy. Let each farm region of the country do what it does best and don't erect artificial barriers that keep the products of the most efficient producers out of the hands of the consumers.

In 1996 Congress and the President committed to a new farm policy, moving our country away from artificial price and supply controls, and freeing farmers to compete on the world market. American farmers are the most skilled and efficient in the world, and they deserve the opportunity to compete and expand their markets. At the same time that we are calling upon our global trading partners to bring down their trade barriers for the benefit of both consumers and producers, we attempt to continue or construct new barriers between regions in our own country that discourage the free flow of commerce and create significant market distortions and price increases. Its hypocritical for us to demand free trade at a global level but enact trade barriers within our own country.

I urge my colleagues today to commit to fairness in dairy policy. Please be fair to consumers and dairy producers—vote against this or any other compact amendment.

I must also address the other intended effect of the dairy amendment, the proposal to zero out funding for implementation of the final rule presumably to maintain the status quo in federal milk marketing orders and to extend the Northeast Dairy Compact. I believe that Mr. JEFFORDS' amendment fails to accomplish this intent.

The current milk marketing system requires processors to pay higher minimum prices for fluid milk the further the region is located from Eau Claire, Wisconsin. To reform this antiquated, Depression-era method for supplying milk to consumers, which basically picks winners and losers in the dairy industry, Congress, through the 1996 FAIR Act, required USDA to significantly reduce the number of milk marketing orders (regions) in the country and transition to a more market-oriented system of milk distribution. After many months of study and having received comments from hundreds of market participants, USDA proposed Options 1–A and 1–B. The Option 1–A proposal made minimal changes to the old marketing order pricing system, while Option 1–B contained some basic free market reforms and modernizations of the system. The Midwest did not like what we saw in 1B, actually, and like the compromise even less, but it was a small step in the right direction.

The compromise came after the USDA received testimony concerning the two alternatives, and its final rule again takes steps toward simplifying and modernizing the milk marketing order system. The new compromise orders will be effective October 1, 1999. I hoped for a proposal closer to 1–B, but accepted the need for compromise and have supported it.

Option 1–A is basically no reform, and would ignore the direction of Congress in the FAIR Act. It would increase prices for consumers by $74 million per year, affecting most the low-income consumer that spends a high percentage of their wages on food. Option 1–A also keeps in place a regionally discriminatory milk pricing system that benefits producers in some parts of the country at the expense of dairy farmers in other regions, much like compacts. Again, it's a government program that picks winners and losers, not allowing the market to set the prices. It is opposed by free market taxpayer advocacy groups, consumer groups, regional producer groups, and processor groups, and it does nothing to protect the nation's supply of fresh fluid milk; our nation produces an abundance of milk that is sufficient to supply consumers' needs.

Secretary Glickman, writing about the final rule, said that:

> USDA's own analysis shows that nationally, dairy farmers will realize virtually the same cash receipts under the new, fairer plan as they do now, and when aggregated, the all-milk price will remain essentially unchanged from that under the existing program, which virtually all sides agree sorely needs changing[.]

Moreover, Chairman LUGAR said that the final compromise rule ''is a good first step toward a policy that places the nation's dairy industry in a position to better meet the challenges of the global markets of the new century[.]''

Again, the final rule is a compromise, not the best for either 1A or 1B advocates but a middle ground. We should not rush to reverse a process that took months to complete in order to keep the status quo.

What we have here is a double whammy. Compacts are bad enough, but retaining the failed dairy policies of the past is just incomprehensible.

Finally, what we need to ask ourselves even more is why are we considering these controversial issues on this appropriations bill. The Judiciary Committee has jurisdiction over compacts and Agriculture over milk marketing orders. Please respect these committees' opposition to these amendments which circumvent their jurisdiction, respect the reimplementation of Rule 16, and vote against this attempt to legislate through the appropriations process. And most of all, reject an amendment that doesn't even accomplish its intended purpose.

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

Mr. HATCH. Mr. President, I rise to voice my opposition to the proposed amendment that would effectively extend the Northeast Interstate Dairy Compact and open the door to the creation of additional interstate dairy compacts. I urge my colleagues to vote against the cloture motion. These interstate compacts would allow states to form alliances that would create economic barriers and foster economic warfare between the states. First, I want to commend my colleagues for their efforts on behalf of their states. In particular, Senator JEFFORDS has been a forceful advocate for dairy compacts. But although I share the concerns of my colleagues for the future of all American farmers, we cannot authorize interstate compacts that would encourage activities which are contrary to the constitutional principle of establishing and maintaining a national free market for the products of all citizens.

To date, only one dairy compact, the Northeast Interstate Dairy Compact, has been authorized by Congress. It initially passed as an amendment in conference to the 1996 farm bill, after the Senate had stripped the compact language out of the bill on the Senate floor. The compact authorization was for 2 years only, but was extended last year, until October 1, 1999, by an amendment to appropriations legislation. Since the creation of this compact, a number of state legislatures have authorized the creation of new interstate dairy compacts. And today, once again, an amendment to the Agriculture appropriations bill has been introduced that would extend the life of the Northeast Interstate Dairy Compact and possibly lead in conference to the authorization of a Southern Compact.

The Framers of the Constitution intended the compact clause to help preserve national unity by prohibiting States from entering into interstate compacts without congressional approval. See *Virginia* v. *Tennessee*, 148 U.S. 503 (1893). Like the commerce clause, the compact clause prevents States from joining forces to the detriment of the national interest. It is true that the overwhelming majority of compacts serve benign purposes that are not intended to insulate States from competition or to harm the national economy, or otherwise adversely affect the national interest. Indeed, Congress has approved hundreds of interstate compacts. These compacts have facilitated nationally beneficial projects such as the development of

highway, railroad, and subway transportation, the construction of bridges, the allocation of water-control rights, the establishment of boundary lines, and protection against forest fires. These are precisely the type of agreements the compact clause was intended to facilitate.

The proposed dairy compacts, however, would frustrate, rather than facilitate, free trade among the States. In essence, dairy compacts prohibit interstate competition by preventing non-compact dairy farmers from freely setting the price for their dairy goods sold in compact states. These compacts represent economic protectionism, pure and simple. Indeed, this is an attempt by a group of states to dictate to the rest of the country's dairy farmers the terms under which they can sell their goods into compact regions. It is unimaginable that the Senate would vote to embrace a form of economic protectionism that flies in the face of the Constitutional principle of a free market society.

As the Supreme Court stated in *H.P. Hood* v. *DuMond*, 336 U.S. 525, 529 (1949):

> . . . our system, fostered by the Commerce Clause, is that every farmer and every craftsman shall be encouraged to produce by the certainty that he will have free access to every market in the Nation, that no home embargoes will withhold his exports, and no foreign state will by customs duties or regulations exclude them. Likewise, every consumer may look to the free competition from every producing area in the Nation to protect him from exploitation by any. Such was the vision of the Founders . . .

If we continue to approve dairy compacts, that vision will be forsaken. And, if we continue down this road, I ask my colleagues: ''what's next?'' Will we be asked to protect the poultry industry? Why not protect regional software or Internet companies? If the logic behind these dairy compacts is that states or regions should be allowed to collude to raise artificially the price of dairy products to protect farmers and producers at the expense of the consumer, then why not give certain states or regions the right to collude to raise artificially the prices of other goods and services? Because AOL employs so many people in Maryland and Virginia, shouldn't those two states be permitted to agree to prevent any company from offering Internet access to consumers in Maryland or Virginia at a price below that offered by AOL? The minimum price could be justified by stating its purpose is to protect the jobs created by AOL in these states. Certainly, the argument would go, the purpose is not to eliminate competition—that is just an unfortunate circumstance of protecting an industry that contributes significantly to the states' economies.

This hypothetical may sound far-fetched, but it is not. The logic is the same: ''We need to protect our state's industries regardless of the effects on competition or consumers.'' No, my colleagues, we simply cannot start down the road of protecting one region's industries against others, regardless of how significant an industry may be to one state's interests. We cannot elevate one region's concerns over the nation's interest in ensuring a stable, free market that thrives on competition.

A vote against these compacts is not a vote against dairy farmers. All of the Senators who are opposed to these compacts, myself included, sympathize with the plight of so many of America's farmers who are struggling to stay in business, but we cannot solve this problem by pitting one industry against consumers, or one region against the nation. As chairman of the Judiciary Committee, I cannot support dairy compacts that allow states to collude to thwart competition, the results of which ultimately harm America's consumers. I urge my colleagues to vote against the dairy compact amendment which would allow less efficient producers in one region of the country to exclude lower priced dairy goods from other regions in an effort to protect their farmers and producers at the expense of consumers. This is not the type of agreements the founders envisioned interstate compacts would facilitate—indeed, it is exactly the type they feared.

Mr. TORRICELLI. Mr. President, I rise with Senators SPECTER and SCHUMER in support of the Northeast Interstate Dairy Compact. This issue is one of critical importance to the dairy farmers of New Jersey. It is rare that I come before this body to talk about issues affecting our Nation's farmers, however this is an issue of extreme importance to my state and family farms nationwide.

Today New Jersey has less than 200 family dairy farms. These farms have been in families for centuries, and have been handed down from generation to generation. I've met with New Jersey's family farmers, from Sussex and Warren and Hunderdon Counties, and heard their concerns. I know how important they are to my State. Dairy farming is not an easy or lavish life. They milk 7 days a week, 365 days a year, starting out long before dawn, before most of us are out and about.

These courageous farmers want to keep their farms, and pass them down to their children. However, without our help, they will not be able to realize this dream. The family farm is the backbone of agriculture in New Jersey; however, today, it is on the verge of extinction. In fact, New Jersey has lost 42 percent of its dairy farms in the past decade.

Erratic fluctuations in the prices dairy farmers receive for their raw milk is causing such losses that these farmers are forced out of business. These farms produce over 289 million pounds of milk each year, but as prices decline and costs continue to increase, farmers need help to stabilize milk prices for survival. Without a mechanism to ensure stable prices for milk, New Jersey's family dairy farms will be forced out of business.

However, this problem is not unique to my State. Family farms all across the country are hurting. Our Nation's dairy farmers recently experienced a 37 percent drop in the price they receive for their milk. This presents a dilemma for family farms, which must still pay the same amount to feed their cows, hire help, and pay utility costs. This enormous strain will no doubt force some dairy farmers out of business.

We must protect America's family farms, and ensure the future vitality of America's dairy industry by re-authorizing and expanding the Northeast Interstate Dairy Compact. I am hopeful that my colleagues will consider the farmers of my state when this issue is debated in conference.

Ms. COLLINS. Mr. President, I rise today in support of the Jeffords amendment to delay implementation of the final pricing rule on Federal milk market order reform. The intent of this amendment is to delay the expiration of the Northeast Dairy Compact. I am proud to be a strong supporter of the Compact, which is a proven success that is critical to the survival of dairy farmers in Maine and throughout New England.

First approved by Congress in the 1996 farm bill, the New England Dairy Compact already has a proven track record of quantifiable benefits to both consumers and farmers. The Compact works simply by evening out the peaks and valleys in fluid milk prices, providing stability to the cost of milk and ensuring a supply a fresh, wholesome, local milk.

This past year, the Compact has proven its worth to both dairy farmers and consumers. As prices climbed and farmers were receiving a sustainable price for milk, the Compact turned off, allowing the market to function through principles of supply and demand. But when prices dropped sharply, the Compact was triggered to soften and slow the blow to farmers of an abrupt and dramatic drop in the volatile, often unpredictable milk market.

Consumers also benefit from the Compact. Not only does the Compact stabilize prices, thus avoiding dramatic fluctuation in the retail cost of milk, it also guarantees that the consumer is assured the availability of a supply of fresh, local milk. We've known for a long time that dairy products are an important part of a healthy diet, but recent studies are proving that dairy products provide a host of previously unknown nutritional benefits. Just as we are learning of the tremendous health benefits of dairy foods, however, milk consumption, especially among young people, is dropping. It is a crucial, common-sense, first step to reverse this trend, for milk to be available and consistently affordable for young families.

Finally, the Compact, while providing clear benefits to dairy producers and consumers in the Northeast, has proven it does not harm farmers or taxpayers from outside the region. A 1998

report by the Office of Management and Budget showed that, during the first 6-months of the Compact, it did not adversely affect farmers from outside the Compact region and added no costs to Federal nutrition programs.

Mr. President, many of Maine's dairy farmers tell me that the Compact is critical to their long-term survival and ability to continue to maintain a way of life vital to rural communities. On behalf of these farmers and consumers throughout New England and the country, I urge my colleagues to support the Jeffords amendment.

Ms. SNOWE. Mr. President, I rise in support of extending the Federal Milk Marketing Order system for one year, and in support of the preservation of small family dairy farms throughout Maine and all of New England.

As you are aware, Mr. President, the Farm Bill of 1996 authorized the USDA Secretary to fundamentally revisit the federal Milk Marketing Orders, which is a regulation voluntarily initiated and approved by a majority of producers in a given area. The regulation places requirements on the first buyers or handlers of milk from dairy farmers, such as processors who distribute fluid milk products in a designated marketing area. One of those requirements is that handlers must pay an assigned minimum price according to the use of the milk. Also, a milk order requires that all payments by handlers be pooled and the same average price is paid to individual dairy farmers.

On January 30, 1998, the USDA proposed two options to reform differentials, including Option 1–A that closely reflects the current program, which is a market-oriented option for fluid milk prices, and Option 1–B that would be accompanied by transition assistance for dairy farmers. I immediately heard from Maine dairy farmers, who asked for my support for the Option 1–A differential because it is the fairest and most equitable pricing option for them as it stabilizes prices for dairy farmers and ensures that consumers do not pay higher milk prices in the supermarket.

My response was to join 60 other Senators on April 29, 1998 and send a letter to USDA Secretary Glickman in support of Option 1–A, saying that the other option, Option 1–B, would further reduce the price of milk received by farmers in almost all regions of the country, thereby reducing local supplies of fresh, fluid milk and increasing costs for consumers.

My actions the previous year, 1997, were the same as I joined 47 other senators, in writing to Secretary Glickman stating that Option 1–A was the most viable and economically sound approach to the future pricing of fluid milk.

When the USDA announced its final rule on March 31, 1999, it selected a form of Option 1–B that will reduce monies to dairy farmers in New England by at least 2 percent. The final rule will become law in October unless there is Congressional action to stop the final rule. I believe the Congressional action to extend the Milk Marketing Order system until October 1, 2000—which also extends the Northeast Dairy Compact until that time—is required so that there is an appropriate time period to assess such a major and potentially devastating change to the pricing formula for producers throughout my region, and other regions as well.

I am currently a cosponsor of S. 1256, Senator COVERDELL's bill that will implement Option 1–A for Class I fluid milk as part of the implementation of the final rule to consolidate the federal Milk Marketing Orders.

Mr. President, since the Northeast Compact was put in place in 1996, there has been no groundswell of opposition from the consumers of New England, but they have actually preferred to protect a cultural way of life for the region. In addition, for this August, the Maine dairy producers will be receiving an extra $2.28 per hundred weight for their milk because the Compact is currently in place—and this is still not bringing in enough money to the dairy farmers to meet their cost of production. No one is getting rich off of the Compact, Mr. President, but they will get poorer or go out of business after this October if the Compact is allowed to expire.

The Compact has only helped stabilize the dairy industry in the Northeast and protected farmers and consumers against volatile price swings. The Compact has protected against the loss of small family owned dairy farms and protected against a decrease in the fresh local supply of milk at a fair price for consumers.

Mr. President, Maine had over 2,000 dairy farms in the 1980s. We now have less than 500. The Compact has helped stem the tide of the loss of small family owned dairy farms—and a way of life. We have been talking on the floor for two days now about how natural disasters are affecting the family farmer. I urge you not to create a manmade disaster by allowing the Northeast Compact to expire. I urge my colleagues to support the extension of the federal Milk Marketing Orders—which will also extend the Northeast Dairy Compact—and I thank the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Vermont has 10 minutes remaining.

Mr. LEAHY. Will the Senator yield me 1 minute?

Mr. JEFFORDS. I yield 1 minute to the Senator from Vermont.

Mr. LEAHY. The distinguished Senator from Wisconsin and his colleague discussed the National Farmers Union. I hope everybody reads the letter dated June 18, 1999, because it says:

> . . . we support legislation to establish dairy compacts and amend the federal order system if those provisions are coupled with the legislation to establish the dairy support price of $12.50 per hundredweight.

Even though my distinguished colleagues from Wisconsin quote from the National Farmers Union as somebody we should be listening to, my colleagues specifically oppose what the National Farmers Union says they want. I would vote for that NFU proposal in a minisecond; I had hoped that since the NFU proposal benefits all dairy farmers that we could have worked together on this. But the distinguished Senator from Wisconsin opposes it.

There are a lot of quotes going around here. The National Grange strongly supports the Northeast Dairy Compact. They represent 300,000 members nationwide, and they say that ''regional dairy compacts offer the best opportunity to preserve family dairy farms.''

If we are going to quote some of these organizations, let us be honest in what they say. They support the dairy compacts. These farm organizations strongly support it. A few processors and the Senators from Wisconsin do not.

Mr. JEFFORDS. Mr. President, I yield 1 minute to the Senator from New York.

Mr. SCHUMER. I thank the Senator from Vermont for yielding.

I rise today to express my strong support for the dairy compact and urge my colleagues to vote for cloture on the dairy amendment offered by Senators LEAHY and JEFFORDS. I believe the dairy compact will not only help stem the tide of farm closures but will help New York consumers by halting the trend of consolidation within the dairy industry into a few large farms that control most of the market. This proposal gives two hopes for New Yorkers: 1–A, which is far better for us than 1–B; and second, if the dairy compact is kept alive, we hope to be added. We realize that because of technical rules, we couldn't do it here, but we are hopeful that will go forward.

In conclusion, I am well aware of the strong objections of my colleagues from Wisconsin and Minnesota. But for upstate New York, one of the few areas of the country losing population and not sharing in the Nation's current prosperity, the dairy compact is a matter of economic survival. I sincerely hope that we can find some common ground——

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. SCHUMER. That will allow the dairy industry to prosper in both regions.

The PRESIDING OFFICER. Who yields time?

Mr. KOHL. Before I yield to the Senator from Minnesota, I will quote from the National Farmers Union letter:

> . . . with the passage of the Jeffords amendment, dairy farmers across the nation could be left without any federal marketing order that could risk destroying the remnants of the dairy safety net.

The National Farmers Union is not supportive of the Jeffords amendment. It is categorically clear. I yield up to 3 minutes to Senator WELLSTONE.

Mr. WELLSTONE. Mr. President, to add to what my colleague said from the same letter:

> We have deep concerns about pitting region versus region in agricultural policy, especially dairy policy. We strongly encourage a policy that will benefit all dairy producers nationally.

I don't have time to engage in a long discussion by way of policy. There is just no time for doing that. Let me make an appeal to my colleagues. In Minnesota, we have 8,700 dairy farmers. We rank fifth in the Nation's milk production. It is $1.2 billion for our farmers. We are losing three family farmers a day.

What the Secretary of Agriculture is now trying to do is change the milk marketing order system, in the words of the Farmers Union, that will benefit dairy producers nationally, to try to bring about some fairness. Now what we have is an effort on the part of some of my colleagues to basically block the Secretary of Agriculture from implementing this reform.

I say to every single colleague, Democrat and Republican alike, I don't have time to argue all of the policy implications, but I make an appeal as a Senator from Minnesota to not vote for cloture. I make an appeal as a Senator from Minnesota to support the kinds of changes that the Secretary of Agriculture is trying to make that will bring about some fairness and won't pit region against region and will give dairy farmers in our country, family farmers, a chance to make it.

This is an incredibly important question for my State of Minnesota. Other Senators would argue the same way if it were their State. I hope they will vote against cloture, and I appeal to them to do so.

Mr. KOHL. Mr. President, how much time is remaining, please?

The PRESIDING OFFICER. Eight minutes remain for the opponents; 2 minutes 49 seconds for the proponents. The Senator has 8 minutes.

To correct that, the Senator from Wisconsin has 2 minutes 45 seconds.

Mr. KOHL. And the other side?

The PRESIDING OFFICER. The other side has 8 minutes.

Mr. KOHL. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, this is my 20th year dealing with dairy programs, and I understand the confusion that results in Members' minds who have not been in this body or had the exposure of sitting on the Agriculture Committee. Let me try to correct, as best I can, some of the statements that have been made.

First of all, this amendment conforms with the dictates of rule XVI. We cleared that with the Parliamentarian. Also, the amendment is legally sound and the intent is clear. The letter from USDA was expected, as will be further lawsuits. What they state in the last part of the letter is: Rescinding the order presents novel questions which will require further analysis.

Let me correct the situation about who makes the money in this country with respect to the dairy farmers. For each period of time the USDA reports what the mailbox price is to the dairy farmer. They go region by region. The charts that we have seen show that, for instance, New England, in 1998, received $14.89 per hundredweight, 10 cents below the national average. More importantly, the Midwestern farmer received $15.27 per hundredweight average, 28 cents above the national average. So who is making money right now? They are making money, not us.

Incidentally, the American Farm Bureau supports the 1–A option, which is all this is about. This is a cloture vote. It is designed for us to have an opportunity to demonstrate the importance and the necessity to Vermont and New England and the whole country that we must change what now is in the offing. The dairy farmers, as this chart shows, will be devastated, as will be the rest of the country. The only exception is where? Minnesota and Wisconsin and surrounding areas. They are the ones that are going to make the money if we can't change this situation.

Also, the compact has worked extremely well. California, for instance, is so big as a State they don't need a compact, but they are doing exactly what the six States in New England are doing. Theirs is working fine. And the New England compact is working fine.

Incidentally, the opponents asked for a study. The study they wanted was from OMB, from whom they thought they would get a friendly study. They did a study of the compact. What did they find out? The compact worked fine. It worked well. It has helped save the farmers. The consumers had a 5-percent lower price than the rest of the country. Why? Because the States got together. They formed a compact. They take care of matters by having consumers on board and everybody sets the price. It is working beautifully. That is why almost half the States in the Nation decided to take a look and said, hey, this is a good idea. We ought to have compacts. We can protect our consumers. We can protect our farmers. Vermont has demonstrated to the country a way to help dairy farmers. We ought to have that opportunity. All we are talking about is a chance to do that, a chance to get everybody together for a lengthy, solid debate which is allowable when you get cloture.

This issue is only cloture, so that we can discuss these things and remove all of the statements that have been made which are contrary to the facts.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. KOHL. Mr. President, I yield 1 minute to the Senator from Minnesota.

Mr. GRAMS. Mr. President, I will talk a little bit about the numbers the Senator from Vermont was using. He said that somehow right now Minnesota and Wisconsin dairy farmers are making more money than the other farmers around the country. That is simply not true. By $2, $3, $4 per hundredweight, the rest of the country is getting more money today than what Minnesota and Wisconsin dairy farmers are allowed to receive for their milk.

And that is why I say under this old, arcane program, if we were going to go start a new dairy program today, it would never look anything like this. But when they say we are getting more money, that is not true. They are way up in prices, $17, $18, $19 a hundredweight for milk, and we are at $10, $11, $12, $13. If ours comes up 20 cents a hundredweight under this arrangement and theirs stays about the same, we are not even close to them yet.

So this is a very small move in the right direction for reforms. But it by no means is putting Minnesota or Wisconsin ahead of anybody in the country. I still think it is unfair for all the other States under this old program to stand and discriminate against dairy farmers in Minnesota and Wisconsin. We want fairness in this program—nothing more, nothing less.

Mr. KOHL. Mr. President, I reserve the remainder of our time.

Mr. JEFFORDS. How much time remains?

The PRESIDING OFFICER. Four minutes remain.

Mr. JEFFORDS. I yield 2 minutes to the Senator from Vermont, Mr. LEAHY.

Mr. LEAHY. Mr. President, to reiterate, we have to wonder what is going on. I know the upper Midwest massively overproduces milk. We are simply asking to produce the milk we are going to consume in our area. They massively overproduce it. As the Minneapolis Star Tribune explained, Minnesota farmers want to sell ''reconstituted milk in Southern markets.'' They talk about drawing water out and shipping down some ''glop.'' I will let the reporter of debates figure out how to spell that. I don't know how. It sort of looks like it sounds.

All we want is fresh milk in our region. We are not trying to take over any other part of the country. We have something that we have proved works. It doesn't cost the taxpayers anything. It helps stabilize farm income. Consumers have a voice in it and like it in the area. All we are saying is let us make some determination in our own part of the world. We are talking about billions and billions of dollars in farm aid in this bill. The amendment that Senator JEFFORDS, Senator LOTT, and I, and others support says we don't want any Federal money; we want to set things the way we are now doing it, protecting our consumers and our farmers.

Mr. President, I know the Upper Midwest massively overproduces milk—

they overproduce far more than they can consume—and thus want to sell this milk in the South.

I have read the press reports about how they want to dehydrate milk—take the water out of milk—and then hydrate it by adding water in distant states. The Minneapolis Star Tribune explained that Minnesota farmers want to sell ''reconstituted milk in Southern markets.''

The article from February 12, 1992, points out that ''technology exists for them to draw water from the milk in order to save shipping costs, then reconstitute it.''

Regular milk needs refrigeration and weighs a lot and is thus expensive to ship. Also, only empty tanker trucks can come back since nothing else can be loaded into the milk containers.

But dehydrated milk can be shipped in boxes.

By taking the water out of milk, the Upper Midwest can supply the South with milk.

I realize that according to a St. Louis Post-Dispatch article in 1990 that Wisconsin farmers defended the taste of reconstituted milk. The article points out that Dan Hademan, of Wisconsin, ''says fluid milk should be treated the same nationwide, whether it is fresh whole milk or reconstituted milk.''

That article notes ''Upper Midwest farmers say technological advances in making powdered milk and other concentrates has improved the taste and texture of reconstituted milk.''

However, the House National Security Committee had a hearing on this reconstituted milk issue in 1997. I will quote from the hearing transcript:

> . . . the Air Force on Okinawa decided that the reconstituted milk was not suitable for the military and as a quality of life decision they closed the milk plant and opted to have fluid milk transported in from the United States.

There was a great article in the Christian Science Monitor a few years ago that talks about the school lunch program. It mentions the first time that the author, as a first-grader, was given reconstituted milk.

He said: ''Now, I like milk. . . . But not this stuff. Not watery, gray, hot, reconstituted milk that tasted more like rusty pump than anything remotely connected with a cow. We wept. We gagged. We choked.''

The second problem with the strategy of Wisconsin and Minnesota farmers selling their milk down South is what about ice storms or snow? What happens when flooding or tornado damage or other problems stop these trucks laden with milk?

Southern parents might not be able to buy milk at any price any time an ice storm hits the Upper Midwest if the South does not have fresh, local, supplies of fresh milk. Just remember the panic that affects Washington, D.C., when residents think we might get what is called in Vermont a ''dusting of snow.''

Most Americans do not remember why Friday, March 5, 1999, is significant. But most dairy farmers will remember that date as long as they live.

On that date, the Department of Agriculture announced the largest cut in milk prices ever—a month-to-month drop of $6.00 per hundredweight.

This was the largest month-to-month drop in history—yet retail store milk prices remained high. Processors made huge windfall profits. And, while the milk prices received by farmers dropped by almost 40 percent the prices stores charged to consumers hardly dropped.

Imagine a month-to-month drop in other commodity prices of almost 40 percent. Imagine what that would do to your family farmers.

The only region in the country that enjoyed some modest protection against this huge drop in farm prices was New England—because of the Northeast Dairy Compact.

Half of the states have approved a similar system regarding dairy pricing. While a regional diary compact does not offer complete protection against huge and unexpected drops in the price of milk for farmers, it does provide a modest measure of relief.

It is a safety net that prevents farmers from hitting rock bottom.

THE COMPACT INCREASED INTERSTATE TRADE

Contrary to the views of opponents of the compact, note that OMB reports that the Northeast Compact has increased interstate trade in fluid milk.

This only makes sense. Dairy farmers fortunate enough to be living in states neighboring the Northeast compact region have increased milk sales into the compact area to gain the benefits of the higher compact price. OMB reported an 8 percent increase in trade—increased sales of milk into the compact region from New York and other neighboring states to take advantage of the higher prices.

If other states could trade places with New York, I am certain that those farmers would quickly figure out that they should sell milk into the Compact region to take advantage of the modestly higher benefits of the compact.

The Northeast Compact does not cost taxpayers a single cent. This is different from the costliness of many farm programs.

If you support farmland protection programs, regional compacts are the answer. Major environmental groups have endorsed the Northeast Dairy Compact because they know it helps preserve farmland and prevent urban sprawl.

And if you are concerned about the impact of prices on consumers, regional compacts are the answer. Retail milk prices within the compact region are lower on average than in the rest of the nation.

The Northeast Compact has done exactly what it was established to do: stabilize fluctuating dairy prices, ensure a fair price for dairy farmers, keep them in business, and protect consumers' supplies of fresh milk.

Many of our friends in the South have seen how the compact provides a modest but crucial safety net for struggling farmers. They, too, want the same for their farmers, and their farmers deserve that same opportunity.

Congress should not stand in the way of these state initiatives that protect farmers and consumers without costing taxpayers a penny.

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

Mr. JEFFORDS. Mr. President, how much time remains on the opposition side?

The PRESIDING OFFICER. One minute 45 seconds for the opposition, and 2 minutes remain on the Senator's side. If neither side seeks recognition, time runs equally.

Mr. JEFFORDS. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Vermont is recognized for 1 minute.

Mr. JEFFORDS. Mr. President, I think it is important to understand why we are here. First of all, this is a cloture vote. There are obvious disputes and they ought to be resolved. But complicated issues such as this can't be resolved in 40 minutes. We need to have a full debate on these issues. It is important to dairy farmers and all farmers. We must not end today by refusing to allow us to go forward, to take the Vermont/New England compact, a model that is being looked at by States all over the country because it works so well to protect its farmers and consumers. We should be able to debate that fully and not to run out of time by virtue of the rules.

In addition to that, this chart shows it all. It shows who is going to win and lose.

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

Mr. KOHL. Mr. President, before I close, I want to make it known that some other Senators, including Senators LUGAR and GRASSLEY, wanted to be down on the floor to speak in favor of this side, but they could not get here.

I simply want to say to my colleagues, if we invoke cloture on this bill now, then we will kill the bill. But if we pass the Jeffords amendment, I believe we will kill the dairy industry.

I urge my colleagues to vote no on cloture.

The PRESIDING OFFICER. Who yields time? One minute remains on each side.

Mr. KOHL. I yield to Senator CRAIG.

The PRESIDING OFFICER. The Senator from Idaho.

DAIRY COMPACTS; ANTICONSUMER, ANTIFARMER, REGIONALLY DIVISIVE, CONTRARY TO THE HEART OF THE CONSTITUTION, INEFFECTIVE AND INEFFICIENT

Mr. CRAIG. Mr President, I rise today to make a few remarks concerning dairy compacts.

When most people think of dairy states they think of Wisconsin, Vermont, or Minnesota—not California, Texas, or Idaho. However, Idaho is now sixth in total milk production,

just ahead of Texas. Dairy cow numbers in Idaho are projected to grow from 292,000 in 1988 to 398,000 in 2008. While potatoes are still ranked first as the top agriculture commodity in Idaho, dairy products are a close second. I tell you this so you know that dairy policy is important to me and my state.

Although I am speaking, in part, on behalf of the interests of Idaho dairy farmers, let me assure you that the national debate about dairy compacts is far more than just an old fashioned regional squabble between Northeast and Southern dairy interests, on the one hand, and the interests of the rest of the country's dairy farmers, on the other. This debate is all about whether the Senate will say ''enough is enough'' and put an end to an incredibly bad policy proposal.

In my 19 years in Congress I cannot remember any major farm legislation that has been as overwhelmingly contrary to the interests of farmers, consumers, public health, the U.S. economy, and our Constitution as the amendment to extend and expand interstate dairy compacts. This is a lose, lose, lose situation if there ever was one. It's bad for the country and it's bad for the Senate, which it is needlessly dividing along regional lines.

An expanded Northeast Compact and a new Southern Compact will combine to impose an enormous milk tax on consumers in compact states. If compact commissions raise prices to the limit allowed by the proposed amendment, the costs to Eastern, Mid-Atlantic and Southern consumers would be enormous. Based on USDA data and USDA's estimates of milk prices for the rest of this year and for next year, the costs could soar to as high as $2.6 billion a year.

It only gets worse. Higher milk prices there will reduce milk consumption and increase milk production. Consumers will lose in two ways; they will have to pay more and they will drink less of a calcium-rich product. That's not very good public policy at a time when the National Academy of Sciences is urging Americans to take steps to eliminate their dangerous calcium intake deficit. The scope of the consumption decline is suggested by a January 1999 study of the economic impacts of an expanded Northeast Dairy Compact and a new Southern Dairy Compact conducted by the University of Missouri's Commercial Agriculture Program. The study was endorsed by the federally funded Food and Agricultural Policy Research Institute, otherwise known as FAPRI. Findings of that study suggest that milk consumption could drop by more than 200 million gallons a year if compacts expand into the Mid-Atlantic and Southern states.

The damage doesn't stop there. It reaches into every corner of the nation. Because dairy farmers in compact states will get paid more, they will produce much more milk. If you doubt that, just look back to what happened when Congress pushed milk prices to unprecedented levels in the 1980's. Increased production and lower consumption will mean that the nation, which already had record milk production last year, will be awash in milk.

That impact is even worse for dairy farmers in states like Idaho, which are not covered by dairy compacts. First of all, their incomes will be drastically reduced because dairy compacts ultimately drive everyone else's milk prices down. As milk production increases and consumption drops in dairy compact states, the nation's milk surplus will grow and milk prices will fall. The University of Missouri study showed that dairy farms in states outside of dairy compact regions would lose $310 million in the first year alone. And that study was based on an unrealistically-low, minimum, dairy compact price hike. It also did not include all of the states covered by today's amendment. If all states are included and compact commissions boost prices as high as the proposed legislation would allow, the loss of income will be roughly four times as large as estimated by the Missouri study.

In addition, the overproduction in dairy compact states will flood the market in compact states with dairy products made from surplus milk produced in compact states. That means sharply less market access for low-cost, efficient dairy farms in the Upper Midwest, Plains, and Mountain regions. Just like all protectionist schemes, dairy compacts penalize efficiency and reward inefficiency.

If this seems hard to believe as we head into the 21st century, just remember this: by definition, dairy compacts prevent cheaper milk, produced by more-efficient farmers in noncompact states, from entering into compact states at less than the compact price. Dairy compact proponents argue that dairy compacts do not impose interstate trade barriers because they allow other states to sell milk into compact regions at the compact price.

Technically that's true. In practice, it's completely misleading. The problem with the argument is that the increased production caused by higher prices in compact states will virtually eliminate the local demand for milk from efficient producers outside of compact states. While the market remains open in theory, compact states will be saying to Idaho and other noncompact farmers, ''sorry, but we don't need your milk anymore.'' Let's face it, dairy compacts are nothing more than a mean spirited attack on other states, skillfully disguised as a cure for small dairy farmers.

If the regional inequities and schisms created by interstate dairy compacts are not reason enough for my fellow senators to reject this amendment, then I hope you will vote against it simply because it violates the basic premises of our Constitution. The establishment of regional trade barriers through interstate dairy compacts would undermine the interstate competition that fostered the birth of the nation and that has been so critical for the sanctity of our Constitution. No amount of repeating the unsupportable claim that interstate dairy compacts are a manifestation of states' rights will make it so. The Founding Fathers would surely cringe if they were subjected to that argument in defense of dairy compacts. They knew that the nation would not last if they permitted some regions to be walled off at the expense of others. That's why they rejected an Articles of Confederation and chose a Constitution anchored by the Interstate Commerce Clause. That's also why three Constitutional scholars who appeared at a House Judiciary Subcommittee hearing last week testified against interstate dairy compacts.

If dairy compacts pit region against region in the Senate, damage dairy farmers in noncompact states, cause great harm to consumers, and undermine the Constitution, then why are we even having this debate? It should be an open and shut case. Perhaps it has to with the desire of some of my colleagues to do something for the small family dairy farmers in their states. That may be an important objective. However, make no mistake about it. Dairy compacts are a terribly inefficient and ineffective way of achieving that goal. If you want to help small dairy farms, this is the worst way to do it.

The chart on my right (left) makes this abundantly clear. Here are 14 of the 28 states that the proposed amendment would allow to join the Northeast and Southern Dairy Compacts. The chart shows that small farms—those with less than 50 cows—on average, would receive only between $1,100 to $5,200 a year from dairy compacts. This is hardly surprising since each farmer receives the same price increase for every gallon of milk they produce. Thus, the large farms receive huge subsidies, while the small farms receive only a drop in the bucket. The bottom line is that a few thousand dollars in extra income is not sufficient to ensure long-term economic viability for these small farms.

The Commissioner of Agriculture in Massachusetts, who is a member of the Northeast Dairy Compact Commission, seems to agree. Last October, he put before the Commission a formal proposal that would have redistributed the Compact's revenues away from big farms and to the small farms. The proposal, which was essentially dead on arrival, has never been adopted. Why? Because dairy compacts have nothing to do with saving small family farms.

For the sake of argument, however, let's assume that the primary goal of dairy compacts is to increase the incomes of small family farms. That would make sense since the Census of Agriculture reveals that in New England, Mid-Atlantic states, and the South, 76%, 86% and 88% of the farms

that have left the dairy business since 1982 have had less than 50 cows. Clearly, small dairy farmers are the most vulnerable ones. Let's also assume, for the sake of argument, as compact proponents insist, that dairy compacts keep small farms in business.

Then we can answer the question: is this a good use of the public's money. If we look at the table to my right (left), we can see how amazingly inefficient dairy compacts are at transferring money to small dairy farms. The relevant question here is: how much do dairy compacts cost consumers for each small dairy farmers saved? The answers provided in the table are alarming. For the 14 New England, Mid-Atlantic and Southern states it takes anywhere between $90,000 and $632,000 a year in higher milk prices to provide a single small dairy farmer with a meager subsidy of only $1,000 and $5,200. At the extreme, for every one dollar of subsidy the compact gives to a single small dairy farmer, it costs the public roughly $632 in higher milk prices! $632 dollars spent to achieve a one dollar impact! That is truly a public policy embarrassment!

Is this really how the Senate wants to force the public to spend their money? I certainly hope not! Dairy compacts give new meaning to the expressions ''bureaucratic ineptness'' and ''government inefficiency''. Remember the legendary stories about the Pentagon spending thousands of dollars for a toilet seat? When you take the time to look at the evidence, it becomes clear that dairy compacts make those expenditures look efficient by comparison. This is surely not the legacy that any members of this body will want to carry with them through their careers.

In closing, this is no way to legislate dairy policy. We need to work on a national policy that is fair to all farmers and that makes us more competitive on the world market. Dairy compacts are anti-consumer, regionally divisive, anti-farmer, contrary to the heart of the Constitution, ineffective and hopelessly inefficient. I urge Senators to vote no on the Jeffords amendment.

Mr. President, again, when we think of dairy, oftentimes we think of Wisconsin, Minnesota, and Vermont. Let me tell you when we think that way, we are not thinking total because California, Texas, and Idaho are some of the leading dairy producers in the Nation. My State is sixth in the Nation right now and growing very rapidly into fifth place, and within a few years it could even be fourth place.

What is being proposed today is not good for our Nation's dairy industry. It is regionalism at its worst. It is establishing economic barriers that don't allow the reasonable flow of commerce, and while it is early on argued as good for producers, let me suggest that in the end when you create these barriers it is wrong and bad for producers. When we struggle to create agriculture policy in this country, we struggle to create uniformity.

In the dairy industry, uniformity is critically important for the growth and the overall strength of that industry, both for the producers and for the consumers.

I hope we will oppose the cloture motion.

Mr. President, I ask unanimous consent to print a chart on the effects of the compact on small dairy farms.

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

DAIRY COMPACTS ARE THE WORST WAY TO TRY TO HELP SMALL DAIRY FARMS

State	Annual consumer cost of compacts (in millions)	No. farms with less than 50 cows	Annual compact subsidy per small farm	Annual consumer cost to save one small farm
AL	$20	52	$1,100	$385,000
CT	14	100	3,800	140,000
FL	43	68	2,500	632,000
GA	35	176	3,900	199,000
LA	16	143	4,000	112,000
MA	27	157	4,300	172,000
MD	25	256	1,200	97,000
MS	12	115	5,000	104,000
NJ	38	67	3,400	567,000
NC	35	180	5,100	194,000
SC	17	60	4,300	283,000
TX	82	603	2,900	135,000
VA	32	355	5,200	90,000
WV	12	134	4,700	90,000

The PRESIDING OFFICER. The Senator from Vermont has 1 minute.

Mr. JEFFORDS. Mr. President, I must state a deep disagreement with my friend from Idaho. We are not talking about any kind of limitations at all. The compact we have in Vermont allows anybody to be able to come and sell in our market. We are talking about the ability of States to do what California and Idaho already do because they are so large, and that is to have their own milk orders. All we want to do is be able to form together—and I point out that when the opposition asked OMB to make a determination as to whether or not our farmers were in any way, through this pact, violating anything, they came back and said it would even save money for some. Look at this chart. This is the end. This shows what happens. If you go with 1–B instead of 2–A, the whole country, including Idaho, loses money. Why my good friend wants to have his farmers lose money, I don't know.

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

Mr. JEFFORDS. I urge a vote for cloture so we can fully debate this.

CLOTURE MOTION

The PRESIDING OFFICER. The clerk will report the motion to invoke cloture.

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 the pending motion regarding the dairy compact amendment:

Trent Lott, Jim Jeffords, Susan M. Collins, John H. Chafee, Fred Thompson, Richard Shelby, Olympia J. Snowe, Christopher Bond, Jesse Helms, Paul Coverdell, John Ashcroft, Strom Thurmond, John Breaux, Jay Rockefeller, Arlen Specter, and Patrick Leahy.

CALL OF THE ROLL

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

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the motion to recommit the bill, S. 1233, with instructions to report back forthwith with an amendment, shall be brought to a close?

The yeas and nays are required under the rule.

The clerk will call the roll.

The legislative clerk called the roll.

The yeas and nays resulted—yeas 53, nays 47, as follows:

[Rollcall Vote No. 252 Leg.]

YEAS—53

Ashcroft	Gregg	Reed
Biden	Helms	Robb
Bond	Hollings	Rockefeller
Boxer	Hutchinson	Roth
Breaux	Hutchison	Santorum
Bunning	Inhofe	Sarbanes
Byrd	Jeffords	Schumer
Chafee	Kennedy	Sessions
Cleland	Kerry	Shelby
Cochran	Landrieu	Smith (NH)
Collins	Leahy	Snowe
Coverdell	Lieberman	Specter
Dodd	Lincoln	Stevens
Edwards	Lott	Thompson
Feinstein	Mack	Thurmond
Frist	Mikulski	Torricelli
Gorton	Moynihan	Warner
Graham	Murray	

NAYS—47

Abraham	Domenici	Kyl
Akaka	Dorgan	Lautenberg
Allard	Durbin	Levin
Baucus	Enzi	Lugar
Bayh	Feingold	McCain
Bennett	Fitzgerald	McConnell
Bingaman	Gramm	Murkowski
Brownback	Grams	Nickles
Bryan	Grassley	Reid
Burns	Hagel	Roberts
Campbell	Harkin	Smith (OR)
Conrad	Hatch	Thomas
Craig	Inouye	Voinovich
Crapo	Johnson	Wellstone
Daschle	Kerrey	Wyden
DeWine	Kohl	

The PRESIDING OFFICER (Mr. BUNNING). On this vote the yeas are 53, the nays are 47. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

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

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 1507

The PRESIDING OFFICER. The question is on agreeing to the Ashcroft amendment.

The amendment (No. 1507) was agreed to.

Mr. COCHRAN. I move to reconsider the vote by which the Ashcroft amendment was agreed to.

The PRESIDING OFFICER. In my capacity as a Senator from the State of Kentucky, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERTS addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

AMENDMENT NO. 1509 TO AMENDMENT NO. 1499

(Purpose: To make a perfecting amendment)

Mr. ROBERTS. Mr. President, I send a second-degree amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Kansas [Mr. ROBERTS], for himself, Mr. SANTORUM, Mr. CRAIG, Mr. GORTON, Mr. BURNS, Mr. BROWNBACK, Mr. HAGEL, Mr. GRAMS, and Mr. GRASSLEY, proposes an amendment numbered 1509 to amendment No. 1499.

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

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

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

Mr. ROBERTS. Mr. President, we have had a great deal of discussion in regard to the kind of emergency assistance we would all like to see happen in the Senate. We have heard quite a bit of debate as to what is appropriate.

I have a package that has been endorsed by about six or seven Senators—Senator BURNS and Senator SANTORUM, more especially, who have been especially helpful—Senator CRAIG, Senator GRASSLEY, Senator GRAMS, Senator HAGEL, all of the cosponsors, to try to reach some accommodation. I am not sure, but perhaps we could conclude this debate and simply have a vote within, I would say, a half hour. I do not know what my friends and colleagues on the other side would say about that, but I make a recommendation and seek unanimous consent that debate on this amendment be for 30 minutes, with 15 minutes divided equally.

Could there be an agreement on that? I see the distinguished Democratic leader nodding his head.

Mr. DASCHLE. If the Senator from Kansas would yield.

Mr. ROBERTS. I would be glad to yield.

Mr. DASCHLE. I think a 30-minute timeframe, equally divided, would be appropriate. We have debated the issue now for some time. This is another iteration, in our view, that is completely unacceptable, but we would be happy to talk about it. Thirty minutes would be acceptable to us.

The PRESIDING OFFICER. Is there objection?

Mr. DORGAN. Reserving the right to object, I ask the Senator from Kansas if the amendment has been made available to others of us on the floor. I think the Senator mentioned seven Senators he has worked with, but is the amendment available at this point?

Mr. ROBERTS. Basically, the amendment is the same as I have discussed with my friend and colleague, with the addition of $400 million for disaster assistance, after talking to the Secretary of Agriculture as of this morning. But we have a summary of the amendment, and we will endeavor to make as many copies as we can during the debate.

I think most of my colleagues on that side—and we have been trying to work together—understand what is in the amendment. But without question we will make the copies available to you.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, after the disposal of the Roberts amendment, it is my understanding that there would then be room for amendments; is that correct? I ask the parliamentary situation after the disposal of the Roberts amendment.

The PRESIDING OFFICER. Yes, sir, additional amendments would be in order.

Mr. MCCAIN. I ask unanimous consent that my amendment be in order after the disposal of the Roberts amendment.

The PRESIDING OFFICER. Is there objection?

Mr. DASCHLE. Reserving the right to object, could the Senator share with us what his amendment is about?

Mr. MCCAIN. It is the elimination of the sugar quota.

Mr. DASCHLE. I have no objection to the offering of the amendment.

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

Mr. MCCAIN. I thank my friend.

The PRESIDING OFFICER. The request is agreed to.

The Senator from Kansas.

Mr. ROBERTS. I thank the Chair.

I say to the distinguished Democratic leader, I would have hoped that he could have described my amendment as perhaps acceptable as opposed to the completely unacceptable amendment by the Senator from Arizona, and I would hope that would be the case.

It is my understanding now we have 30 minutes of time and 15 minutes on a side. I am going to yield time to the distinguished Senator from Pennsylvania who has been a real help to us in trying to put together an amendment that will be acceptable to all parties.

I do also thank my friends across the aisle, more particularly Senator DORGAN and Senator CONRAD and Senator HARKIN. We had a discussion yesterday. I know this amendment does not cross every ''t'' or dot every ''i'' in their eyes, but I would say to them that we on our side have tried to move at least to a compromise bill that could be worked out.

I had a telephone conversation with Agriculture Secretary Dan Glickman about 45 minutes ago. I want to point out that the Secretary of Agriculture, and many on the other side, and many on this side, have had the opportunity to work on many farm bills together.

There have been 13 emergency or supplemental bills in the last 10 years in regard to agriculture. That shows you the tremendous change that occurs in global agriculture. We have worked together on many of these bills. Secretary Glickman and I are very good friends. We have very strong differences of opinion from time to time; there is no question about that, but we have tried to work together as a team on behalf of agriculture.

In regard to this debate, I suggest to everybody that today is the day for compromise and teamwork on behalf of our hard-pressed farmers and ranchers. I do not think they want us debating over and over again the philosophy or the ideology in regard to farm bills. What they want is emergency assistance, and we can then address the problems that we have all talked about in regard to a long-term agenda on behalf of agriculture.

Today is not the day to express strong opinions about the current farm bill or assess blame or make the political rhetoric. We have had those days.

Today is the day to pass an emergency bill. Senators BURNS and GORTON and SANTORUM and GRASSLEY and GRAMS and HAGEL and I have offered an amendment, now endorsed by the National Association of Wheat Growers, the American Soybean Association, and the American Farm Bureau. Obviously, we have not had enough time to contact all of the commodity organizations, all the farm groups. But I think, without question, most of the farm groups, if not all, certainly support this approach.

What does it do? The purpose of this amendment is to provide direct income assistance to farmers and ranchers in the fastest way possible. I know my colleagues across the aisle would prefer a different way, or at least a portion of this assistance to come in a different way, in what is called the LDP program. That is an acronym for the Loan Deficiency Payment.

This amendment does provide the assistance through the transition payment, which will provide assistance to farmers in 10 days. We went the LDP route during the last emergency assistance—or to be more accurate, there was emergency assistance granted in the last emergency bill.

It took the Secretary of Agriculture 6 to 8 months to get assistance to farmers. We do not need to do that. So it is the fastest way possible. As I have indicated, it is through the structure called the additional transition payments that are contained in the farm bill. It does it with additional payments of 100 percent.

Let me say something about the 100 percent for those farms that are in program crops. It means not only do you get a transition payment; you get another transition payment 100 percent

equal to that. I will venture to say, with that payment most farmers in America, in terms of wheat and corn and your basic crops—and, yes, in regard to cotton and step 2, which is another program—that extra income assistance will move those prices at least to the cost of production and maybe even more.

As opposed to other amendments, this approach that has been offered does not change current farm program policy. You do not need to rewrite the farm bill during the appropriations process or during an emergency bill.

You may have very strong beliefs about this farm bill. I do. But now is not the time to rewrite the farm program in regard to this emergency bill. We can do that next year. I hope we do not in the middle of an election year, but obviously people have strong beliefs. I do not believe this is the appropriate place.

The bill also provides assistance to soybean and oil seed producers. It provides assistance to livestock producers, to cotton producers, with regard to the step 2 program that has been so eloquently described by the distinguished chairman of the Appropriations Committee, Senator COCHRAN, and to specialty crop producers and others who do not receive program crops.

I say to Senators paying attention—I hope they are, either in their officers or wherever they are—all of you who represent farmers who do not have program crops not covered by the farm bill, this amendment provides the most assistance to those who are in specialty crops and others. We do not go down every commodity and raise amendments such as the one that is going to be introduced by the Senator from Arizona. Some of these commodities, some of these programs raise a lot of objections. We have had historic debates in that regard. Let's not go down that path. We give money to the Secretary of Agriculture for specialty crops. Only the USDA can determine which of those crops, which of those regions really need the assistance. I think that approach is best.

Most important, it contains funds for crop insurance reform to keep the crop insurance premiums at current levels. We reduced them last year. They will spike up again. So we have money to keep those at that level.

I tell my colleagues, finally, those of us who have tried to keep this bill under $7 billion for budgetary concerns, we have also provided another $400 million for disaster assistance as a result of talking to the Secretary of Agriculture, who was in West Virginia with Senator BYRD yesterday. We have all seen on television the effects of drought. Anybody who comes from farm country understands the effects of drought. Secretary Glickman said: I need money immediately. So we provided $400 million. Will it be enough? I don't know. But at least in terms of that request, I think it is appropriate. As I say, Secretary Glickman was in West Virginia with Senator BYRD, and the need is very crucial. That brings the total of the package to $7.5 billion, but we have a drought on hand and we have an emergency.

All this assistance is provided without each commodity or specialty crop coming to the table in a bidding war. We have already had that, reopening, as I have indicated, the historic and unneeded debates of the past. Instead we have emergency assistance that will provide farmers needed assistance down the road. If you want to look at farm program policy in future debates with hearings, perhaps that is appropriate.

How much time does the Senator require?

Mr. SANTORUM. Three minutes.

Mr. ROBERTS. Mr. President, might I inquire how much time remains?

The PRESIDING OFFICER. Seven minutes.

Mr. ROBERTS. I yield 3 minutes to the distinguished Senator from Pennsylvania, who, I might add, is a valuable member of the Agriculture Committee and who talks with us continually about farmers who are not in the program crop arena, the value of crop insurance, and the value of disaster assistance, because there are some areas of the country that need assistance that are not covered by the farm bill. I thank the Senator for his contribution.

Mr. SANTORUM. I thank the distinguished former chairman of the House Ag Committee and obviously one of the most knowledgeable people on agriculture in this country. It has been a pleasure to work with him.

To pick up on the point he just made, I will speak to Senators who do not come from areas which have program crops, places such as Pennsylvania, many of them, places such as Pennsylvania, New York, and Maryland, and most of the New England States, where previous emergency packages had very little to offer for those of us who have farmers experiencing difficulty in that area of the country.

Obviously, we are experiencing horrible difficulties with the drought that is occurring in the Mid-Atlantic region. I did not vote for either of the packages yesterday because I didn't think they offered anything of real value to the farmers that I represent and to the region of the country that I try to represent on the Agriculture Committee. But this package does.

Three things the Senator from Kansas just mentioned: No. 1, the money for specialty crops—most of the crops that are grown in Pennsylvania are specialty crops; they are not program crops—$300 million; $400 million for help with crop insurance premiums. We need to get more people in the Crop Insurance Program in Pennsylvania. If my farmers said one thing to me overwhelmingly, it was: Of all the things you can do to help us, give us some money to help us begin to get into crop insurance, to begin to insure ourselves against these losses and against the fluctuations of the market.

Farmers want to be self-sufficient. They don't want disaster payments. They don't get AMTA payments. What they want is some mechanism where they can begin to control their destiny and ensure some income for their family. That is what we are trying to do, to help them in transitioning.

Finally, $400 million, as the Senator from Kansas just mentioned, for disaster assistance for this year's 1999 crops. Obviously, we have no idea what the extent of the drought is going to be and the damage, but it is going to be extensive. It is going to be very tough on our farmers in Pennsylvania and throughout the Mid-Atlantic States.

I say to all those Senators who represent that area of the country, you now have a bill you can vote for that is going to do something meaningful for your farmers. I hope we can get bipartisan support for this amendment and get this acted upon quickly.

I thank the former chairman and distinguished member of the Agriculture Committee for his terrific work on this amendment.

Mr. ROBERTS. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I will take a couple of minutes, and I think my colleague, perhaps both of my colleagues, would like to add a comment.

My hope has been, and still is, that we will have a bipartisan solution to this issue today. This is not such a solution.

A number of discussions have taken place with a number of Senators from both sides of the aisle. We face the same crises: collapsed prices in rural America and a drought that is spreading across our country.

There is not a Republican or a Democratic way to go broke on the family farm. It is just human misery and tragedy that allows those to lose their hopes and dreams and lose their farms because of economic collapse in Asia or price collapse in the U.S. or the worst crop disease of a century or a wet cycle that means 3 million acres can't be planted in our State this spring. It is not the farmer's fault. So we need to do something. The question is, What do we do?

We have had several different plans. This is the third, I guess, that will be voted on in the Senate. It is short on disaster aid, as we know. We know there is a disaster occurring. Turn on the television set and listen to the newscasts. They say it is the worst drought in a century in some parts of this country. We might as well be prepared to face that. We ought to add some of that to this legislation.

Second, my colleague, in his presentation of the amendment, talked about dollars going to producers immediately. As we all know, AMTA is going to get dollars to people who aren't producing. That is one of the problems.

AMTA is a payment scheme based on 1991 and 1995 production history. They are going to be sending money to the people who aren't producing anything.

One other point: My expectation is that this amendment does not change the payment limits. I wonder how many of my colleagues know that the potential, under this approach—and I am able to be corrected, if I am inaccurate—the potential under this approach is to pay $460,000 essentially to a farmer, $460,000 as a new payment limitation. The $80,000 payment limit under current law is doubled. So for AMTA and LDPs, the potential is $460,000 for a producer.

Who wants to tell a wage earner in some community someplace that we want you to pay taxes so we can give a little help to family farmers? And by the way, some might get $460,000. What kind of a payment limit is that? How does one describe this as help to family-sized farms?

We don't need to help agrifactories in America. We don't need a Department of Agriculture. We don't need a farm program. If our future is in agrifactories, we don't need to construct these kinds of programs or have a Department of Agriculture, for my money.

The purpose is to try to protect and help and nurture family farming as an enterprise in this country because it strengthens our country. But $460,000 in payment limits? A potential farmer will get $460,000? What kind of nonsense is this? My expectation is that it is still part of the amendment. My hope is that we will still have an opportunity for a bipartisan solution today.

Those of us who come from farm country, in both the Republican and Democratic Parties here, serve the same interests, have the same desire, and have the same passion to try to help family farmers get through this troubled period.

Mr. President, I yield the floor.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, how much time remains on our side?

The PRESIDING OFFICER. Eleven minutes 20 seconds.

Mr. HARKIN. Mr. President, I wonder if my friend from Kansas will yield for a couple of questions so I can better discern what we have here. I ask the author of the amendment exactly how this differs from the last package, the Cochran amendment, which is set aside right now. As I look at it, the difference between this package and what we voted on yesterday, the Cochran amendment, is $400 million for crop insurance premium reductions and $400 million for disaster payments for 1999 crop losses. Is that correct?

Mr. ROBERTS. That is correct. That is not all of the differences, but the Senator has accurately described two of the differences.

Mr. HARKIN. Well, I have looked at other things in the bill and I can't find any differences other than that.

Mr. ROBERTS. If the Senator will yield, what we tried to do with the approach, rather than specifically mentioning some of the crops that have been in controversy on the floor from time to time—and I am talking about sugar and peanuts and tobacco—we have simply provided a fund for the Secretary of $300 million for specialty crops and others not specifically mentioned elsewhere in the amendment.

In talking to Secretary Glickman as of this morning and going over specified funding for these crops, which may or may not need assistance in regard to weather problems or lost income problems, he indicated he would rather have that at his discretion. After all, it is the USDA, in the end result, that would be able to determine at the end of the crop years, after harvest, specifically what the situation is.

When I mention specific numbers for these particular programs, I am not going to indicate that the Secretary is endorsing this bill in total by any means, but I think his preference would be that he would have the discretion to address these as needed, as opposed to saying we are getting X number of dollars for this particular program. Then we get into a bidding war, and the Senator knows that is what has happened in the past.

Mr. HARKIN. Again, I ask the Senator, there was, if I am not mistaken, in the Cochran amendment $300 million for specialty crops; is that right? I thought that was in the Cochran amendment.

Mr. ROBERTS. If the Senator will yield, I don't have a copy of the Cochran amendment with me. In our original amendment it was $200 million. We increased that to $300 million. The Senator may be correct.

Mr. HARKIN. I am told it was $50 million in the Cochran.

Mr. ROBERTS. That is correct. I thank the Senator for reminding me.

Mr. HARKIN. The other point—and, again, I ask the Senator; maybe he can't figure it out now, but maybe his staff can pencil it out—as I look at the bill, you have reduced the livestock and dairy portion of the Cochran amendment from $325 million to $250 million.

Mr. ROBERTS. If the Senator has those figures, I am sure that is correct.

Mr. HARKIN. I am just looking, and it is hard to discern things sometimes in these bills. I am told by my staff the total amount of funds for livestock is reduced from $325 million to about $250 million. If I am wrong, correct me.

Mr. ROBERTS. I now have staff here; I now have my brains on the floor, so I am happy to respond.

Mr. HARKIN. In examining this amendment now before us, the difference is about $800 million, give or take a little bit. So while the package yesterday was about 6.9, this raises it to about 7.7, if I am not mistaken.

My opinion on this, Mr. President, is that while we are making some movements here, I think things are working right.

I yield again to my friend from Kansas.

Mr. ROBERTS. Mr. President, it is my understanding that the Cochran amendment had—I apologize to my friend and colleague because I don't have the specifics of the Cochran amendment here, and I should. Staff has informed me that there was $350 million for livestock payments at the discretion of the Secretary, and we provided $250 million. I am making an assumption, but most of the problems we are experiencing now are in the Senator's area in regard to hog producers.

In talking with Secretary Glickman today, I don't think we can make a determination yet as to where most of that money would go—the extra $100 million, if in fact we can call it extra. Well, it goes from $350 million to $250 million. It went to crop insurance, and it went to adding $100 million more on the disaster side. It was a matter of priorities.

Mr. HARKIN. I thank the Senator for clarifying that.

Again, I make the point that I think we do see some movement. I am still hopeful we can reach a decent compromise on these packages. I believe that is accomplishable. I think we can accomplish that.

I might just say that I think the $400 million in disaster payments for this year, I say to my friend from Kansas, is still inadequate, too low. From all of the indications we get from disasters up and down the east coast, in the Mid-Atlantic States, plus some of the disaster we have had out in North Dakota and other places, and flooding, as we have had in my State of Iowa, $400 million is simply not going to be enough to handle the disasters this year. I think we need to work a little bit more on that in terms of disaster payments for this year.

The $400 million you put in for the crop insurance, I applaud. We had that in our bill. I think that is a good measure. I am a little concerned about the payments for oilseeds. Here is where we get into the policy issue on the AMTA payments and LDP.

Mr. ROBERTS. May I ask a question of the Senator? Would he yield for a question?

Mr. HARKIN. I think I am probably running out of time.

Mr. ROBERTS. I will make it brief. We have $400 million for the disaster program. That is a commitment to agriculture to know that the Secretary can begin to work on the problem in the Atlantic States. That doesn't mean if down the road we have continued droughts—it is the worst in a hundred years in the Atlantic region—that we will not be committed to doing what we have to do. But to do it here, we have no way of knowing what that crop damage will be. So I urge the Senator to say here is $400 million in regard to all of the problems we are experiencing in terms of national disasters, and it doesn't mean that down the road that could not be addressed; we just don't

know at this particular time. I don't think it would be responsible to add a whole bunch more money when we don't even know.

I thank the Senator for yielding.

Mr. HARKIN. I appreciate that. We can work on that. The Senator may not be wrong on that. That may be closer to what we probably should be doing. There are other things in that disaster part I tell the Senator to look at. We did not completely fill the needs of last year's disaster. I think the Senator from North Dakota can talk about that. We had about $300 million in our bill just to meet the disaster needs of last year that were not fully paid for. So I ask you to look at that. You may be right on not anticipating or knowing exactly where the Mid-Atlantic States are right now. But there are other things we had in our disaster bill that we do know about and that do need to be addressed.

Lastly, I want to say again, on the payments to oilseeds, which is in the Senator's bill, which is about $500 million, this really gets to the heart of whether we should have all AMTA payments or some mix of that and LDPs. Under AMTA payments, of course, you don't get any payments for soybeans. Under LDP, you do. Under the proposal we had, which our side offered yesterday, under LDP, we estimated there would be about $1 billion that would go to soybean producers for their losses this year. Under the amendment offered by the Senator from Kansas, there is $500 million in payments to all oilseeds, including soybeans. So we had not only $1 billion in the LDP, we had about $1 billion in purchases. So the $500 million is about a fourth of what we estimated the need would be for oilseeds.

That is why I still hope we can reach some compromise on having a blend of AMTA payments and LDP payments, because I think LDP payments would more adequately respond to the needs of oilseeds than would a $500 million payment.

Other than that, as I said, I think there is some good progress here, and I think there is some basis for reaching some kind of compromise agreement before the Sun sets today.

I yield the floor.

The PRESIDING OFFICER (Mr. HUTCHINSON). Who yields time?

Mr. CONRAD. Mr. President, I yield time off the Democratic side.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, we are making progress. I can feel the concrete breaking. I don't think we are quite there yet because at this point this is not a bipartisan proposal before us. There has not really been a negotiation between the two sides. There has been a negotiation on the other side.

There are a number of things I believe are deficient in terms of the proposal that is before us. We do not keep the promise of the disaster package of last year. We devised a formula. We didn't fully fund it. The result was that people got 85 percent of what was promised.

No. 2, there is not sufficient money for the crop losses that are occurring now. Some say, well, we don't know the full amount. That is true. But I can tell you that we know enough to know that $400 million is not going to solve the problem. In my State alone, we know the flooded land losses. We absolutely know what has occurred there. Three million acres have not even been planted and millions more planted late.

In the Democratic alternative, we have $250 million for flooded lands. I don't see anything specifically set aside in this proposal—not $1 is set aside—specifically to address the problem of flooded lands. That is just not acceptable. Partly because of the way this came about, I suppose it is the result.

We have not had a true discussion. We basically had the other side saying this is it, take it or leave it. On that basis, we don't have much choice but to leave it because it does not address the needs of the people we represent.

I say that as a preface to the remarks that are more positive; that is, there are some very good parts of the proposal the Senator has advanced, the chief being the crop insurance of $400 million. That goes in exactly the right direction.

The PRESIDING OFFICER. All time of the opponents has expired.

Mr. COCHRAN. Mr. President, may I inquire how much time is available?

The PRESIDING OFFICER. The Senator has 4 minutes remaining

The Senator from Kansas.

Mr. ROBERTS. Mr. President, I yield 1 minute to the distinguished Senator from Montana, Mr. BURNS, who has worked very hard on this proposal.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BURNS. Mr. President, I thank my friend from Kansas. I will be very brief.

I do not know of any piece of legislation that has ever been proposed having to do with agriculture that has been perfect. If there is one place where it is hard to find a one size fits all, it is in this business of agriculture because we are diverse in climate, in growing conditions, in crops, and everything else. It is pretty tough to find that perfect bill.

What we have sought is balance. On balance, I think this addresses the needs as we think they are now, and also it is a step towards what we think it will be at the end of the crop year. I think it is very important that the commitment to agriculture is here. Without changing programs, putting cash on the farm as fast as we possibly can is in this piece of legislation.

Let's take it for what it is. Sure, we can sit and pick it apart. Yes, we would like to see some things changed for Montana that won't fit the things in Mississippi. But I think what we have is balance.

With the leadership of Senator ROBERTS and Senator CRAIG, and a lot of us who have worked very hard on this for a long time, knowing the prospects in front of us, I thank them for their leadership.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. ROBERTS. Mr. President, I yield 1 additional minute to the distinguished Senator from Idaho, Mr. CRAIG, who has also worked extremely hard on this compromise.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, in the course of the last 2 days, we have attempted to understand and define the situation in agriculture. The chairman of the Agriculture Appropriations Subcommittee yesterday did an excellent job of crafting a package that goes to the heart of the problem.

Yesterday, I had hoped we could include crop insurance in it so we could keep that management tool alive, shaping it so that it becomes more usable to farmers, so that we are not here again after a disaster occurs trying to define that disaster. As we have heard in conversation this morning, it is nearly impossible to define at this time.

This particular amendment offers $400 million to maintain the 1999 level for crop insurance premium write-downs. It also deals with speciality crops in a way that I think is very important in understanding farming diversity. At the same time, it still strikes that balance in working to limit well beyond what those on the other side had offered, and I support it.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I move to table the amendment and ask for the yeas and nays.

Mr. ROBERTS. Mr. President, can I ask the distinguished Senator, if I could finish up my time?

Mr. COCHRAN. I thought the chair had announced that all time had expired.

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

Mr. COCHRAN. I apologize to the distinguished Senator.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. ROBERTS. I may go step 1 instead of step 2.

Mr. President, on the definition of ''bipartisan,'' bipartisan is where you accept our view and not your view, and different Senators can define that depending on their strong opinion.

Let me point out that when this started, the amount of funding was somewhere between $4 billion and $5 billion, and many thought that was too much. It is now $7.5 billion. If that isn't compromise, and some would think in the wrong direction, I don't know what compromise is.

Let me point out that Senators came to me from both sides of the aisle. This

has not been exclusively a Republican initiative by any means. They worried that too many of these programs were not specified, and they had a lot of problems with those individual programs.

Let me point out that when I met with my good friends and colleagues in that Cloakroom and discussed this issue for about 20 minutes, if that isn't bipartisan, colleagues, I must have been in the wrong Cloakroom.

Now we are into a discussion as to whether or not there is enough disaster assistance when the Secretary of Agriculture indicated that $400 million was at least a first step for him to take a look at it. Then we are into these acronyms of LDP and AMTA. That is why people's eyes glaze over when we have any debate on farm program policy. We ought to give the money out. Under AMTA, you get it in 10 days. Under LDP, it takes months. We are arguing about acronyms and we are arguing about numbers.

Let's get the assistance to farmers and end this debate and don't change the farm program policy.

I yield the floor.

Mr. COCHRAN. Mr. President, has all time been yielded or used?

The PRESIDING OFFICER. All time has expired.

Mr. COCHRAN. Mr. President, I move to table the amendment, and 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 motion to table amendment No. 1509. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative assistant called the roll.

Mr. NICKLES. I announce that the Senator from Florida (Mr. MACK) is necessarily absent.

The result was announced—yeas 66, nays 33, as follows:

[Rollcall Vote No. 253 Leg.]

YEAS—66

Akaka	Feingold	Lincoln
Baucus	Feinstein	Lott
Bayh	Frist	Lugar
Biden	Graham	McConnell
Bingaman	Gramm	Mikulski
Bond	Gregg	Moynihan
Boxer	Harkin	Murray
Breaux	Helms	Reed
Bryan	Hollings	Reid
Bunning	Hutchison	Robb
Byrd	Inouye	Rockefeller
Chafee	Jeffords	Sarbanes
Cleland	Johnson	Schumer
Cochran	Kennedy	Sessions
Conrad	Kerrey	Shelby
Coverdell	Kerry	Thompson
Daschle	Kohl	Thurmond
Dodd	Landrieu	Torricelli
Domenici	Lautenberg	Voinovich
Dorgan	Leahy	Warner
Durbin	Levin	Wellstone
Edwards	Lieberman	Wyden

NAYS—33

Abraham	Brownback	Craig
Allard	Burns	Crapo
Ashcroft	Campbell	DeWine
Bennett	Collins	Enzi
Fitzgerald	Inhofe	Santorum
Gorton	Kyl	Smith (NH)
Grams	McCain	Smith (OR)
Grassley	Murkowski	Snowe
Hagel	Nickles	Specter
Hatch	Roberts	Stevens
Hutchinson	Roth	Thomas

NOT VOTING—1

Mack

The motion was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, as I understand it, the order is the Senator from Arizona will offer an amendment at this point. My purpose for rising is to confirm that and also to ask if we can get an agreement to limit time for debate on the McCain amendment.

The PRESIDING OFFICER. The Senator is correct, that is the order.

The Senator from Arizona.

AMENDMENT NO. 1510 TO AMENDMENT NO. 1499

(Purpose: To prohibit the use of appropriated funds for the sugar program, other than the marketing assessment)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for himself and Mr. GREGG, proposes an amendment numbered 1510.

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

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. 7 . SUGAR PROGRAM.

(a) IN GENERAL.—None of the funds appropriated or otherwise made available by this Act may be used to pay the salaries and expenses of personnel of the Department of Agriculture to carry out section 156 of the Agricultural Market Transition Act (7 U.S.C. 7272), other than subsection (f).

(b) MARKETING ASSESSMENT.—Notwithstanding any other provision of this Act, funds appropriated or otherwise made available by this Act or any other Act shall be used to pay the salaries and expenses of personnel of the Department of Agriculture to carry out and enforce section 156(f) of the Agricultural Market Transition Act (7 U.S.C. 7272(f) through fiscal year 2001.

Mr. MCCAIN. Mr. President, if it is agreeable with the distinguished managers on both sides, I offer a unanimous consent agreement for 1 hour equally divided, 30 minutes on either side.

Mr. SPECTER. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. I ask unanimous consent that following the disposition of the MCCAIN amendment, I be recognized to offer an amendment on dairy compacts.

The PRESIDING OFFICER. Is there objection?

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Reserving the right to object, I was not able to hear what the Senator from Pennsylvania was suggesting. Will the Senator repeat the request?

Mr. SPECTER. Mr. President, if I may respond to the distinguished majority leader, I have been trying to get this amendment up. In order to get it sequenced, I have asked unanimous consent to bring up an amendment on dairy compacts. A number of Senators intend to discuss it briefly and not to press it to a vote because it is legislation on an appropriations bill, but we think it important to consider the matter so it may be taken up in conference.

Mr. LOTT. I withdraw my reservation.

Mr. FEINGOLD. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Is there objection to the request of the Senator from Arizona regarding time? Is there objection?

Mr. CRAIG. Mr. President, reserving the right to object, did we agree to an hour equally divided?

The PRESIDING OFFICER. Is there objection?

Mr. SCHUMER. Mr. President, reserving the right to object, and I will not, I want to let my colleague, the Senator from Wisconsin, know that I have been working with Senator SPECTER on this issue.

Mr. MCCAIN. Mr. President, I ask for the regular order.

The PRESIDING OFFICER. Regular order.

Is there objection to the unanimous consent request?

Without objection, it is so ordered.

Mr. MCCAIN. I ask to be recognized for as much time as I may use.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I have offered this amendment for myself, Senator GREGG—I am sure Senator FEINSTEIN—that will prohibit the Agriculture Department from using Federal funding for administering the various and sundry programs that benefit the sugar industry. This amendment is carefully tailored by just cutting off funds so that it is not in violation of rule XVI.

The amendment is to send a strong signal to my colleagues that it is time to end the heavily subsidized sugar program. The Federal Government is burdened with an unnecessary and unprofitable loan program for big sugar producers and enforcing mandated import quotas on foreign sugar.

The sugar program has long since outlived its purpose. It was originally enacted in the Depression era to aid our flailing economy. As our economy resurged, the need for sugar subsidies diminished. Congress recognized this by eliminating the program in 1974, but

proponents of the sugar program were able to resurrect it in 1981 proving again that in this city nothing is ever effectively killed if it is subsidized to special interests. Efforts were made to abolish the program once again in the 1996 farm bill, but defenders of the sugar program kept it alive and even extended it.

The sugar program is a system of Federally-subsidized loans, import restrictions and protective price supports that equates to little more than corporate welfare. The present program restricts foreign competition and ensures a high domestic price for sugar far in excess of world prices. The Agriculture Department also guarantees loans for sugar processors and producers that may not be fully repaid in dollars back to the Government. The current law allows loan borrowers to pledge sugar as collateral to satisfy repayment obligations.

Several independent reviews of the sugar program have demonstrated that the biggest economic burden of this program falls on the American taxpayers. The Heritage Foundation stated that ''the sugar program is big government and corporate welfare at its worst.'' Given the big government and corporate welfare we have in this town, that is a pretty impressive statement. The Coalition for Sugar Reform, counting among its members such groups as the National Audubon Society and Citizens Against Government Waste, and others, has touted this program as burdensome and unfair to the consumer. These groups are leaders in advocating for reform and eventual elimination of this costly subsidy.

The continuing existence of the sugar program has resulted in U.S. consumers paying three times the current world price for sugar and sugar-contained products. The General Accounting Office estimates that sugar price supports force American consumers to pay $1.4 billion every year in artificially inflated sugar prices. Mandatory price quotas keep the price of American-grown sugar at roughly 22 cents a pound compared to 6 cents a pound for sugar grown in other parts of the world.

This is truly outrageous. Defenders of the sugar program support these inflated consumer prices by claiming that the sugar program is critical to the viability of our domestic sugar industry. Reports have shown that we are hurting our viability as a domestic sugar industry by continuing this program because America's farmers cannot compete with foreign markets and are forced to close sugar refineries. Since this program has been in effect, 12 of the 22 U.S. sugar refineries have been forced to close, eliminating thousands of jobs.

In the February 1998 Reader's Digest, there is a story about the Nation's largest candy-cane manufacturer opening a plant in Jamaica in order to stay competitive with foreign companies. Sugar prices in Jamaica are as much as 50 percent cheaper than in the U.S.

Yet, the sugar program continues to reap benefits for a small sector of the sugar economy. Only by political clout has this corporate welfare program survived.

A close examination of this program reveals that its true benefits are only realized by big sugar tycoons. Less than one percent of the Nation's sugar growers gobble up 58 percent of the program benefits. These are not small family farmers. In a recent year, 33 cane sugar growers obtained more than $1 million each from this Government boondoggle. In fact, one grower received $65 million.

The average consumer is not aware that food products, like candy, cereal or ice cream, are subject to a higher price dictated by the Federal Government—and it is a price that is likely to be twice as high because of sugar price supports. Not too many average grocery shoppers realize they are paying at least 10 cents more per pound of sugar because of these costly sugar mandates.

We cannot ask American consumers to continue to pay more for sugar than the rest of the world. This richly sweet program for big sugar producers has a sour aftertaste for average citizens and our Nation's economy.

What I am proposing, because of rule XVI, is simply a one-year halt to the sugar program. The American consumers would be held harmless for one year to give us time to undertake a long overdue debate on legislation to reform and phase out the sugar program.

This amendment retains the sugar industry's responsibility to pay a miniscule assessment on domestic sugar, although I would be glad to eliminate that. I do not think that is a very important aspect of this amendment. With all the benefits received by the sugar industry, this relatively small assessment is supposed to be the sugar industry's sole contribution to reducing annual budget deficits. Last year, this assessment generated $37.8 million in revenues. With all that the Federal Government and the American consumers have spent over the years to support this inflated sugar program, this modest return of revenues to the treasury is certainly warranted, although I would be glad to eliminate it.

I believe we should end the subsidies to the sugar industry and eliminate the sugar program that is unfair to consumers. I urge my colleagues to support this amendment and bring fairness back to our American consumers.

Mr. President, in the New York Times of Monday, July 14, 1997, they talked about:

> . . . $1.5 billion a year from consumers to a handful of large sugar growers. Almost half of the benefits from the sugar program go to little more than 1 percent of growers. . . .
>
> There is a second, powerful reason to eliminate sugar subsidies. They breed excessive production of sugar cane in environmentally sensitive areas. In the Florida Everglades, about a half-million acres of wetlands have been converted to sugar cane production. Excessive sugar cane production has interrupted water flows and contaminated the Everglades with polluted agricultural run-off.

When I argue for campaign finance reform, I refer to a well-known family in Florida that has realized the American dream, the Fanjul brothers. Alfonso Fanjul is the chairman and chief executive officer of Flo-Sun, a prominent Democrat who cochaired President Clinton's 1992 Florida campaign.

Jose ''Pepe'' Fanjul, is a prominent Republican who served on the campaign finance committee of 1996 GOP Presidential candidate Bob Dole. He also is vice chairman of the National Republican Party's finance committee.

They are major—major—givers of soft money, major contributors.

I will include in the RECORD that during the 1995–1996 election cycle, members of the Fanjul family contributed $774,500 to Federal campaigns. It is an excellent investment. In return, a grateful Congress maintains a sugar price support program worth approximately $65 million annually to the Fanjuls.

That is a pretty good investment; and they are getting a great return on it.

Mr. President, I reserve the remainder of my time.

Mr. GREGG. Will the Senator yield?

Mr. MCCAIN. Mr. President, I think we have to go back and forth.

Mr. CRAIG. Mr. President, I am willing to accommodate the Senator from New Hampshire. I understand he has a time conflict.

Mr. MCCAIN. I yield 10 minutes to the Senator.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. I thank the Chair.

I thank the Senator from Arizona and appreciate the opportunity to join him on this amendment which is one of those amendments that comes to the floor of the Senate supported by logic, common sense, and good economics, but is opposed, regrettably, by the forces who wish to take advantage of the farm program for the purposes of promoting a product in a noncompetitive, nonmarket-type process.

The Senator from Arizona has outlined some of the harm that is done by the President's sugar program. Most of that harm is directed at the American consumer who ends up paying $1.4 billion in taxes for all intents and purposes because it is a fee, a cost of sugar, they now incur which exceeds the market price of sugar they end up paying—a $1.4 billion surcharge on the American consumer in order to keep in place a sugar industry which is totally noncompetitive.

If you were to describe the sugar industry, you would think you were describing the Cuban sugar industry, not the American sugar industry. The sugar industry sets the price. The price is at least twice the cost of sugar on the world market. And then essentially it guarantees that the sugar grower

and the processors will be able to realize that price.

Who pays the burden? The consumer. They end up paying twice as much for sugar as sugar is worth on the open market. What does that describe? That describes a nonmarket system of selling a product. That describes essentially a socialist system of selling a product. That describes a system that might have worked in Eastern Europe 15 years ago or might have been used in Eastern Europe 15 years ago—it obviously didn't work—or a system which may still be in place today in Cuba. But it certainly doesn't describe a system one would expect the United States, the force for a free market economy in the world, would be putting forward for the purposes of producing a commodity such as sugar. The effect, however, goes well beyond the fact that consumers in America are paying this $1.4 billion in extra cost, which is essentially a tax on them.

This sugar program stifles competition. Seventeen growers get 38 percent of the benefit of this program, 17 growers. Why is that? Because there isn't any competition in the system. It discourages international trade. We look at our Caribbean neighbors and we say: How can we help you? Then we essentially invade Haiti and spend literally hundreds of millions, if not billions of dollars to try to stabilize that economy to no avail, where at the same time we are saying to Haiti and all the other Caribbean nations who are capable of producing sugar, no, we are not going to purchase your sugar because we are going to subsidize our sugar, and we are going to essentially close you out of our markets.

It harms the environment. As has been pointed out by the Senator from Arizona, the sugar cane growing in Florida has had a serious impact on the quality of the environment of the Everglades, a key area of natural regeneration in the southern Florida area.

It affects jobs. Why does it affect jobs? Because if you don't have a competitive industry, you don't have a marketplace approach, you are essentially putting in a straitjacket the production capabilities of the American economy.

Why is America the most productive country in the world? Because we are the most free market country in the world. That free market creates jobs. People have the opportunity to compete. People have the opportunity to grow their industries. In the sugar industry, we have no competition because we have a process which is essentially a socialized system, and it requires unnecessary government involvement in the production of a commodity.

Why should the American people have to depend on the Federal Government to price the product of sugar? It makes absolutely no sense. Why shouldn't the marketplace price the product of sugar? That is what we do with everything else. If you go out and you buy a Ford car, the Federal Government doesn't say to Ford: It doesn't matter how many cars you sell or who you sell them to, we are going to pay you $20,000 per car; and if you only sell the cars for $17,000, it doesn't matter because we are going to pay you $20,000 anyway.

We don't say it to Apple Computer. We don't say it to Microsoft. We don't say it to the housing industry. But we do say it to the sugar producers in this country. It doesn't matter how much sugar you produce; it doesn't matter if your production costs are twice what they may be in the world market; it doesn't matter. We are going to set the price. We are going to pay you the price and the price is going to have no relation to demand. It is going to have no relation to competition. The only thing it is going to have a relation to is the amount of revenue that is going to fall into the pockets of a very small number of growers in this country today who benefit from this program.

It is interesting, as we look at the farm programs in this country, there is only sugar left that has this sort of a protection. It is able to accomplish this because it has diffused the issue of the maintenance of this outrageous subsidy across the entire American consumer base. Rather than having it flow directly out of the American Treasury into the growers' pockets, this program has been structured so that it flows directly out of the consumer into the growers' pockets. Because of that, there has been a winking at this program; this program has sort of slipped through the cracks, where the rest of the farm commodities in this country have been forced to have some relationship, under Freedom to Farm, of having their product production tied to the product demand. Sugar has not been subjected to that test at all.

So we have a program that should never have been put in place in the first instance because it is so atypical to a marketplace economy. But clearly, with the passing of Eastern Europe and the concept of a socialized marketplace, it clearly should not be surviving today, yet it does survive.

I think the Senator from Arizona may have touched the reason. It is political influence. It is the capacity of the grower community to assert its influence within the legislative process. But it still is not fair, and it is not right. It is not appropriate to ask the American consumer to spend $1.4 billion of their hard-earned money on a commodity simply to benefit a small group of growers—17 growers getting 38 percent of the benefit.

That $1.4 billion could go a long way towards educating children, towards getting better child care, towards improving the lifestyle, the health care, even the nutrition of the people who are paying that price. Yet that money is not going to go to those purposes. Instead, that money is going to flow simply to support an industry which has totally separated itself from the free market.

I strongly endorse this amendment. I have offered it in the past myself. I hope this time the Congress will step up and recognize that it should vote on behalf of the consumers and abolish this outrageous tax and put to rest this last vestige of Eastern European economics in the United States.

Mr. President, I reserve the remainder of my time to the Senator from Arizona.

The PRESIDING OFFICER (Mr. BURNS). Who yields time?

Mr. CRAIG. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator is recognized for 3 minutes.

Mr. CRAIG. Mr. President, I would like to tell the Senators from New Hampshire and Arizona that this is a sweet deal, but I can't say that because they are obviously deadly serious and, in my opinion, are dramatically misrepresenting a program that has not slipped through the cracks at all. It was negotiated and put in the 1996 farm bill to benefit hundreds of growers in my State and in other States across the Nation. It is to develop a program that doesn't cost the taxpayers of this country one dime.

For the Senator from New Hampshire to say that a consumer goes to the marketplace and buys a candy bar, and therefore is paying a government tax is false on its face and false by its fact. They are paying what the candy bar company retails the product for.

Let me repeat for the record and for all listening, sugar farmers, cane or beet sugar raisers, in this country do not receive one Government payment. There is no subsidy involved. Instead, there are loan programs they can use for marketing purposes, and they pay them back with current interest rates. The Senator from Arizona knows that. That is the way the program works. He is striking that out, but he is leaving the assessment in place. So he is saying: You can't have a relationship to your Government where we are going to tax you if you raise or produce sugar in this country.

USDA estimates the sugar program saves taxpayers $500 to $700 million per year in deficiency payments on corn farmers and others who are paying an added 25 cents for the value of that product. These are the facts with which we are dealing. Governments of all sugar-producing countries have directly intervened in their production and have dramatically subsidized that production, driving down prices in the world market. Those are the facts that our growers deal with on an annual basis. American workers in 42 States benefit from the sugar policy. The sweetener industry has a positive annual impact of about $26.6 billion in the U.S. economy, and they add about 420,000 jobs to that economy.

Here is the strange fact: You are being told sugar producers are making lots of money and the consumer is paying for it.

When we passed this new farm program in 1996, from that time forward,

the price of cane sugar has dropped about 5 percent to the producer. The cost of beet sugar has dropped about 13 percent.

Now, it is interesting that sugar products have gone up 20 to 30 percent, so the consumer is paying more, but the producer is getting less under this program. So when you have a Senator standing on the floor saying the producer is making out like a bandit, well, if a 13-percent reduction in beet costs and a 5-percent reduction in cane is real—and it is—who is making out like a bandit? I guess it is the retailer or manufacturer that has nothing to do with this. It is the marketplace at work.

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. FEINSTEIN. Mr. President, I yield myself 10 minutes.

I rise in support of the McCain amendment. I first got involved in the sugar program when the last remaining West Coast sugar refinery came into my office to essentially say they were in the process of being put out of business by this program because they could not buy enough sugar on the world market to refine it. That refinery is C&H Sugar. I found that the sugar program is little more than a system of import restrictions, subsidized loans, and price supports that benefit a limited number of sugar growers.

Recently, Congressman GEORGE MILLER and I asked the GAO to take a look at the sugar program. A week ago, they put out this report entitled ''Sugar Program: Changing the Method For Setting Import Quotas Could Reduce Costs to Users.'' In short, the GAO found that the USDA's policy has allowed too little sugar to be imported into the country. This has increased costs to consumers and restricted our domestic refineries' access to sufficient quantities of sugar.

The GAO found:

> USDA has continued to target the same stocks-to-use ratios for determining annual tariff-rate quotas, despite the fact that the resulting quotas have maintained domestic market prices that are 2 or more cents higher than necessary for avoiding loan forfeitures. This imposes unnecessary costs on U.S. sugar users—about $400 million annually.

They also found that:

> USTR's current process for allocating the sugar tariff-rate quota does not ensure that all sugar allowed under the quota reaches the United States market.

This finding is particularly troubling to me. By limiting the amount of raw cane sugar available for production, 40 percent of the jobs in the sugarcane refining industry have been lost in this country. Since 1982, 9 out of 21 cane sugar refineries in the United States have been forced out of business by this program. Those that have remained open are struggling to survive under onerous import restrictions.

I first became involved in this issue in 1994 when David Koncelik, the president and CEO of the California and Hawaiian Sugar Company, informed me his refinery was forced to temporarily close because it had no sugar. This 93-year-old refinery is the Nation's largest, and the only such facility on the West Coast. C&H refines about 15 percent of the total cane sugar consumed in the United States.

C&H requires in excess of 700,000 tons of raw cane sugar to meet its sales demand. Hawaii is C&H's sole source for its domestic raw cane sugar needs. But Hawaii's cane sugar industry has been in decline for over 10 years. This has meant that C&H is forced to cover over half of its annual consumption through imports from other countries.

The highly restrictive sugar import system forces C&H to pay an inflated price for raw sugar from both domestic and foreign suppliers. This is just plain wrong. Even more devastating, however, the quota system limits the amount of sugar available to the refinery. Simply put, C&H has been unable to get enough sugar to refine, and it has been forced to close its doors on several occasions. This is as a result of the sugar program.

In a letter to me, Mr. Koncelik notes:

> The C&H Sugar refinery in Crockett, California, was forced to close from November 8 to November 15 because it ran out of raw sugar. This closing is extremely costly. Other competitor refineries, Savannah and Domino, have had similar experiences. The Government-imposed shortage is forcing up the market price for raw sugar to levels that are bankrupting refiners.

Mr. President, I ask unanimous consent that this letter be printed in the RECORD.

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

> DEAR SENATOR FEINSTEIN: The USDA is unnecessarily disrupting operations and injuring the nation's cane sugar refining industry by failing to increase the annual sugar import quota to adequate levels.
>
> The C&H Sugar refinery in Crockett, California was forced to close from November 8 to November 15 because it ran out of raw sugar. This closing is extremely costly. Other competitor refineries, Savannah and Domino, have had similar experiences.
>
> The Government-imposed shortage is forcing up the market price for raw sugar to levels that are bankrupting refiners. The tight import quota is keeping the price of raw sugar well above the Government support level, and well above the level at which Government loan forfeitures might occur. The increase in the cost of raw sugar since 1994 has cost the refining industry in excess of $80 million.
>
> The structure of the market is such that refiners cannot cover these increase costs in the refined sugar market. As a result, C&H and all other refiners are losing money, and some have for three years.
>
> In addition, the deplorable condition of the refining industry has triggered justifiable concern within the food processing industry over the sugar supply. In the absence of a viable refining industry, which accounts for over 50 percent of refined sugar sold in the United States, the specter of temporary food plant closing is real and not imagined.
>
> There is an urgent need for an immediate and, this time, meaningful increase in the sugar import quota. I would appreciate it if you would discuss this matter with Secretary Glickman and Ambassador Kantor.
>
> Sincerely,
>
> DAVID KONCELIK,
> *President and CEO.*

Mrs. FEINSTEIN. The reduced production capacity has resulted in a severe downsizing of the workforce at this refinery. As recently as 1987, C&H employed over 1,400 people. These are not minimum wage jobs we are talking about; the average employee in the cane refining industry earns about $43,000 a year. In 1995, C&H had to eliminate 30 percent of its workforce just to remain viable under the quota system mandated by the sugar program.

C&H now employs just over 500 people. These jobs and many others around the Nation are at risk if reforms are not made to the sugar program.

In addition to choking off the refineries' access to sugar, the U.S. sugar policy also has had an adverse impact on consumers. An earlier report by the GAO found that the program costs sugar users an average $1.4 billion annually, as has been mentioned. That equates to $3.8 million a day in hidden sugar taxes.

The report found that:

> Although the sugar program is considered a no-net-cost program because the Government does not make payments directly to producers, it places the cost of the price supports on sweetener users—consumers and manufacturers of sweetener-containing products—who pay higher sugar and sweetener prices.

What this means is that, unlike traditional subsidy programs, the funds don't come directly from the Treasury. Instead, the sugar program places the cost on consumers by restricting the supply of available sugar which causes higher domestic market prices. This is our Government program; it makes no sense.

On numerous occasions over the past 5 years, I have asked the administration to reform the sugar program. Simply increasing the amount of sugar available through the import program would provide immediate relief to C&H and all other domestic refineries. To date, no such permanent reform of the program has occurred. In the absence of these reforms, Congress must take stronger action.

Congress has had opportunities in the past to kill this program and we have not taken them. As a result, workers have lost jobs and consumers have lost money.

Regardless of what happens with this amendment, the effort to reform the sugar program is not going to end. Senators SCHUMER, CHAFEE, GREGG, MOYNIHAN, myself, and others have introduced legislation that would phase out the subsidy over the next several years.

If the administration refuses to work with us to make the program responsive to the needs of the domestic sugar refinery industry and to our consumers, we will have no choice but to push for passage of this bill.

I thank the Chair.

I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I yield the Senator from Louisiana 5 minutes.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BREAUX. Mr. President, I thank the Senator for yielding time.

It is not unusual that we are doing the sugar amendment again. It seems that we do it about every 2 years. We have been doing it for probably the last 20 years.

It is interesting that this time we are doing it on a bill that is designed to help American agriculture, except that I think this amendment is being offered to try to eliminate an entire farm program for only one commodity. But this amendment is on a bill we are working on to try to help American agriculture. So I guess the only thing unusual is not that we are doing a sugar amendment but that we are doing it on a bill that is designed to help American farmers. And, of course, the amendment would do the exact opposite.

It is interesting that some of my colleagues said, well, the program only helps a couple of folks in south Florida when in truth the fact is that about 420,000 people earn their living every day either directly or indirectly because of the sugar industry.

The distinguished Senator from Hawaii knows its importance in the State of Hawaii. He has been involved not only with sugarcane-producing States but also sugar-beet-producing States. It is a program that has actually undergone a great deal of change and modification and improvement over the years.

In the last farm bill, which was in 1986, we made some serious changes in the sugar program. I think most people involved in it said: Look, we are going to try to make the program better than it has been, and we are trying to address some of the legitimate concerns but also trying to provide some protection for this very important American industry, to do it consistent with our international obligations. We have done that. Domestic production controls were eliminated. There is no limit on how much you can produce in beets or in sugar. You can do as much as the market will bear.

The guaranteed minimum price was eliminated. It is one of the few commodity crops that doesn't have a minimum guarantee of what the farmer is going to be receiving from the Government.

We had a special tax for deficit reduction in the last farm bill, which was increased by 25 percent.

This means sugar farmers were actually given an assessment to pay for the Federal deficit. Of course, now that the deficit is gone, it makes a great deal of sense to eliminate the assessment.

Minimum imports—talking about not getting enough sugar—in the last farm bill were increased by about 20 percent, a substantial increase over the previous years' pattern on the amount of sugar being imported from about 41 countries that are greatly helped by the program.

Forfeiture of sugar crop penalties were imposed.

The point is that we made some serious changes to the program in order to improve it. So to come before the Senate, on a bill that is designed to help farmers, and offer an amendment to hurt farmers sort of seems inconsistent. But, well, what else is new?

The other point I would make is how many Members of Congress have letters from constituents complaining about the price of a candy bar?

How many of us have stacks and stacks of letters complaining about the price of a soft drink, or stacks of letters complaining about the price of a 5-pound bag of sugar in the supermarket?

They don't do that because it is not a price that is out of proportion to what it has been in the past. Because of the program, it has not spiked upward or crashed downward but has remained fairly stable so that people can predict what it is going to cost for a 5-pound bag of sugar.

It is interesting that the only real complaints about the price of sugar come from the large industrial users and not from consumers in America.

I remember my colleague, Senator CRAIG, was here back in the old days, I would say, when we first started these debates, and Senator INOUYE was there, of course. It was the soft drink manufacturers who complained about the price of sugar. It made them charge too much for their soft drinks because they had sugar in them. Then they eliminated the sugar, and the price of the soft drinks went up even more. The actual can of soft drink with no sugar was selling for more than the price of a can of soft drink with sugar. They said, well, the price of sugar is making us raise the price of the soft drink.

Then they went to sugar-free drinks, and they charged more for that than they did for the can with sugar in it. They actually increased the price of soft drinks about four times because it said the sugar price went up.

Guess what happened when the price of sugar went down? Did they reduce the price of a soft drink? Don't hold your breath. They did not. The price of soft drinks kept going up.

The only complaint we have about the sugar program to any extent outside the Chamber is from the professional lobbyists and the large industrial users which, for the most part, have changed over to the use of corn sweeteners and other things in the soft drink industry.

I suggest that what we have is a program that works better than most farm programs because it doesn't have any Federal tax subsidy being used to hurt the income for sugar farmers. We use it by trying to regulate foreign companies from dumping cheap subsidized sugar from other countries onto the U.S. market. Some would way that is pretty good. Why don't you let them do that because then the price of sugar would be much lower? The problem with that theory is if they knocked out all of the American beet farmers and sugar cane farmers, the price would be lower for a short period of time, but when they monopolize the market and again control the market, they certainly would have the ability to exercise a sugar cartel and charge whatever they wanted, and we couldn't compete.

In summary, we made great changes in 1996. The program is working. Consumers are not complaining. They have a stable price for a very important product.

Like we say back home in Louisiana, ''If it ain't broke, don't fix it.'' Not only is it ''ain't broke,'' but it works very well, and should be maintained.

The PRESIDING OFFICER. Who yields time?

Mr. CRAIG. Mr. President, I yield to the Senator from Hawaii 30 seconds.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, I wish to associate myself with the eloquence and wisdom of the statement of my friend from Louisiana.

Thank you very much.

Mr. CRAIG. Mr. President, I yield 3 minutes to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 3 minutes.

Mr. CONRAD. Mr. President, it is kind of fun to have these debates. I look forward to a chance to once again talk about how the world sugar industry works.

The Senator from Arizona indicated that we are having to pay three times the world market price because of the sugar program. It is just not right. That isn't the case. It appears to be the case, but it is wrong. Here is the reason it is wrong.

The vast majority of sugar in the world doesn't sell on the world market. The vast majority of sugar in the world sells under contract. Those contract prices are much higher than the so-called world market price. The world market price is a dumping price. It is what happens when producers produce more than they contracted for. They take that excess and they dump it on the market and sell it at fire sale prices.

The world market price they talk about is, in fact, not a world market price. It does not represent what sugar sells for. It is totally misleading. As a result, you come to a wrong conclusion.

The truth is that the last time we took away the sugar program, what happened to the price of sugar? Did the price of sugar go down? Does anybody remember? The price of sugar shot up. My, what a surprise.

This sugar program is supposed to be producing higher prices. Yet when it was removed the last time, sugar prices

did not go down; they went up. In fact, they went up dramatically.

It is because people do not understand how the sugar market works. This program in effect stabilizes prices.

Every country has a sugar program. In fact, every country that is a producer has a program. Our major competitors spend much more on theirs than we do on ours.

This program helps stabilize prices for consumers and for producers.

When sugar prices fall, do candy prices fall? Let's go back and look. Let's check the record. Interestingly enough, the last time we saw sugar prices fall we also saw candy prices go up. We saw cereal prices go up. The fact is there is almost no relationship between the price of sugar and the finished products that some are talking about. In fact, this program stabilizes prices for consumers and for producers.

Finally, on the question of who benefits, those who are producers clearly benefit from stabilization. I believe those who are consumers benefit from stabilization. In my State, we are not talking about a bunch of rich folks; we are talking about family farmers who are in deep trouble right now. If we take away this program, they will be in even deeper trouble.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I inquire the amount of time remaining.

The PRESIDING OFFICER. The Senator from Idaho has 18 minutes.

Mr. CRAIG. I yield 5 minutes to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 5 minutes.

Mr. THOMAS. Mr. President, I want to endorse the comments of my associates who have spoken in the last few minutes. This is an interesting program. We have been through this before. We went through it in 1996. There were extensive changes made in the farm bill in 1996 that resulted in a number of changes. We have a program that has provided consumers with low, stable prices. It operates at no direct cost to the taxpayers. It helps reduce the Federal deficit and creates 420,000 jobs.

The Senator from California was talking about the closing of one plant. I am talking about growers, family farmers in Wyoming. I don't recognize the description by the Senator from Arizona of the people who are involved. That is not the way we do it.

A number of things have changed that I think are very important. It was mentioned, when we didn't have a sugar program, the average cost of raw sugar was up to nearly 70 cents. It is now somewhere in the neighborhood of 20. Sugar policy benefits consumers. In developed countries, the average price is 60 cents; the highest is 92. The U.S. price is 41. We are 32 percent below the average consumer price for sugar.

It has been pointed out that at the same time raw sugar prices have gone down almost 6 percent, the cost of products such as cereal have gone up 18 percent; ice cream, 18 percent; candy, 20 percent; cookies and cakes, up 25 percent. That is not the reason the cost of goods has gone up.

Under the farm bill, there is no minimum price guarantee. They have no recourse loans other than when there is an exception to the imports. Sugar farmers receive no Government payment and have not since the 1970s. Indeed, they do pay a marketing assessment that goes to reduce the deficit, an unusual characteristic.

This business of the ''world price'' that has been discussed is clearly a dump price. The average production cost is 18 cents; the average world price is 9 cents. Figure out if that is really the market working. Of course it isn't. It is a dumped price.

The farm bill is not the time to discuss the sugar bill. It was extended in 1996 in the farm bill, to be reviewed again in the year 2002. The sugar industry is very happy to reduce the import quotas if the rest of the world does the same thing.

We are talking about small producers, not huge money conglomerates. I am a little offended at the idea that soft money is the reason that people support this program. This is a program that has served us well. The time when we are talking about strengthening agriculture is not the time to do this.

I urge my associates in the Senate to reject this amendment.

I yield back the remainder of my time.

Mr. CRAIG. I yield the Senator from Louisiana 2 minutes.

Ms. LANDRIEU. Mr. President, I rise to associate myself with the remarks of my senior Senator from Louisiana who has led this fight successfully for many years and who has crafted a program that is working not only for sugar growers in 40 States around the country, with over 400,000 jobs represented directly or indirectly, it is also actually working for the refineries and the consumer.

I am surprised that this amendment has come up, particularly at this time. I don't believe it is good to kick farmers while they are down. That is what this amendment does. The rural economies in our country are really struggling. Commodity prices from the west coast to the east coast, to Louisiana, up to the Dakotas, have been at historic lows. We are struggling to find the balance as to how our agricultural community can compete.

The sugar growers in Louisiana are highly efficient. We can compete with farmers all over the world, but we can't compete with foreign governments. That is what this whole issue is about. This sugar program is working for everyone. It costs the taxpayer nothing. It has actually been a revenue raiser since 1991. Now is simply not the time to kick the farmers when they are down.

I associate myself with the remarks of my senior colleague from Louisiana. I thank the manager for giving me and other Senators time to speak on this important issue, and I yield back the remainder of my time.

Mr. CRAIG. Mr. President, I thank the Senator from Louisiana for her very important and direct statements about this issue.

I yield 5 minutes to the Senator from North Dakota.

Mr. DORGAN. Mr. President, I am pleased to join my colleagues, Senator CRAIG, Senator BREAUX, and others on the floor, in opposing this amendment.

I find it interesting; whenever we talk about sugar, we talk about the ''world price,'' which doesn't have any relationship to anything of importance. The people who describe ''world price'' are people who go to a sidewalk sale in front of a store and pick up some odds or ends that somebody is trying to sell at 90 percent off list price and then say: Look what I bought this for; this is the price for that product.

No, it is not; it is a sidewalk sale.

The same is true with sugar. Most sugar is traded country to country by long-term contract. Very little sugar is moved on the open market. That which is represents an overhang and surplus and represents the dump price or the surplus price. Those are the facts.

Somehow there is a notion we should be the victims in this country as a group of producers; whatever the lowest common denominator is, we ought to ride the elevator to the bottom with everybody. Calling the price of sugar on the world market the world price is a misnomer. Most sugar is traded by contract, and it is traded in circumstances where at least you get back the cost of production and a decent profit.

This price they are talking about, don't be fooled by it. It doesn't mean anything. It is not related to the production of sugar in this country.

Now, who is producing sugar? I find it ironic that in the middle of this discussion about the farm crisis, in the middle of the discussion about the plight of families out there struggling to survive, when the Asian economy has collapsed, exports are down, and prices have collapsed, and in my State we have had the worst crop disease in 100 years, and my State had 3 million acres that could not be planted because it was too wet this spring, we are told there is one part of the farm program that ought to be dismantled.

At least this is a part of the farm program that works and has historically worked. It doesn't cost Federal money. It doesn't cost the taxpayer anything. It provides stability of sugar prices for the American consumer. It provides some modicum of stability for the producers.

Who are the producers? Family farmers. I was in a room with 1,000 of them in Fargo, ND. These are folks who work on that tractor in the winter, get it all ready, and then take all the risk

to put the crop in, plant those beets, take the risk of the harvest, and take the risk through their cooperative. These are good people, and they are going through tough times. The last thing in the world we ought to do is pull the rug out from under those people who are producing our beets and cane and decide we should dismantle this program.

There is so much in the farm program that doesn't work, and I have been on the floor for days talking about it. Why go to the part of the farm program that has worked historically to help the producer and say, by the way, let's find something that does work and get rid of it? It doesn't make any sense at all.

Let me conclude by saying this is about family farmers as far as I am concerned. It is not about the theory of sugar production or a sugar program or a world price. It is about providing stability for consumers, yes but it is about providing stability of income for some families that are trying to make a living on the land in this country. It is not easy for them. This program is helping them without cost to the American taxpayer. This program has helped them without injury or cost to the American consumer.

This program is well conceived and well constructed, is contributing something, and is an asset to American family farmers in this country. The last thing in the world we should do, and the last time we ought to do it, would be to get rid of the sugar program at this point in this debate on the farm program. We ought to preserve the sugar program. We ought to fight for it and preserve it because it works. We ought to do that in the context in which we are working today, to help family farmers in other ways as well, with the disaster program, the response to the farm crisis, and perhaps a change in the underlying farm law at some point in the future.

But this is narrow. This is an amendment that says let's get rid of the sugar program. I was unaware of this amendment until an hour or so ago. I did not see any organization developing in the Congress or in the Senate to say let's have a discussion about this. This is a program that has worked so well. Then we have an amendment and then debate for an hour. I think that describes the difficulty.

Let us support the sugar program. Let us defeat this amendment. It is important for family farmers in this country to do so.

I yield the floor.

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

Mr. CRAIG. Mr. President, how much time remains on my side?

The PRESIDING OFFICER. The Senator from Idaho has 7 minutes.

Mr. CRAIG. Mr. President, let me yield to the distinguished Senator from Louisiana, Mr. BREAUX, for his closing comments. Before doing so, let me say both the cane interests that he represents and the beet interests that I represent have worked together over the years to build a program that many have outlined today. It works well in the market. The Senator from Wyoming has played an important role in helping define that program.

Let me yield to the Senator from Louisiana for his closing comments.

Mr. BREAUX. Mr. President, I say to our colleagues who may be watching some of this debate, the last time this amendment was offered—and it is offered to the Senate on an annual basis—was on the Senate Agriculture appropriations bill in 1997. The distinguished Senator from Mississippi, Mr. COCHRAN, at that time moved to table the effort to do away with the program. I remind all Senators we had a recorded vote and 63 Senators voted to table it at that time.

I hope people understand the program is working. We made major changes in 1996. It operates at no cost to the taxpayers and has provided a stable floor of prices for the product, sugar, that we import and produce domestically.

The point again is, ''If it ain't broke, don't fix it.'' It is working as we in the Congress intended it to work. It is working for producers and consumers. This is something that is almost a rarity in agricultural programs. It has been very difficult to come up with a proper balance.

This program is working. It is working as Congress intended. We should keep it and not try to kill it when it is working as well as it is.

I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I yield the Senator from Florida 1 minute.

Mr. GRAHAM. Mr. President, I would like to respond to the statement that was made earlier relative to the role of the Florida sugar industry and the Florida Everglades. As one who grew up in the Florida Everglades and feels deeply about the importance of the State and national effort which is underway to restore them, I think it is important to set the record straight.

The sugar industry has appropriately been designated for a major part of the effort to restore the Everglades. Thus far, they have not only met but exceeded the requirements that have been imposed for the reduction of phosphorus from the waters before they enter the main part of the Everglades. Sugar has participated in the development of a restudy plan, which will soon be debated by this Senate, and sugar has been a strong supporter of the restoration of the Everglades through the Corps of Engineers restudy plan.

It is important for the success of the salvation of the Everglades that each of the stakeholders play their role. I can state at this time that sugar is playing its appropriate role and a strong sugar industry is going to be a key element in achieving the objective of saving the Florida Everglades.

The PRESIDING OFFICER. Who yields time? The Senator from Idaho.

Mr. CRAIG. Mr. President, let me close out the debate on this side of this issue by saying to Senators that you will have an opportunity to vote to table the McCain amendment in a few moments. It is an amendment that really does not face the reality of the situation today. While product prices across the country, are low, we have one program in agriculture that is working reasonably well. That is a program that, in value to the farmer, beet or cane, since 1990, has actually gone down. But it has not translated through to the consumer because the sweetener industry, and the confectionery industry have continually raised their prices. This is not a subsidy, nor is it a cost to the taxpayer. There is no net cost to the taxpayer. All of these recourse loans are repaid at current interest rates. It is important to recognize it is a way of marketing and effectively distributing the product of this agricultural producer.

It has also been clearly pointed out that you cannot compare current values and markets with world markets because most sugar around the world is sold on contract. That which is not is dumped to the bottom. So to compare that, it is not even apples and oranges; it is apples compared with nothing.

It is important this program be retained. We revised it dramatically in 1996 in the new farm program, and it has worked effectively since that time. I hope those who supported us in 1996 on a similar amendment will stand with us today, in behalf of the American producer, both cane and sugar beet and the American consumers. American consumers find themselves paying substantially less than other consumers, some nearly $1 billion less on an annualized basis than other comparable consumers around the world in developed nations that are large consumers of sugar.

I hope my colleagues will join me in voting to table the McCain amendment.

I yield the remainder of my time.

Mr. AKAKA. Mr. President, as I listen to all the evils attributed to the sugar program during today's debate on the McCain amendment, I hardly recognize the tiny white crystals that sweeten my cereal each morning.

Sugar is an essential element of human nutrition. It's also one of the least expensive food items you will find in an American kitchen. When you go to a restaurant, there are only two things available at no charge and in unlimited quantity: water and sugar. Despite these achievements, sugar is being abused and maligned on the Senate floor.

As I listen to the criticism of the sugar program,I think that some of my colleagues have lost sight of a basic fact that American consumers clearly understand: sugar is probably the best bargain you can find at the grocery store today. A pound of refined sugar

costs 39 cents. American sugar farmers and the U.S. sugar program help make sugar affordable.

Consumers elsewhere around the globe do not enjoy the low prices we have in America. If you visit a grocery store in other industrialized nations you will get ''sticker shock'' when you pass the sugar display. In Tokyo, consumers pay nearly 90 cents for a pound of sugar, more than twice the U.S. price. In Europe, prices average 50 to 70 cents per pound. Obviously, sugar is no bargain in Europe and Japan.

On average, the retail price for a pound of sugar is 54 cents in developed countries—38 percent more than the price in American supermarkets. Consumers in developing countries pay a significant premium for sugar. When they go to market, all they get is the same one-pound box of sugar as we do in America, but they pay substantially more for it—38 percent more.

Thanks to a farm program that assures stable supplies at reasonable prices, sugar is a remarkable bargain for American consumers. U.S. consumers pay an average of 17 cents less per pound of sugar than their counterparts in other industrialized nations. Low U.S. prices save consumers $1.4 billion annually. That's why I say that the sugar program is a great deal for American consumers. Thanks to the sugar program, U.S. consumers enjoy a plentiful supply of sugar at bargain prices.

I thank my colleagues for rejecting this amendment. If Congress terminates the sugar program, not only will a dynamic part of the economy disappear from many rural areas, but consumers will also lose a reliable supply of high-quality, low-price sugar.

Mr. ENZI. Mr. President, I rise in opposition to the McCain amendment and urge my colleagues to support American agriculture by supporting a program that has consistently proven its worth to American consumers.

Our current sugar program provides consumers one of the cheapest prices for sugar in the developed world. In 1998, U.S. sugar prices were approximately 32 percent below other developed countries.

One reason for these low prices has been the obvious success of the current Sugar program. The purpose of the program is to protect the incomes of domestic sugar producers by supporting domestic prices. The program does this by making available loans to sugar processors and by restricting sugar imports. There is no cost, therefore, to the American taxpayer.

Because of the support this program has given America's sugar producers, American consumers have benefitted from a healthy industry that has provided us a steady, quality product. Consider, however, what could happen if our domestic sugar industry was suddenly forced out of business by heavily-subsidized, low-quality foreign sugar. Could we guarantee that sugar prices would continue at an affordable level, or that American consumers would receive a high-quality product that was produced under safe, healthy conditions?

When we compare the cost of U.S. sugar with the price of sugar on the world market we must also not forget the other benefits that come from a healthy domestic sugar industry, including the benefit of increased employment for our rural communities. Economies in rural communities are not like economies in more urban settings. Rural economies cannot make the kind of rapid adjustments that are available to more populated areas. When a sugar processing plant of about 250 people goes out of business in rural America, even though its number of employees may seem small under urban standards, those 150 employees can make up a large percentage of the local work force. The impact of this sudden high unemployment can resound through such a community for many, many years.

Furthermore, it is unfair to compare the cost of U.S. sugar with the price of sugar on the world market because when we look at the actual source of the world price we learn it is not an accurate or comparable price. In reality, it is a dump price, or in other words it is the price sugar-exporting countries get for dumping their highly-subsidized sugar on world markets.

In conclusion, Mr. President, I urge my colleagues to support America's farmers and to support America's consumers by opposing this amendment.

AMENDMENT NO. 1510, AS MODIFIED

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I ask unanimous consent to modify my amendment by removing part (b) of this amendment. That has to do with the marketing assessment.

The PRESIDING OFFICER. Is there objection? Hearing none, the amendment is modified.

The amendment as modified is as follows:

At the appropriate place insert the following:

SEC. 7. SUGAR PROGRAM.

(a) IN GENERAL.—None of the funds appropriated or otherwise made available by this Act may be used to pay the salaries and expenses of personnel of the Department of Agriculture to carry out section 156 of the Agricultural Market Transition Act (7 U.S.C. 7272), other than subsection (f).

Mr. MCCAIN. Mr. President, I am always entertained by this debate, especially by my friend. I understand the argument of my friends on the other side of the aisle because they have a philosophy concerning big government and government has the answer to our problems and we should subsidize industries and also practice protectionism. I understand that.

It is a little harder for me to understand the philosophy on this side of the aisle, which is supposed to be less government, less regulation, fewer subsidies, lower taxes, and looking out for the individual.

The combination of import restrictions, guaranteed prices, and subsidized loans keep the prices artificially high. There is no objective economist in America who will disagree with that. There will be people in the sugar growing industry and those who represent States where sugar is grown, but that is a fact. It transfers about $1.5 billion a year from consumers to a handful of large sugar growers. Almost half the benefits from the sugar program go to little more than 1 percent of growers. The high prices act as a tax on food, and it hits hardest at poor families who typically spend a large fraction of their budget on food and other necessities.

If this proposal passes, according to any objective economist, including our much respected Heritage Foundation and others, the sugar price could fall 20 cents for a 5-pound bag.

The advocates justify their subsidies as needed to counter foreign subsidized imports and protect the jobs of domestic workers. Neither argument withstands scrutiny. There are ample rules to prevent foreign countries from dumping Government-subsidized sugar in the U.S. markets. Also, by propping up raw sugar prices, the program has driven half the U.S. sugar refiners out of business or out of the country, taking the jobs with them.

Mr. President, I am sorry to see the Senator from Florida defend the sugar growers because everybody knows, and any environmental organization will agree, that what has happened in the Everglades has caused enormous damage.

I ask unanimous consent for 60 more seconds.

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

Mr. MCCAIN. Whether they are willing to kick in and fix it is one thing, but I think any environmental organization would attest to the fact that the increase of a half million acres of sugar growing around the Everglades has done significant damage to the Everglades.

I am glad they are being forced to pay for part of the cleanup since they are clearly a great part of the problem. I also think it is wrong when one family gets $35 million in subsidies—35 million of taxpayer dollars. I think it is wrong. I think most Americans think it is wrong, too. I do not expect to win this amendment, but some day we are going to realize that by subsidizing big producers, whether they be for sugar or anything else, the American people will grow a little weary of this kind of expenditure of their taxpayer dollars and demand we change.

I yield back my remaining time. I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Has all time been used or yielded back?

The PRESIDING OFFICER. All time has been used or yielded back.

Mr. COCHRAN. Mr. President, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment No. 1510, as modified. The yeas and nays have been ordered. The clerk will call the roll.

The legislative assistant called the roll.

Mr. NICKLES. I announce that the Senator from Florida (Mr. MACK) is necessarily absent.

The result was announced—yeas 66, nays 33, as follows:

[Rollcall Vote No. 254 Leg.]

YEAS—66

Abraham	Dodd	Leahy
Akaka	Domenici	Levin
Allard	Dorgan	Lieberman
Ashcroft	Durbin	Lincoln
Baucus	Edwards	Lott
Bayh	Enzi	McConnell
Bennett	Graham	Murkowski
Bingaman	Gramm	Murray
Bond	Grams	Reid
Boxer	Grassley	Robb
Breaux	Hagel	Roberts
Bryan	Harkin	Rockefeller
Bunning	Hatch	Sessions
Burns	Helms	Shelby
Campbell	Hollings	Smith (OR)
Cleland	Hutchison	Stevens
Cochran	Inhofe	Thomas
Conrad	Inouye	Thurmond
Coverdell	Jeffords	Torricelli
Craig	Johnson	Warner
Crapo	Kerrey	Wellstone
Daschle	Landrieu	Wyden

NAYS—33

Biden	Gregg	Nickles
Brownback	Hutchinson	Reed
Byrd	Kennedy	Roth
Chafee	Kerry	Santorum
Collins	Kohl	Sarbanes
DeWine	Kyl	Schumer
Feingold	Lautenberg	Smith (NH)
Feinstein	Lugar	Snowe
Fitzgerald	McCain	Specter
Frist	Mikulski	Thompson
Gorton	Moynihan	Voinovich

NOT VOTING—1

Mack

The motion was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER (Mr. BUNNING). The Senator from Pennsylvania is recognized.

AMENDMENT NO. 1512 TO AMENDMENT NO. 1499

(Purpose: To reauthorize, and modify the conditions for, the consent of Congress to the Northeast Dairy Compact, to grant the consent of Congress to the Southern Dairy Compact, and to require the Secretary of Agriculture to use certain methods for pricing milk under consolidated Federal milk marketing orders)

Mr. SPECTER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER], proposes an amendment numbered 1512 to amendment No. 1499.

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

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

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

Mr. SPECTER. This amendment calls for the creation of a dairy compact that would extend beyond the New England States, which currently have a dairy compact, and would include a number of other States, such as Pennsylvania, New York, and others. The purpose of this dairy compact is to stabilize the price of milk. The price of milk has fluctuated enormously. In December of last year, it was as high as $17.34 per hundredweight; in June of this year, it went down to $11.42 per hundredweight.

There is currently a dairy compact in effect for the Northeastern States—not including Pennsylvania or New York—which will expire in October of this year. The compact will provide some stability in the industry and will guarantee consumers an uninterrupted supply of milk. There has been some concern expressed about the cost to the consumers. When the Northeast Compact went into effect, the prices for milk within the compact region were 5 cents lower than retail prices in the rest of the Nation.

This bill would authorize member States to enter into a voluntary agreement to create a minimum price for milk in the compact region that takes into account the regional differences in the costs of production. In addition to providing the stability, it will ensure, with an appropriate safety net, that milk can be produced and be available for very important programs like WIC—Women, Infants, and Children—and the availability generally.

Pennsylvania passed legislation that will enable Pennsylvania to enter into this compact if it is authorized by the Congress. Some 40 Senators have cosponsored similar legislation, and Governor Ridge signed legislation that would permit my State of Pennsylvania to enter into the compact.

Mr. President, as I outlined earlier, when seeking a unanimous consent agreement, I do not intend to press this issue to a vote. I do not intend to do so because of the rule of the Senate that bars legislation on an appropriations bill—a recently revived rule. But I am putting it in the RECORD today and outlining its basic purpose, with the intent to bring it up in the conference with the House to try to get this enacted into law.

I am pleased now to yield to the distinguished Senator from New York, Mr. SCHUMER.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. SCHUMER. Mr. President, I thank my friend and colleague from Pennsylvania. I am proud to work with him on this amendment. As was stated, this would reauthorize the Northeast Dairy Compact and extend it to New York and Pennsylvania, as well as New Jersey, Maryland, Delaware, and Ohio. It also implements the 1–A pricing structure.

I have visited dairy farms throughout New York State, and I have become an enthusiastic supporter of the compact, which will preserve the economy and a rural way of life in my State and throughout the country. Over the last 10 years, New York State has lost a third of its dairy farms, dropping from 13,000 to 8,600. These are not just 8,600 farms; they are the backbone of a rural economy. We in New York State have the third largest rural population of any State, and the dairy compact is vital.

I have talked to constituents in New York City, and they would, in some cases, pay a little bit more for milk. But we need to bring both parts of the State together. As I have asked my upstate constituents to sometimes consider the problems we have downstate and be mindful of those, I ask the same of my downstate constituents about upstate.

The cost is not great. The New England compact price of milk has not risen by more than 4 cents a year; that is, $3.50 a family. WIC is exempt. There is a move I support to exempt senior citizen programs.

So it is not going to cost anyone very much to help preserve a portion of our State and a way of life. I am disappointed, of course, that we were unable to garner the 60 votes for the New England compact. I understand why the Senator from Pennsylvania—and I agree with him—will not pursue this to a vote at this point, but we do this in hopes that in conference we can be added to the compact.

Both of my good friends from Wisconsin led a strong, valiant fight on the other side. The only thing I would ask them to understand is how desperately our State needs this compact. I am hopeful that we can find some common ground that will benefit both areas.

But in the meantime, New York needs entry into the compact. We need 1–A, and I hope that my colleagues will look at this amendment and might be able to support it in conference.

I yield whatever remaining time I have. I thank the Senator from Pennsylvania for yielding time to me.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KOHL. Mr. President, I had hoped that the last vote had ended the debate on dairy compacts. But if my colleagues wish to eulogize these cartels, I am happy to join them.

First, I want to explain why I care so much about this issue. Wisconsin is the dairy state. We have 22,000 farms, and almost all of them family-owned businesses. We have thousands more residents who make their living buying

and selling dairy products, farm equipment, barns, feed, even the early morning coffee served to the farmers who come to town straight from their milking barns each morning. Dairy compacts do not only strike at an industry in my state. They strike at the heart and soul of Wisconsin, at our way of life.

The Northeast dairy compact legislatively raises the price of class I milk above the prevailing federal milk marketing order price for farmers in the States lucky enough to be in the compact region. By a complicated formula, all dairy farmers in the region—regardless of what class milk they produce or for what use—receive some extra subsidy from the region's milk processors based on their overall milk production. Of course, this is a classic anti-market incentive for these farmers to produce more milk than the region needs or demands.

Besides having a very real cost to the Treasury, the overproduction of all sorts of milk in the compact region causes prices to fall in non-compact states for milk used to produce cheese, butter, milk powder and other products likely to be exported out of State. If the Northeast dairy compact becomes permanent, the oversupply problem will grow exponentially as Northeast farmers make the capital investments warranted by their permanent guarantee of an artificially high price for all of their milk. If compacts spread to other regions of the country, non-compact regions—the fewer and fewer farmers operating in a free market—will be squeezed even more by even more overproduction. The cost to the Treasury would be unjustifiable. The cost to efficient family farms in the Midwest would be unbearable.

This is more than bad economic policy. The regional favoritsm it embodies is downright un-American. What other industry sees prices set based soley on what region of the country the producer produces? What other industry faces trade barriers erected within the United States?

You may support dairy compacts today based on the hope your State might join a dairy compact soon or based on indifference to a dairy industry problem that doesn't have much to do with your State. But remember your support tomorrow when your neighboring state or region throws up a wall to keep you from selling fruit or vegetables or grain or beef or cars or computers in their State. That is no way to run a country. That is no policy for States that are allegedly united into one country. Mr. President, I hope we can put this issue to rest for the year and move forward with this important agricultural appropriations bill. I yield the floor.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, let me associate myself with all of the comments of the senior Senator from Wisconsin with regard to the merits of this amendment.

Again, I agree that this has to be one of the most bizarre pieces of the American economy that the Congress ever sought to set up.

We are extremely pleased and happy with the vote on cloture. There was a full court press to try to get cloture on this very hard fought issue.

Frankly, the proponents of the compact didn't even come close. That is the message that is sent.

So when the Senator from Pennsylvania indicates that he is going to withdraw this amendment, which certainly is within his rights, and then fight for it in conference, let me simply point out at this point that I could offer a point of order, which I assume would be agreed to by the Presiding Officer, which would make it clear and indisputable that this simply does not belong on an appropriations bill under rule XVI. That is clear.

So if it isn't appropriate in the Senate to do it, and it is against our rules, I would suggest it doesn't belong in conference either.

The message from the Senate is clear. All the efforts were made on both sides to try to win that cloture vote. The message is very simple. This body is not representing to the conference or anyone else any other conclusion other than that the compact should come to an end, as the Secretary of Agriculture has proposed.

I will not offer that point of order in deference to the Senator from Pennsylvania. But I want to be very clear in the RECORD that that is the posture from the Senate as this bill ultimately goes to conference.

I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I understand the parliamentary situation. But I want to strongly support the amendment of both Senator SPECTER and Senator SCHUMER.

The distinguished Senator from New York has been a tremendous advocate for his dairy farmers, and this amendment is critical to keeping them in business. Upstate New York, just as Vermont, needs a compact to keep their dairy industry alive.

The distinguished senior Senator from Pennsylvania, Mr. SPECTER, has taken the lead on this issue for years for his dairy farmers in Pennsylvania. He recognizes that participating in our regional compact will increase farm income at a time when dairy farmers around the Nation are in dire straits.

I will continue to fight for them—for a Southern compact and for a Northeast compact. There will be other opportunities this year. I stand united with them. Congress should not stand in the way of the wishes of 25 Governors, 25 State senates, and 25 State assemblies, or house of representatives—especially when all they want is to provide a safety net for their dairy farmers without raiding the Federal Treasury.

We talk about billions of dollars in farm programs. We are asking everybody to embrace these compacts because they do not cost the taxpayers anything.

Napoleon said that ''sometimes the most trifling thing decides the fate of battle.'' In this case, the new rule changes of rule XVI coupled with bringing up the Senate Agriculture appropriations bill makes it difficult to extend the compact to the additional 19 States that already have approved compacts. Eventually it will be done. I will do everything possible to get it done.

The National Grange pointed out that ''regional dairy compacts offer the best opportunity to preserve family dairy farms.''

The Grange goes on to support the Southern Dairy compact since a Southern Compact would ''provide dairy farmers in that region with a stable price structure for the milk they produce while assuring the region a viable supply of locally produced milk.''

I support both the Senator from Pennsylvania, Mr. SPECTER, and the Senator from New York, Mr. SCHUMER, and appreciate all of the tremendous work they have done for the dairy farmers.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I take sharp exception to the argument of the Senator from Wisconsin, Mr. FEINGOLD, where the assertion is made that we fell far short of cloture. We had 53 Senators who voted in favor of cloture. We are moving up the line toward the requisite 60 number.

I might point out that on the campaign finance reform bill after some substantial years of effort there are 52 votes. I am one of the 52. I believe the campaign finance bill is going to get to 60 just as I think the chances are excellent that we may well get to 60 on this cloture vote.

But the important point is that 53 Senators signified their desire to support strong dairy prices. That is much more significant in terms of being two votes over the majority. It is hard to get 51 Senators in this body to agree to anything. It is harder yet to get 52, and harder still to get 53.

There is a widespread recognition in this body, including the 40 Senators who have cosponsored this legislation. I believe there is a lot of support signified by 53 votes for cloture.

We will have an opportunity to move ahead with this bill when it gets to conference.

We will let the conference work its will and it may return to the floor. There are very good reasons for this bill. I understand there are regional differences, and what may benefit the farmers of Pennsylvania may detract to some extent from the farmers in other States.

In our Government, in our democracy, we work these things out as best we can. I hope we can find some common ground. If we can't, let the Congress work its will.

AMENDMENT NO. 1512, WITHDRAWN

Mr. SPECTER. Mr. President, I formally withdraw the amendment.

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

SPECTER DAIRY COMPACT AMENDMENT

Mr. JEFFORDS. Mr. President, I rise along with my colleagues to support this important amendment. On April 27, I introduced S.J. Res. 22, along with 39 of my colleagues. Support for S.J. Res. 22, which reauthorizes the Northeast Dairy Compact and ratifies the creation of the Southern Dairy Compact, is impressive.

As we know, Secretary Glickman's final pricing rule, which is scheduled to be implemented on October 1, 1999, will cost dairy farmers millions of dollars in lost income. In addition, successful pilot program of the Northeast Dairy Compact will expire on October 1, 1999, unless congressional action is taken.

This amendment would: Extend the Northeast Dairy Compact until 2002 and ratify a Southern Dairy Compact as a pilot program until 2002; Mandate Option 1–A for the pricing formula for Class 1 milk; and Require the Secretary of Agriculture to use formal rule making to determine the pricing formula for Class III milk.

This amendment must be addressed before the October 1, 1999, deadline. We have an opportunity to give the states the right to help protect their farmers with no cost to the federal government and correct the Secretary of Agriculture's flawed pricing rules.

This amendment is about fairness to both farmers and consumers. It has the broad support of governors, state departments of agriculture, the American Farm Bureau, and dairy cooperatives and coalitions from throughout the country. Even the Land-O-Lakes Cooperative in the Upper Midwest supports this important amendment.

However, I am aware that some of my colleagues oppose our efforts to bring fairness to our states and farmers. Also, unfortunately, Congress has been bombarded with misinformation from an army of lobbyists representing the national milk processors, led by the International Dairy Foods Association (IDFA) and the Milk Industry Foundation. These two groups, backed by the likes of Philip Morse, have funded several front groups to lobby against this amendment.

I would like to set the record straight. It is crucial that Congress debate the issues presented on the merits, rather than based on misinformation. When properly armed with the facts, I believe you will conclude that the Northeast Dairy Compact was a successful experiment that works and that other states should be given the opportunity to prove whether a dairy compact would work for them.

This amendment reauthorizes the very successful Northeast Dairy Compact pilot program and allows the Southern Dairy Compact to operate as a pilot program until 2002, when Congress would have an opportunity to revisit and carefully consider the Northeast and Southern Compacts in the 2002 farm bill.

Currently the bill to reauthorize the Northeast and ratify the Southern compact has 40 cosponsors. Twenty-five states have passed dairy compacts and now even more than half the states in the county are interested in having the right to form dairy compacts. During the past year Alabama, Arkansas, Kentucky, Louisiana, Mississippi, Oklahoma, North Carolina, South Carolina, Tennessee, Virginia, West Virginia, Georgia, Missouri and Kansas, have all passed legislation to form a southern dairy compact. Texas is also considering joining the Southern Compact.

The Oregon legislature is in the process of developing a Pacific Northwest Dairy Compact as well. New Jersey, Maryland, Delaware, Pennsylvania, and New York have passed state legislation enabling them to join the Northeast Dairy Compact.

The Northeast Dairy Compact, which was authorized by the 1996 farm bill as a three-year pilot program, has been extremely successful. The Compact has been studied, audited, and sued—but has always come through with a clean bill of health. Because of the success of the Compact it has served as a model for the entire country.

One look at the votes cast by each state legislature, and you can see that there is little controversy over what is in best interest for the consumers and farmers in each respected state. For example, in Alabama and Arkansas, both legislative chambers passed compact legislation unanimously. It passed unanimously in the North Carolina Senate and by a vote of 106–1 in the North Carolina House. In the Oklahoma State Senate, it passed by a vote of 44–1 and unanimously in the Oklahoma House. It passed unanimously in the Virginia State Senate and by a vote of 90–6 in the Virginia House. In Kansas, the bill passed in the Senate by a vote of 39–1 and an impressive 122–1 in the Kansas House.

A 1998 report by the Office of Management and Budget (OMB), requested by Members from the Upper Midwest, on the economic effects of the Dairy Compact illustrates the Compact's success. The OMB reported that during the first six months of the Compact, consumer prices for milk within the Compact region were five cents lower than retail store prices in the rest of the nation.

OMB concluded that the Compact added no federal costs to nutrition programs during this time, and that the Compact did not adversely affect farmers outside the Compact region. This is an important fact to remember as some of my colleagues may debate that the Compact harms the farmers in the compact region.

Congressional opponents of the Compact also requested an audit of the Dairy Compact Commission by the USDA's Office of Inspector General and federal auditors gave the Compact Commission a clean bill of health. The auditors stated unequivocally that the Commission has properly administered funds and provided $46 million to dairy farmers.

The courts also agree that the Compact is legally sound. Last January, a Federal appeals court rejected a challenge to the Dairy Compact by the Milk Industry Foundation. The Court found that the Compact was constitutional and the U.S. Agriculture Secretary's approval of the Compact was justified.

Recently seventeen Governors from throughout the Northeast and Southeast sent a letter to the Majority Leader of the Senate and House, urging Congress to consider and support the Dairy Compact legislation. The Governors of the Compact regions speak not only for their farmers and consumers but for the rights of the States. The message to Congress from Governors nationwide has been clear. ''Increase the flexibility of states and support legislation that promotes state and regional policy initiatives.''

I would now like to address the actual and potential impact of dairy compacts on milk production and the cost to taxpayers. In short, dairy compacts have and should have little impact on production and operates without cost to taxpayers and the federal government, not one penny. Opposition claims to the contrary, even accounting for the admitted uncertainty of dairy economics, are overblown and distorted.

First, these compacts contain specific provisions designed to ensure the prevention of surplus production attributable to operation of the compacts. The compacts are entirely self-funded, without any recourse to the federal (or state) treasury and preclude any cost to taxpayers. Additionally, the states have agreed to the condition of consent contained in S.J. Res. 22 which requires the compact commissions to reimburse USDA for any surplus purchases made, should the internal protection devices fail. While the latter provision does not directly prevent the potential adverse impact of surplus production on the national marketplace, it does act as a further restraint on the commission's function. It is only logical to see that the last thing the commissions would want is to end up as funding USDA purchases of surplus powdered milk production for the national milk market!

With this analysis in mind, I would like to briefly respond to the claims about milk production and taxpayers costs made by opponents of dairy compact legislation. The International Dairy Foods Association, the trade organization for the processors' lobby which is leading the opposition to S.J. Res. 22, claims that the Northeast Compact has resulted in an estimated 60 percent increase in milk powder production while national powder production increased only by 2 percent, and that the USDA has expended $11 million in surplus production purchases

attributable to the regional production increase. In various statements against dairy compacts, opponents have cited the percentage increase in milk powder production and purchase costs with approval.

Anyone who has worked in the area of dairy pricing and statistics knows of the hazards of attempting to quantify analysis of this most complex sector of our economy. The above analysis proves the point. It is certainly true that milk powder production in the northeast increased during the first six months of operation of the Northeast Compact at a rate above the national average. Yet the reasons are not as simple—only because of operation of the Northeast Compact—as opponents of dairy compacts would have us believe. First, one of the largest cheese processing plants in the region shut down during this time, and the raw milk supply had to be converted from cheese to powder production. On the other side of the equation, national production during this period was quite depressed, despite the apparent two percent increase, because of a dramatic downturn in California and southwest production. Hence the otherwise seeming disparities in rates of production.

Furthermore, the claim that USDA spend $11 million in surplus purchases attributable to the Northeast Compact's operation is blatantly misleading. In fact, $1.7 million in such reimbursement was provided—nowhere near the $11 million amount claimed by the opposition. In addition, whether the $1.7 million represents purchases which more reflect the increase in powder production attributable to the shut down of the cheese plant, and other factors, remains an open question of economic analysis, despite the reimbursement provided also by the Compact Commission.

Opponents further cite with approval the claim of IDFA that operation of the Northeast Compact will cost taxpayers an estimated $400 million annually. This claim is made without basis or analysis and must not be relied upon at all. Simply put, CBO gave the Northeast Compact a zero source, which is a long, long, way from $400 million.

I feel I should take some time to explain just how the Compact operates. The Northeast Dairy Compact Commission has the authority to regulate Class 1 (or fluid) milk prices. The commission, which consists of consumer, processor and farmer representatives appointed by each state's governor, determines both the price necessary to yield a reasonable return to producers and distributors as well as the purchasing power of the public through a formal rule making procedure. Any regulation is subject to a two-thirds vote by a state delegation as well as a producer referendum.

All milk consumed in compact-affected areas is uniformly regulated. This provision ensures an equal benefit to New York or California farmers who supply milk to the compact states. The Compact Commission's price regulation works in conjunction with the federal government's pricing program, which establishes minimum prices paid by processors and received by dairy farmers for raw milk produced on farms.

The Compact regulation raises these minimum prices as they relate to the market for fluid, or bottled milk. Part of the difference between the Compact's minimum price and the federal minimum price is set aside to compensate any cost that may be associated to the WIC programs and school lunch programs.

Processors purchasing milk to produce other dairy products such as cheese or ice cream are not subject to the Compact's pricing regulations, although all farmers producing milk in the region, for any purpose, share equally in the regulation's benefits.

Here is how it works. The Commission established $16.94 per hundredweight as the Compact over-order price for Class 1 milk. All milk processors having sales of fluid milk in New England are required to pay a monthly over-order obligation. This obligation is the difference between $16.94 and the price established monthly by federal regulation for the same milk.

For instance, if the federal price for Class 1 milk was $13.94 for a particular month, the processors' over-order obligation for that month would be $16.94 minus $13.94—or $3.00. Processors multiply their total fluid milk sales by this amount and that is what they pay into the Compact Commission.

Three percent of the pooled price regulation proceeds are then set aside to hold harmless the impact on New England WIC programs. At least 4 cents but no more than 5 cents is deducted from the pooled proceeds each month and placed in a reserve fund established in the event of late payments by handlers.

Approximately half of the unobligated balance of this fund is added back into the pool for redistribution in the following month in order to prevent the reserve fund from growing too large.

Farmers receive the balance of the proceeds in accordance with the Class 1 utilization rate—the percentage of milk produced that actually goes towards drinking milk, not cheese or other manufactured products. Therefore, the producer price is derived by dividing the balance of the pool proceeds by the total number of pounds of all producer milk in the region.

The Compact Commission makes disbursements to farmer cooperatives and milk handlers, who then make the individual payments to farmers based on their production.

When the Compact regulation first took effect in July of 1997, the Compact over-order obligation was $3.00. During that month, 245,001,960 pounds of milk, or 46.14% of the total milk in the region was sold as Class 1 milk. This resulted in a pool paid into the Commission of $7,350,058.80. After the WIC and reserve fund adjustments were made, the balance of the pool proceeds was $6,903,009.44. When this number was divided by the total number of pounds of all producer milk, in this case 531,000,726 pounds, the resulting producer price was $1.30.

For many farmers in Vermont and New England, the Compact payments have meant the difference between keeping the farm and calling the auctioneer.

Federal dairy policy is difficult to explain at best. As a Member of the House of Representatives, I served as the ranking member of the Dairy and Livestock Subcommittee. During my years in the House, I worked very closely with the programs that impacted dairy farmers and consumers. Of all the programs and efforts by the federal government to help our nation's dairy farmers, the most effective and promising solution have seen thus far is the creation and operation of the Northeast Dairy Compact.

I would like to address the actual and potential impact of dairy compacts on consumer prices. In short, opposition claims about the actual and possible impact of dairy compacts on consumers, including low income consumers, are unfounded and grossly distorted.

While farm milk prices have fluctuated wildly, remaining constant overall during the last ten years, consumers prices have risen sharply. The explanation for this is apparently that variations in store prices do not mirror the wild fluctuations in farm prices.

In other words, when farm prices go up, the store prices go up, but when the farm prices recede, the store prices do not come back down as quickly or at the same rate. Hence, and quite logically, if you take away the fluctuations in farm prices, you take away the catalyst for unwarranted increases in store prices.

Let's take a look at what the retail price has done in the Compact region compared to other areas that do not have Compacts in place. This demonstrates several extremely important points that dispute the claims that the compact hits consumers with higher retail prices compared to other regions. The average price per gallon of milk in Boston remained steady at $2.89 for February, March and April of 1999 in the Compact areas. Meanwhile retail prices across the country widely fluctuated and were most often higher than in the Compact area of New England.

Again, I would like to make it very clear that the Compact only regulates fluid milk used for drinking, called Class I milk. Although not shown on this chart, milk prices in suburban areas of New England can often be found for $2.00 or less per gallon. Generally, the shelf price of milk has increased proportionally to increases in producer prices, yet, has not decreased

at the same rate when farm prices have dropped. The result has been an upward price ratcheting in the retail milk price—a rise of about 30 percent between 1985 and 1993 while the farm price actually fell.

Even with the Northeast Dairy Compact, New England retail milk prices are among the lowest in the country!

Contrary to the claims of the opposition, regional compact regulation remain open to the interstate commerce of all producer milk and processor milk products, from whatever source. Compacts establish neither ''cartels'', ''tariffs'' nor ''barriers to trade'' and are not economic ''protectionism.''

According to the opponents characterizations, dairy compacts somehow establish a ''wall'' around the regions subject to compact regulation, and thereby prohibit competition from milk produced and processed from outside the regions.

These are entirely misleading characterizations. It is really quite simple and straightforward: All fluid, or beverage milk sold in a compact region is subject to uniform regulation, regardless of its source within or outside the compact region. This means that all farmers, including farmers from the Upper Midwest, providing milk for beverage sale in the region, receive the same pay prices without discrimination.

Despite what some of my colleagues have said, the Northeast Dairy Compact is working as it was intended to. Instead of trying to destroy an initiative that works to help dairy farmers with cost to the federal government, I urge my colleagues from the Upper Midwest to respect the states' interest and initiative to help protect their farmers and encourage that region of the country to explore the possibility of forming your own interstate dairy compact.

When the June 1999 Compact payments were paid, the Compact will have returned an average of 51 cents per hundredweight of milk to farmers over the past two years of operation. The average Vermont family farm realized an additional $13,000 net income during the life of the Compact. For seven of those months no payments were made because market prices were above the Compact floor.

In April of this year, farmers felt the effect of a record $6.00 per hundredweight drop in the Basic Formula Price. In New England, blend prices dropped an unprecedented $3.93 per hundredweight from the previous month, but the Compact payment of $1.43 made up nearly half of the loss for Northeast farmers.

We would like every region of the country to have the same opportunity to provide stability for their farmers and consumers that the Northeast Dairy Compact provides for our region.

Earlier today, when we were debating the cloture vote on the dairy amendment, I responded to my colleague from Minnesota statement that the dairy compact somehow lowered his farmer's price of milk. I would again, refer to the USDA mailbox price. The mailbox price is the net price that dairy farmers receive for the milk that is marketed under the Federal milk marketing program.

The average prices shows on this chart include all payments received for milk sold and deducts all costs associated with marketing milk. As you can see, in 1998 New England received $14.89 per hundredweight, ten cents below the national average.

Most importantly, despite claims that the Northeast Dairy Compact means smaller checks for Midwest farmers, they received $15.27 per hundredweight, twenty-eight cents above the national average, and thirty-eight more cents per hundredweight than New England producers.

The amendment also mandates that the Secretary use Option 1–A as the pricing formula for fluid milk. As I discussed earlier today, the Secretary's rule, known as 1B, is sue to be implemented on October 1, unless congressional action is taken.

Sixty-one Senators and more than 240 House members signed letters to Secretary Glickman last year supporting the pricing option known as Option A–1, for the pricing of fluid milk. The majority of the country and dairy industry support Option 1–A.

Most all areas of the country are better off under Option 1–A, including the Upper Midwest. Option 1–A is based on solid economic analysis, benefiting both farmers and consumers. It takes into account; transportation costs for moving fluid milk; regional supply and demand needs; costs of producing and marketing milk; and the need to attract milk to regions that occasionally face production deficits.

Finally, the amendment requires the Secretary of Agriculture to hold formal hearings to determine how the Class II, and Class IV price will be calculated. There is concern that the Secretary's final rule will drop the price paid for cheese by as much as $.40 per hundredweight. The amendment would give both producers and processors the opportunity to have input on the formula through the formal rule making process.

This amendment is about helping farmers and protecting consumers. Farmers deserve our support and recognition. It is sometimes easy to forget just how fortunate we are in this country to have the world's cheapest and safest food supply.

I listened with great interest to the sugar debate earlier today. I support this Federal no-cost that provides stability to farmers and consumers in sugar growing states. I don't have sugar growers in Vermont. I have dairy farmers. But that does not mean I should not support a commodity program that helps protect farmers in other states with no cost to the federal government.

I noticed that during the debate several of my colleagues that argued so pationately about protecting the sugar program, did not support my efforts to protect the dairy program. Agriculture, nationwide needs our collective help. Let's not divide agriculture, but join together to protect our nation's most important resources.

I am certain that my colleagues will agree with me that dairy farmers deserve a fair price for their products. What does it say about our values when some of the hardest working people, our farmers, are underpaid and unappreciated? In the last couple of days we have debated providing billions of dollars in assistance to farmers who face the current disasters. This amendment would help prevent a disaster for America's dairy farmers by giving the states and the dairy farmers the tools to face the challenges of improving and stabilizing farm prices.

In Vermont, dairy farmers help define the character of the state. I am proud to work to protect them and to protect the traditions and special qualities of the state.

I realize that this amendment is not in order at this time, however, I urge my colleagues to give great consideration to the importance of this amendment and the need to address these important issues as soon as possible. Supporting this amendment respect the interstate cooperation among states, protects the interests of consumers, and supports America's dairy farmers.

I ask unanimous consent that two ''Dear Colleague'' letters be printed in the RECORD.

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

UNITED STATES SENATE,
Washington, DC, July 15, 1999.

SETTING THE RECORD STRAIGHT: DAIRY COMPACTS AND INTERSTATE COMMERCE

DEAR COLLEAGUE: We would like to set the record straight regarding the relationship between dairy compacts and interstate commerce. Contrary to the claims of the opposition, regional milk markets subject to dairy compact regulation remain open to the interstate commerce of all producer milk and processor milk products, from whatever source. Compacts establish neither ''cartels,'' ''tariffs'' nor ''barriers to trade'' and are not ''economic protectionism.''

Opponents of dairy compacts, most particularly the International Dairy Foods Association (IDFA) have variously claimed that dairy compacts operate to the benefit of dairy farmers and processors within the compact regions and to the detriment of those outside the compact regions. According to the opponent's characterizations, dairy compacts somehow establish a ''wall'' around the regions subject to compact regulation, and thereby prohibit competition from milk produced and processed from outside the regions.

These are entirely misleading characterizations. Yet despite all these misleading descriptions, the regulatory theory of compacts is really quite simple and straightforward: All fluid, or beverage milk sold in a compact region is subject to uniform regulation, regardless of its source within or outside the compact region. This means that all farmers, including farmers from the Upper Midwest, providing milk for beverage sale in the region, receive the same pay prices under

the regulation without discrimination. Similarly, all processors with sales in the region must pay the same price for raw milk used for those sales, regardless of the location of the processing facility or the location of the farm sources of their raw milk supplies.

Hence, there is no ''economic protectionism'' or the erection of barriers to trade. except for the uniform regulation, the market remains open to all, and the benefits of the regulations are provided without discrimination to all participating in the market, including those who participate in the market from beyond the territorial boundaries of the region.

We hope you will conclude as have 40 of our colleagues that dairy compacts provide fair and equitable milk market regulation, that promotes the interests of the regions which have proposed the compacts without discrimination against farmers or processors from other regions.

Thank you for your consideration.

Sincerely,

JIM JEFFORDS.
ARLEN SPECTER.
TED KENNEDY.
CHARLES SCHUMER.

UNITED STATES SENATE,
Washington, DC, July 20, 1999.

SETTING THE RECORD STRAIGHT: THE IMPACT OF DAIRY COMPACTS ON CONSUMER PRICES

DEAR COLLEAGUE. Over the past number of months, the milk processors lobby has bombarded Congress with disinformation about the impact of dairy compacts on consumer prices. Consistent with the time-honored tradition of industry lobbyists working to defeat legislation contrary to their vested interest, this storm of paper is only intended to confuse the issues involved so as to convince you to oppose the dairy compact legislation, regardless of the actual facts.

Twenty-five states have formally presented these compacts for review and approval. Congress must respond by debating the issues presented on the merits. This is especially true with regard to the critical question of the impact of dairy compacts on consumers. On this issue, the opponent's claims are particularly distorted and unfounded.

Can we truly believe that twenty-five governors and the host of state legislative committees and deliberative bodies which have approved these compacts would have approved them if they were likely to have the horrific impact on consumers proclaimed by the opposition?

The opponents claim that the Northeast Compact has caused milk prices to rise ''15 to 20'' cents per gallon. They also claim that in its first year, the Northeast Compact cost New England consumers $65 million in higher milk prices, and that with the creation of a southern compact, consumers would pay $600 million a year in higher milk prices. These claims are nothing but the grossest of scare tactics.

The opponents base their analysis on the OMB study which reviewed the economic impacts of the Northeast Compact during its first six months of operation. In fact, the OMB study concluded that the potential impact of the Northeast Compact on prices might be as low as approximately five cents a gallon. In any event, OMB carefully prefaced its assessment by stating that no reliable conclusions could be drawn based upon a limited data set of six months.

Perhaps more to the point, the design of the dairy compacts and the actual operation of the Northeast Compact Commission should assure Congress that the interests of low income consumers are adequately protected. Each state delegation to the commissions created by dairy compacts must include a consumer representative. This assures that consumers have a voice in pricing decisions, and means that they will certainly have more of a voice than they now have in today's highly concentrated marketplace.

Moreover, the Northeast Compact Commission has acted to provide for reimbursement of the state WIC programs of even potential adverse impacts, regardless of actual impact, and for reimbursement to the School Lunch programs for any documented adverse impact. In design and actual practice, then, dairy compacts work to protect rather than harm consumers, particularly low income consumers.

We hope you will side with the states' actual judgement that these compacts are in the public interest, and choose to support this vital legislation.

Sincerely,

Jesse Helms, Max Cleland, Daniel Moynihan, Mary L. Landrieu, Patrick Leahy, Jim Jeffords, Olympia Snowe, Charles Schumer, Arlen Specter.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

(The remarks of Mr. SPECTER pertaining to the introduction of S. 1484 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

AMENDMENT NO. 1513 TO AMENDMENT NO. 1499

(Purpose: To make a perfecting amendment)

Mr. COCHRAN. Mr. President, I send an amendment to the desk and ask it be reported.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN] proposes an amendment numbered 1513 to amendment No. 1499.

Mr. COCHRAN. I ask unanimous consent reading of the amendment be dispensed with.

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

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

Mr. COCHRAN. Mr. President, this is an amendment relating to economic and disaster assistance. This is the amendment that the Senate voted against tabling when a motion to table the amendment was made by the distinguished Democratic leader, Mr. DASCHLE.

A vote has already been taken on a motion to table this amendment, but it was then, under leadership agreement on how to proceed to this bill, withdrawn.

This action that has just been taken puts this amendment back before the Senate. There was an amendment offered by the Democratic leader and the Senator from Iowa, Mr. HARKIN, which was also the subject of a motion to table. That motion to table was agreed to.

Before the Senate now is the issue of economic and disaster assistance for farmers in the form of the so-called Cochran amendment.

To refresh the memory of Senators, this is an amendment that seeks to give the Secretary of Agriculture authority and funds with which to deal with the economic crisis that exists in production agriculture today. This is funding for the fiscal year that begins next October 1, so it is not an endeavor to deal with all of the existing problems in agriculture in the current fiscal year, but it is an effort to deal with economic problems during the harvesting and marketing of the 1999 crop throughout the country.

There is already in place a $6 billion disaster program that was approved last year that has been administered by the Department. Some of those checks for weather-related disasters went out to farmers as recently as June. We are hopeful if any additional funds are needed for this crop-year, the President will submit a budget request asking for additional funds.

There has been some discussion during the debate on the floor that there is nothing in this amendment that provides immediate assistance for drought victims and the like. The point is, in a recent supplemental that we had on funding the military action in Kosovo, that subject was raised and an amendment was offered, which was rejected, that would provide additional disaster assistance funds in this crop-year and in the next crop-year as well. What we did was adopt the sense-of-the-Senate language that would ask the President to submit a supplemental request if additional funds were needed over and above that amount that had already been provided by the Congress. No request has been made.

A letter was written to the President in June, signed by 22 Senators, reiterating the fact that we approved language requesting a supplemental request if one was needed and that nothing had been heard. We did get an acknowledgment to the letter, but we have had no subsequent request.

The chairman of the Agriculture Committee, the Senator from Indiana, Mr. LUGAR, has been having hearings in the Senate Agriculture Committee, yesterday and again today, getting information, getting expert advice and testimony on the condition of agriculture in America today to determine what level of assistance is appropriate, what level is needed, and what kind and character should this assistance take. We have had a long debate. Senators on both sides have expressed their views on this subject, and we are at a point now where we have to either adopt an amendment or not adopt an amendment providing disaster assistance.

It seems to me it would be appropriate now, after hearing all the evidence, after reviewing all the arguments, to proceed with the adoption of this amendment and go to conference with the House and try to resolve whatever differences we may have on this issue with House conferees and then come back with a conference report for the consideration of the Senate. If we do not have a provision for

disaster or economic assistance in our bill, this will not be an item that can be considered in conference. So I think it is very important for the Senate to approve this amendment, giving us a conference vehicle for further consideration of this issue with the House. If we do not approve this amendment or some other amendment that could be offered, then we will not have a vehicle.

We have already expressed our views as a body on the Daschle-Harkin proposal. It was rejected. This amendment was not rejected. The motion to table was not agreed to. So it is now back before the Senate for its consideration.

I am going to review briefly what this legislation contains and urge Senators to approve the amendment. We can have a record vote on that if the Senate desires or we can adopt it on a voice vote. It suits me to adopt it on a voice vote, but I am putting Senators on notice that is the issue before the Senate now. If anyone wants to request a record vote, they are free, of course, to come to the Senate floor and do that.

The bulk of the funds provided in this amendment—which now has a cost estimated by the Congressional Budget Office of almost $7 billion—the bulk of the assistance is in the form of increased payments, so-called AMTA payments. That is the agricultural market transition payments. These are payments that are made to commodity producers under existing farm law, provided to help farmers make the transition from a Government-controlled and mandated agricultural production system to a more open and free market system where farmers can make their own decisions about what they plant on their crop acreage. In the past, the Government had tight controls over not only what crops could be subsidized by the Government, but how much acreage could be planted with those crops. If you violated the rules, you lost your right to Federal assistance.

Under the new program, Federal assistance is provided without regard to what crop you plant or how much of the acreage you use. There is no mandatory set-aside of acreage, telling farmers you cannot plant but so much of your acreage this year, as was the case under preexisting agricultural legislation. The amount of money that would be paid directly to farmers as authorized in this legislation would represent 100 percent of the total of the 1999 producers AMTA payment. So in effect, by the passage of this amendment, we would double the amount of money that would go to farmers who are entitled to agriculture market transition assistance payments. That comes to a total of $5.54 billion. There is no redtape. There is no discretion in the Department of Agriculture. There is no special procedure for establishing eligibility. If you are eligible under current law for a transition payment, you are eligible for this additional payment. The checks go out.

It was shown in the experience this year in administering the current disaster assistance program that the AMTA payment system was the most efficient way of providing assistance to farmers who were entitled to add additional benefits under an economic assistance program. So that is why in this amendment we have elected to use that vehicle to disseminate funds for disaster and economic assistance to farmers because of this year's economic stress in agriculture. But not all farmers are eligible for AMTA payments. Because they are not, most of the rest of the funds in the bill are used for disaster assistance for those farmers that they may need.

The Secretary of Agriculture is, for example, given discretion to establish a program to provide assistance to livestock and dairy producers. There is a livestock assistance program in place now which was utilized to deliver disaster assistance provided last year. So, because of that experience, it seems logical that the Department of Agriculture will be able to provide regulatory guidance and eligibility standards for those who suffered by reason of drought or other conditions that have adversely affected them if they are in the livestock business. This applies to beef cattle production; it applies to hog production; and it applies to dairy.

So it is a program that is included in this legislation. Other specialty crops are included as well—fruits and vegetables. Other crops and other commodities that are grown by landowners who are involved in production agriculture are intended to be included in this program, and the Secretary of Agriculture is given the authority to use funds appropriated in this amendment to provide assistance to those farmers as well.

We do not try to pick and choose among farmers, whether you are eligible or not eligible for benefits. The intent is we want all farmers to benefit from this program under this amendment.

There is also, at the conclusion of our bill, a provision that states the sense of the Congress with respect to a more aggressive policy with agricultural trade issues. There have been situations that have developed around the world where our producers and exporters have been shut out of markets or have been discriminated against because of tariffs or other rules and regulations adopted by other countries or groups of countries that have made it impossible for us to have access to markets that we have traditionally enjoyed or which we ought to by right have an opportunity to enjoy.

We are urging the administration to be more aggressive in strengthening trade negotiating authority for American agriculture, and we express Congress' objectives for future trade negotiations. We ask the President to evaluate and make recommendations on the effectiveness of our existing export and food aid programs.

I think we have heard enough about what the facts are. Senators who have been to their own States have had an opportunity to view the situation, to talk with their farmers, and to understand the stress that is confronting American agriculture today.

Here are some of the Department of Agriculture's own facts and estimates that had been given to our subcommittee when we had our hearings earlier this year: 1999 net cash farm income is expected to decline $3.6 billion below last year's level. Incidentally, in 1998, net farm income for wheat, corn, soybeans, cotton, and rice was 17 percent below the previous 5-year average. For this crop-year, 1999, the projections indicate that income for the same crops will be 27 percent below the previous 5-year average.

Those are the projections that persuade me that disaster and economic assistance is not only important for us to consider but is necessary for us to deliver if we have the expectation of maintaining health and vitality in American agriculture.

I think the facts are clear and justify the amendment we are offering today to provide disaster assistance and economic assistance to agricultural producers for the 1999 crop-year. The bulk of the assistance is going to be made available in the most efficient way possible: through the disbursement of the market transition payments providing a 100-percent bonus, in effect, to all who are eligible for those payments.

Those who are soybean farmers or who grow other oilseeds will be entitled to benefits under a special program. They do not receive these transition payments, but they will receive benefits under this amendment. The same is true of livestock farmers, whether they are beef cattle, pork producers, or dairymen.

We think we have created a balanced program, one that is fair to all farmers, one that will help put money in the pockets of farmers, not just give them a promise of loans or technical assistance or other advice from the Government. Our amendment does not just add money to Government agencies; it does not just increase the size of Government agencies; it sends the money directly to the producers.

We have also agreed to add to this bill, at the request of other Senators, additional funds for crop insurance benefits. That was not included in the original amendment that was offered as a part of the Cochran amendment, but it will be added to this amendment in the form of a modification. We have heard the persuasive arguments in support of that suggestion, and we have agreed to accommodate those Senators who are interested in that additional benefit.

My hope is Senators will review the amendment as we are modifying the amendment and will support it, and we can then move on to the final conclusion of this legislation.

Mr. President, if there is no Senator seeking recognition, I suggest the absence of a quorum.

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

The assistant legislative clerk proceeded to call the roll.

Mr. DURBIN. 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. DURBIN. Mr. President, I was prepared at this time to offer an amendment, but I will not be offering an amendment because Senator COCHRAN, Senator KOHL, and myself have worked out an agreement on an amendment which will ultimately be part of the bill, and I will leave it to the chairman of the subcommittee to decide the best course to bring it into the bill. I am happy we have been able to work this out because I think it is a critically important issue and to which I want to take a few minutes to alert the membership.

I happened to read a few months ago an article in Forbes magazine which was an eye opener. It really disturbed me, and I asked my staff to take a look at it a little more closely. The article is entitled ''Blood Money.'' It documented that many medical devices that were approved and manufactured for a single use had been cleaned and reused on patients without any demonstration to the Food and Drug Administration that the devices are, in fact, safe and fully functional after this reprocessing.

When I tell you these devices, it may give you some pause to consider the types of things that have been manufactured and labeled for a single use and are being reprocessed and used over and over again. Here are some of the most commonly recycled disposables: electrophysiology catheters for heart catheterizations; sequential compression devices; biopsy forceps; pulse—this is where my liberal arts education will fail me—oximeter sensors; laparoscopic instruments. Think of all the laparoscopic procedures going on now. One of the things we find is that many of the instruments that are being used have been labeled single use and are being so-called cleaned and reprocessed and used again.

Continuing with some of the most commonly recycled disposables—drills, bits, blades, catheters, and many other things.

At least a third of the hospitals ignore the manufacturer's warnings and recycle these so-called disposable products for their patients without telling their patients.

As you can see, we are not talking about bedpans here. We are talking about highly invasive and high-risk devices, devices that come in contact with the patient's blood or other bodily fluids. This reuse is happening without the knowledge of patients and without a requirement that the devices be shown to still be safe and effective after reprocessing.

Here in the United States we have a Food and Drug Administration which oversees the safety of drugs, medical devices, biologics, foods, and cosmetics. Let me say that I am one of the biggest fans in Washington of the Food and Drug Administration.

Dr. Jane Henney, who is now the head of that agency, is an extraordinarily talented person. Though she and I have had some debates on various issues, I am grateful that she has left the private practice of medicine to give these years of public service to the Food and Drug Administration because this FDA literally inspects and approves devices, instruments, prescription drugs—all sorts of things—that we take for granted in our everyday life.

FDA approval is considered the gold standard all around the world. Yet that gold standard is only being applied to devices when they first come on the market. The FDA takes a look at these various devices as they are being sold to determine whether or not they are safe and effective, as they should. With that approval, they are sold to hospitals around America.

But when it comes to the issue of reprocessing this disposable device, which is used a second, third, or fourth time, I am afraid the FDA has not been as effective as they should be. The Los Angeles Times ran an article 2 days ago reporting a bacterial outbreak in a Colorado hospital due to contaminated reused cardiac catheters. One of the patients involved died because of that outbreak.

This chart makes reference to the Federal MEDWATCH program which is an effort to get a report from any hospital if it shows that a device has resulted in some problem. One of the adverse event reports that was reported to FDA's MEDWATCH shows that the tip of a catheter that had been reused six times broke and lodged in a 32-year-old man's right atrium—if you recall from biology, that is inside the heart—where it is still lodged today.

The Los Angeles Times article also talks about another incident where a 4-inch-long tip traveled from a patient's heart to his stomach, leading to additional surgery in which the doctors opened the man's stomach in an attempt to remove it.

I find this shocking. You or I could be admitted to a hospital tomorrow, and without our knowledge we could be exposed to a device of completely unknown standard.

I have here some charts that depict some reused devices that were retrieved from hospitals in exchange for new devices. They show that many of the devices had either remaining blood or tissue on them or were damaged, so they could not have met the standards FDA had for original manufacturers.

This is an example of a cutting device. It shows, unfortunately, that it was still contaminated when it was removed from the hospital.

There are other photographs as well, each one raising a question as to whether or not these devices, when used, were sufficiently cleaned or up to the job that they were called to do. We have several other photographs. I think they all demonstrate that.

The amendment which I have offered, and which has been accepted by both the majority and minority, is supported by various consumer groups—Public Citizen, the Consumer Federation of America, and the Consumers Union—and patient groups such as AIDS Action, the Alzheimer's Association, the National Organization for Rare Diseases, the National Women's Health Network, and by health professionals, such as the American Nurses Association, that say we should reserve a very small amount of FDA's medical device money—in this case $1 million—out of the $154 million allocated for medical and radiological devices to provide oversight for these reused medical devices.

One has to wonder why we spend any money on device safety if the device only has to be safe when it is used initially. In the case of the catheter that is now lodged in a patient's heart, it was reused six times. This was supposed to have been used once.

When you go in for heart surgery or these diagnostic treatments, it never crosses your mind to ask the doctor: Incidentally, will all the devices you are going to use in the course of my treatmment be used for the first time only? Has someone else used this catheter before? Has it been reprocessed? Is it being reused?

That never dawns on the patient, but in fact we find a third of the hospitals are reusing these devices. That is why I think this amendment is so necessary.

I think we can do a lot better. In fact, I believe we can go a lot further than my amendment goes. I will be introducing a bill shortly that will completely overhaul this system to provide patients with assurance that all medical devices used on them are of a high standard and that we can accurately track injuries and infections due to reprocessed devices.

My amendment attempts to take a small step to encourage the FDA to provide necessary oversight of reprocessed devices. America uses the FDA to make sure that products, including medical devices, are safe. It does not make sense to have safety equipment for devices when they are brand new but to turn a blind eye thereafter. All medical devices should be required to be safe.

I might add, in closing, that at a recent hearing before the Governmental Affairs Committee, I asked Dr. Henney about the efforts being made by the Food and Drug Administration to deal with this problem. She referred me to Dr. Jacobson. Dr. Jacobson is currently the acting director of the Center for Devices. He acknowledged my question about reusing medical devices was a difficult one. He also acknowledged that the FDA is in the process of establishing standards and procedures to

make sure that these reused devices are safe. I am heartened that, when brought to his attention, the FDA was responsive. Frankly, I think we need a lot more. That is the purpose of this amendment.

I thank the Chair for the time. I also extend my thanks to Senator COCHRAN of Mississippi and Senator KOHL of Wisconsin for agreeing to this amendment which will be made part of the bill, so that $1 million in the Food and Drug Administration is going to be directed toward the efforts to clean up the reuse of these medical devices.

I yield the floor.

Mr. KENNEDY. In an effort to reduce costs under managed care, more than a third of all hospitals across the country are now reusing medical devices that are labeled by the original manufacturer as ''disposable'' or ''for single-use only.'' More than a million devices a year are being reprocessed and then used on patients without their knowledge, in violation of the original manufacturer's recommendation or warning, and without a determination by the FDA that these devices are safe and effective.

To protect patient safety, FDA requires that before a medical device manufacturer can begin selling a single-use device as reusable by additional patients, the manufacturer must file the appropriate premarket notification to prove the safety and efficacy of the reused device.

But this requirement only applies to original equipment manufacturers, and not to hospitals, other providers, or third party reprocessors. When hospitals, or third-party reprocessors, prepare a ''single-use only'' device for use again in another patient, they do not supply the FDA with any information on the safety and efficacy of the device and they do not notify the FDA of their intent to remarket the used device.

The FDA does require third-party reprocessors to register with the Agency and to conform to the ''Good Manufacturing Practices'' required of device manufacturers. The larger reprocessors are registered with the FDA and may be inspected for compliance. But there are numerous smaller reprocessors that do not register with FDA, and hospitals that reprocess in-house do not register either.

Even when registration takes place, is not a form of approval. Compliance with Good Manufacturing Practices does not assure that the reprocessing results in a safe and effective device. The reprocessing industry is, for the most part, unregulated.

Some of the disposable devices that are reprocessed and reused are highly invasive and are contaminated with blood and tissue during use. A few examples include:

Balloon angioplasty catheters for dilating coronary arteries;

Electrophysiology catheters for cardiac testing;

Biopsy forceps and biopsy needles for removing tissues and cells;

Laparoscopic instruments for surgical procedures.

Inadequate cleaning and sterilization of these devices prior to reuse can lead to cross-contamination of patients and hospital staff.

Single-use devices are often made from heat sensitive plastics, and have intricate, inaccessible parts which can be difficult, if not impossible, to clean. They often contain long narrow tubing, acute angles, crevices, coils, joints, and porous surfaces where contaminants can collect. The potential is high for contamination by blood, respiratory secretions, gastric secretions, and fecal matter.

Cleaning and resterilizing can also threaten the operation of a used single-use device. Physical, mechanical or electrical properties can be altered when the device is subject to harsh chemicals, high temperatures, pressure, gases, and physical removal of debris. Proper use of the device in the initial patient may also alter the performance of the device.

Reprocessors say that they test these devices. But any testing is done without the benefit of the data and other proprietary information in the original manufacturer's Premarket Notification to the FDA.

The FDA has conducted studies on balloon angioplasty catheters. These devices are threaded from an artery in the leg into the heart, and then inflated to open the coronary arteries. The studies concluded that many of the narrow spaces in these catheters were contaminated with blood, and that the balloons no longer inflated properly.

Studies by FDA on reprocessed electrophysiology catheters have found debris accumulated at the edges of the electrodes. These devices are also threaded into the heart, and measure electrical activity to locate abnormal heart tissue and burn it away.

FDA concluded that the determination as to which devices can be safely reused must be made on a model-by-model basis, and should not be made for an entire class or type of device.

Other independent studies on biopsy forceps used to collect samples from the colon and digestive tract showed that over 80% were contaminated with blood, tissue, or fecal matter. The devices in this study were taken from hospital shelves where they were waiting for reuse on future patients.

Injuries and product failures have also been associated with reused disposable devices. In January of this year, metal from an electrophysiology catheter electrode fell off and lodged in the heart of a 32-year-old woman in Kansas. The device had been reprocessed six times.

In another case, a reprocessed catheter partially separated, and the tip was retained only by a small piece of wire. In this case, fortunately, the patient was not injured, but the potential for serious injury was great.

The Medical Device Amendments of 1976 gave FDA the authority to exercise pre-market control over medical devices for the first time. The Safe Medical Devices Act of 1990 required hospitals and other facilities that use medical devices to report adverse events to FDA. A box on the MedWatch adverse event form asks if the device was being used for the first time or was reused.

Additional information is needed on how many times a device has been reused and the name of the reprocessor, so that the Agency can identify signs or trends of problems with the reuse of a particular class or model of device, or with a particular reprocessor or process.

The amendment we offer today will help ensure the safety and effectiveness of reprocessed medical devices.

I commend the FDA for its continuing efforts to improve the premarket review program. This effort has resulted in reduced review times of Premarket Notifications, so that in 1997 and 1998, FDA had no backlog of these marketing applications.

FDA should now move forward and require medical device reprocessors to demonstrate that reprocessed devices are safe and effective for use.

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

The PRESIDING OFFICER (Mrs. HUTCHISON). Without objection, it is so ordered.

AMENDMENT NO. 1513, AS MODIFIED

Mr. COCHRAN. Madam President, I send a modification of my amendment to the desk and ask that it be reported.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN] proposes an amendment numbered 1513, as modified.

Mr. COCHRAN. 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:

Beginning on page 1, line 3, strike all that follows ''SEC.'' to the end of the amendment and insert the following:

____. EMERGENCY AND MARKET LOSS ASSISTANCE.—(a) MARKET LOSS ASSISTANCE.—

(1) IN GENERAL.—The Secretary of Agriculture (referred to in this section as the ''Secretary'') shall use not more than $5,544,453,000 of funds of the Commodity Credit Corporation to provide assistance to owners and producers on a farm that are eligible for payments for fiscal year 1999 under a production flexibility contract for the farm under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.).

(2) AMOUNT.—The amount of assistance made available to owners and producers on a farm under this subsection shall be proportionate to the amount of the contract payment received by the owners and producers for fiscal year 1999 under a production flexibility contract for the farm under the Agricultural Market Transition Act.

(3) TIME FOR PAYMENT.—The assistance made available under this subsection for an eligible owner or producer shall be provided not later than 45 days after the date of enactment of this Act.

(b) SPECIALTY CROPS.—

(1) ASSISTANCE TO CERTAIN PRODUCERS.—The Secretary shall use not more than $50,000,000 of funds of the Commodity Credit Corporation to provide assistance to producers of fruits and vegetables in a manner determined by the Secretary.

(2) PAYMENTS TO CERTAIN PRODUCERS.—

(A) IN GENERAL.—The Secretary shall use such amounts as are necessary to provide payments to producers of quota peanuts or additional peanuts to partially compensate the producers for continuing low commodity prices, and increasing costs of production, for the 1999 crop year.

(B) AMOUNT.—The amount of a payment made to producers on a farm of quota peanuts or additional peanuts under subparagraph (A) shall be equal to the product obtained by multiplying—

(i) the quantity of quota peanuts or additional peanuts produced or considered produced by the producers under section 155 of the Agricultural Market Transition Act (7 U.S.C. 7271); by

(ii) an amount equal to 5 percent of the loan rate established for quota peanuts or additional peanuts, respectively, under section 155 of that Act.

(3) CONDITION ON PAYMENT OF SALARIES AND EXPENSES.—None of the funds appropriated or otherwise made available by this Act or any other Act may be used to pay the salaries and expenses of personnel of the Department of Agriculture to carry out or enforce section 156(f) of the Agricultural Market Transition Act (7 U.S.C. 7272(f)) through fiscal year 2001, if the Federal budget is determined by the Office of Management and Budget to be in surplus for fiscal year 2000.

(c) LIMITATION ON MARKETING LOAN GAINS AND LOAN DEFICIENCY PAYMENTS.—Notwithstanding section 1001(2) of the Food Security Act of 1985 (7 U.S.C. 1308(1)), the total amount of the payments specified in section 1001(3) of that Act that a person shall be entitled to receive under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.) for 1 or more contract commodities and oilseeds during the 1999 crop year may not exceed $150,000.

(d) UPLAND COTTON PRICE COMPETITIVENESS.—

(1) IN GENERAL.—Section 136(a) of the Agricultural Market Transition Act (7 U.S.C. 7236(a)) is amended—

(A) in paragraph (1), by striking ''or cash payments'' and inserting ''or cash payments, at the option of the recipient,'';

(B) by striking ''3 cents per pound'' each place it appears and inserting ''1.25 cents per pound'';

(C) in the first sentence of paragraph (3)(A), by striking ''owned by the Commodity Credit Corporation in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates'' and inserting ''owned by the Commodity Credit Corporation or pledged to the Commodity Credit Corporation as collateral for a loan in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates, including enhancing the competitiveness and marketability of United States cotton''; and

(D) by striking paragraph (4).

(2) ENSURING THE AVAILABILITY OF UPLAND COTTON.—Section 136(b) of the Agricultural Market Transition Act (7 U.S.C. 7236(b)) is amended—

(A) by striking paragraph (1) and inserting the following:

''(1) ESTABLISHMENT.—

''(A) IN GENERAL.—The President shall carry out an import quota program during the period ending July 31, 2003, as provided in this subsection.

''(B) PROGRAM REQUIREMENTS.—Except as provided in subparagraph (C), whenever the Secretary determines and announces that for any consecutive 4-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificate issued under subsection (a), exceeds the Northern Europe price by more than 1.25 cents per pound, there shall immediately be in effect a special import quota.

''(C) TIGHT DOMESTIC SUPPLY.—During any month for which the Secretary estimates the season-ending United States upland cotton stocks-to-use ratio, as determined under subparagraph (D), to be below 16 percent, the Secretary, in making the determination under subparagraph (B), shall not adjust the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe, for the value of any certificates issued under subsection (a).

''(D) SEASON-ENDING UNITED STATES STOCKS-TO-USE RATIO.—For the purposes of making estimates under subparagraph (C), the Secretary shall, on a monthly basis, estimate and report the season-ending United States upland cotton stocks-to-use ratio, excluding projected raw cotton imports but including the quantity of raw cotton that has been imported into the United States during the marketing year.''; and

(B) by adding at the end the following:

''(7) LIMITATION.—The quantity of cotton entered into the United States during any marketing year under the special import quota established under this subsection may not exceed the equivalent of 5 week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the 3 months immediately preceding the first special import quota established in any marketing year.''.

(e) OILSEED PAYMENTS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the Secretary shall use not less than $475,000,000 of funds of the Commodity Credit Corporation to make payments to producers of the 1999 crop of oilseeds that are eligible to obtain a marketing assistance loan under section 131 of the Agricultural Market Transition Act (7 U.S.C. 7231).

(2) COMPUTATION.—A payment to producers on a farm under this subsection shall be computed by multiplying—

(A) a payment rate determined by the Secretary; by

(B) the quantity of oilseeds that the producers on the farm are eligible to place under loan under section 131 of that Act.

(3) LIMITATION.—Payments made under this subsection shall be considered to be contract payments for the purposes of section 1001(1) of the Food Security Act of 1985 (7 U.S.C. 1308(1)).

(f) ASSISTANCE TO LIVESTOCK AND DAIRY PRODUCERS.—The Secretary shall use $325,000,000 of funds of the Commodity Credit Corporation to provide assistance to livestock and dairy producers in a manner determined by the Secretary.

(g) TOBACCO.—The Secretary shall use $328,000,000 of funds of the Commodity Credit Corporation to make distributions to tobacco growers in accordance with the formulas established under the National Tobacco Grower Settlement Trust.

(h) SENSE OF CONGRESS REGARDING FAST-TRACK AUTHORITY AND FUTURE WORLD TRADE ORGANIZATION NEGOTIATIONS.—It is the sense of Congress that—

(1) the President should make a formal request for appropriate fast-track authority for future United States trade negotiations;

(2) regarding future World Trade Organization negotiations—

(A) rules for trade in agricultural commodities should be strengthened and trade-distorting import and export practices should be eliminated or substantially reduced;

(B) the rules of the World Trade Organization should be strengthened regarding the practices or policies of a foreign government that unreasonably—

(i) restrict market access for products of new technologies, including products of biotechnology; or

(ii) delay or preclude implementation of a report of a dispute panel of the World Trade Organization; and

(C) negotiations within the World Trade Organization should be structured so as to provide the maximum leverage possible to ensure the successful conclusion of negotiations on agricultural products;

(3) the President should—

(A) conduct a comprehensive evaluation of all existing export and food aid programs, including—

(i) the export credit guarantee program established under section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622);

(ii) the market access program established under section 203 of that Act (7 U.S.C. 5623);

(iii) the export enhancement program established under section 301 of that Act (7 U.S.C. 5651);

(iv) the foreign market development cooperator program established under section 702 of that Act (7 U.S.C. 5722); and

(v) programs established under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.); and

(B) transmit to Congress—

(i) the results of the evaluation under subparagraph (A); and

(ii) recommendations on maximizing the effectiveness of the programs described in subparagraph (A); and

(4) the Secretary should carry out a purchase and donation or concessional sales initiative in each of fiscal years 1999 and 2000 to promote the export of additional quantities of soybeans, beef, pork, poultry, and products of such commodities (including soybean meal, soybean oil, textured vegetable protein, and soy protein concentrates and isolates) using programs established under—

(A) the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.);

(B) section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431);

(C) titles I and II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701 et seq.); and

(D) the Food for Progress Act of 1985 (7 U.S.C. 1736o).

(i) CROP INSURANCE.—The Secretary shall use $400,000,000 of funds of the Commodity Credit Corporation to assist agricultural producers in purchasing additional coverage for the 2000 crop year under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.).

(j) EMERGENCY REQUIREMENT.—The entire amount necessary to carry out this section and the amendments made by this section shall be available only to the extent that an official budget request for the entire amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the

President to the Congress: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

The PRESIDING OFFICER. The amendment is so modified.

Mr. COCHRAN. Madam President, this is the modification that I mentioned in my remarks, when I sent the Cochran amendment to the desk, that we were making to add $400 million for the Crop Insurance Program to the Cochran amendment. There are other technical changes, but that is the substantive change that is made by this modification, for the information of Senators.

We are also hopeful, after talking with the distinguished Democratic leader, that it is possible we will be able to move to a vote on the Cochran amendment—the details of that are being discussed now with leaders on both sides and interested Senators—and then consider any other amendments that may be offered on this subject—we know of two suggested major amendments that may still be presented to the Senate for its consideration—to have votes on those or on motions to table those amendments, and then move on to consideration of other amendments which have been suggested by Senators.

We have a list of amendments the managers have agreed to accept. There are a few that we know of that Senators have indicated an interest in offering which we are not able to accept, but we hope that if there are Senators who have amendments they intend to offer, they will let us know about this. We have asked each Cloakroom to try to find out what we can expect in the way of additional amendments because we would like to conclude action on this bill this afternoon or early this evening. We think that is certainly possible under the arrangement that has just been discussed with the managers by the Democratic leader.

We appreciate the cooperation of all Senators.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Madam President, my hope is that we are able to find a way this afternoon to adequately deal with this question of disaster relief. I know Senator COCHRAN has just reoffered and now modified the proposal he made previously. We had a tabling vote on that proposal and the tabling vote did not prevail. So we know at least somewhat where the votes are on the Cochran proposal.

He has modified it, as I understand, to include $400 million with respect to crop insurance. My hope is that we can move beyond this proposal, which I think is short on what is necessary, to a couple of additional proposals that we may be able to agree to with respect to procedure at least.

This proposal that is now before the Senate does not provide assistance for disaster relief. We now see, in every television and radio newscast that we turn to or refer to on the front pages of the papers, the worst drought in this century in some parts of our country. We know disaster relief is going to be necessary because of this drought. We ought to begin to get a start on that in any emergency package we pass dealing with family farmers.

There are a number of other things that are left out of the proposal that has just been offered. My hope is that we can, in the next couple of hours, improve this package to the point where most of us believe it does what we believe it should do for family farmers.

I want to mention, again, we are not on the floor dealing with an agricultural disaster or agricultural crisis issue because of something farmers have done. It is not their fault the Asian economies have collapsed. It is not the farmers' fault in my State that they have suffered the worst crop disease of the century. It is not their fault we have 3 million acres that couldn't be planted this spring because of wet conditions. Incidentally, that would not be dealt with in the Cochran proposal, flooded lands and so on. This is not the fault of family farmers.

We have faced a very serious problem at this point. There is a responsibility for the Congress to help. This is the appropriate place to do that. This is the Agriculture appropriations bill. We have been discussing this now for a number of months. The collapse in the grain and commodities and livestock markets have been spectacular and have been noticed by everyone who cares about the farm economy and family farmers. This is not a surprise to anyone that we are dealing with this question now.

While there may be disagreements on the floor of the Senate about exactly how to do it, I think in the end, when we finish this afternoon, we should have been able to pass a piece of legislation dealing with the farm crisis that provides opportunity and hope to family farmers. If we just kick it around a bit and just tune it up a little bit so that it looks better or sounds better or appears better but doesn't provide the kind of help necessary for family farmers, this has all been wasted effort. If we are not able to provide a reasonable safety net and/or during tough times some emergency help that gives family farmers a chance to get from here to there, that gives them a chance to feel that there is some hope for the ability to continue farming, then we haven't accomplished anything at all.

The test, then, this afternoon is not whether we pass the proposal before us. That proposal is insufficient. It doesn't meet the needs. The test is whether we can pass one of a couple other proposals that we will, I hope, shortly make in order by consent that will be debated under short time considerations and then will be voted upon.

Those of us from farm country understand every day the dichotomy about this economy of ours. We hear about all of the wonderful things in the American economy. Yet in farm country, we see a near total collapse of rural communities, rural counties, and the economies of family farming. We understand this Congress cannot say it doesn't matter. It does matter in this country.

I am not going to revisit all the history of the current farm bill, but the philosophy of the current farm bill is that family farmers in this country shall be transitioned out of the farm program. Farm programs shall cease to exist at some point and the transition payments shall allow farmers to get from here to no farm program.

The folly of that is to believe that family-sized farms out there by themselves, trying to float in this sea of uncertainty, with all of the potential adverse effects of weather and grain markets and all of the other catastrophes that can befall a family farmer, that they can do this by themselves. When grain markets collapse and grain prices fall to half, that doesn't matter because family farmers can manage that.

That is folly. They can't manage that. Family farmers will not make it. They won't make it across this price valley unless Congress extends a helping hand. The helping hand ought to be an investment in this country, an investment in a disaster package that says family farmers matter to this country in many different ways, and we want to try to give them the capability and the hope that they can survive beyond this price catastrophe.

I say again, as I close, the current amendment which is before the Senate is deficient in many ways. It falls far short of doing what is necessary in the area of flooded lands, for example, and many other areas. It simply doesn't offer the kind of support we need in rural America to respond to the current disaster and to respond to the current crisis with respect to the collapse of farming commodity prices.

Most deficient is the fact that the underlying amendment doesn't address the disaster issue at all that is now enveloping large parts of our country and devastating family farm producers.

Madam President, I yield the floor.

Mr. COCHRAN. Madam President, after consultation with the Democratic leader and other Senators, my understanding of the procedure now that is agreed upon is that the Cochran amendment can now be adopted by voice vote.

Then there will be two other amendments on the subject of disaster assistance that will be offered and voted on. The times for those votes has not yet been agreed upon. But we can take the first step by adopting the Cochran amendment on a voice vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Mississippi.

The amendment (No. 1513), as modified, was agreed to.

Mr. COCHRAN. Madam President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. KOHL addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

PRIVILEGE OF THE FLOOR

Mr. KOHL. Madam President, I ask unanimous consent that Cynthia Garman-Squier, Dan Alpert, and John Jennings, fellows working in Senator BINGAMAN's office, be accorded the privilege of the floor today, August 4, and during the pendency of S. 1233, the Agriculture appropriations bill and any votes thereupon.

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

Mr. COCHRAN. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Ms. LANDRIEU. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

PRIVILEGE OF THE FLOOR

Ms. LANDRIEU. Madam President, I ask unanimous consent that my State director, Don Hutchinson, be granted the privilege of the floor.

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

Ms. LANDRIEU. Madam President, I rise for the purpose of introducing a piece of legislation as in morning business.

The PRESIDING OFFICER. The Senator may proceed.

Ms. LANDRIEU. I thank the Chair.

(The remarks of Ms. LANDRIEU pertaining to the introduction of S. 1485 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Ms. LANDRIEU. I suggest the absence of a quorum.

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

Mr. AKAKA. 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. AKAKA. I ask unanimous consent to speak for 6 minutes as in morning business.

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

Mr. AKAKA. I thank the Chair.

(The remarks of Mr. AKAKA pertaining to the introduction of S. 1487 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. I am waiting for Senator HARKIN. He should be here in a moment. We intend to offer an amendment per the previous agreement.

AMENDMENT NO. 1514 TO AMENDMENT NO. 1499

(Purpose: To provide emergency and income loss assistance to agricultural producers)

Mr. DORGAN. Mr. President, I send the amendment to the desk, an amendment in the second degree, and ask for its immediate consideration.

I offer this amendment on behalf of myself, Senators HARKIN, DASCHLE, KERREY, JOHNSON, CONRAD, BAUCUS, DURBIN, WELLSTONE, LINCOLN and SARBANES.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. DORGAN], for himself, Mr. HARKIN, Mr. DASCHLE, Mr. KERREY, Mr. JOHNSON, Mr. CONRAD, Mr. BAUCUS, Mr. DURBIN, Mr. WELLSTONE, Mrs. LINCOLN and Mr. SARBANES, proposes an amendment numbered 1514 to amendment No. 1499.

Mr. DORGAN. I ask unanimous consent reading of the amendment be dispensed with.

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

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

Mr. DORGAN. My understanding is we have a time agreement of 15 minutes on each side.

Mr. COCHRAN. If the Senator will yield, I am happy to agree that this amendment would have 30 minutes equally divided.

Mr. DORGAN. Yes.

Mr. COCHRAN. I am advised that I need to do this. I ask unanimous consent that the time for debate prior to a motion to table the pending amendment be limited to 30 minutes, to be equally divided in the usual form.

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

Mr. COCHRAN. I thank the Senator.

Mr. DORGAN. Mr. President, in an attempt to try to find a solution to the issue of providing relief during this farm crisis, I am offering an amendment, in the second degree, on behalf of myself and Senator HARKIN and other Members here on the Senate floor.

As Members of the Senate will recall, the proposal we offered yesterday was a proposal that called for $10.7 billion in crisis relief. That $10.7 billion has been modified in this second-degree amendment, and is $9.837 billion. We have reduced it nearly $1 billion by making adjustments in a range of accounts.

The accounts include emergency short-term land diversion, disaster reserve—a number of different programs that we have adjusted, that we have thought it appropriate to adjust in order to try to find a compromise that would cost less but still provide significant support and help to family farmers.

My colleague, Senator HARKIN, and I have worked, along with Senator CONRAD and Senator DASCHLE, Senator JOHNSON of South Dakota, and others, to see if there is some way we can provide for legislation that will offer assistance at a level that is greater than that which now rests with the underlying amendment.

I had indicated previously that the amendment offered by Senator COCHRAN does not deal with disaster issues. There isn't money for disaster issues in that piece of legislation. There isn't money for flooded lands. There are a number of deficiencies in that amendment, and it simply does not reach the level that is necessary to address this farm crisis.

So in an attempt to see if we can find some middle ground, in an attempt to offer an amendment that is almost $1 billion less than we had offered previously, by making adjustments in about seven or eight categories, we are trying to see if we can get a favorable vote on this amendment.

This amendment, if it should fail, as I understand it, will be followed by one additional amendment.

But let me at this moment call on my colleague from Iowa who has joined me in offering this amendment.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DORGAN. I yield as much time as the Senator from Iowa consumes.

Mr. HARKIN. How much time do we have?

The PRESIDING OFFICER. The Senator has 12 minutes 20 seconds.

Mr. HARKIN. Mr. President, first of all, I compliment and thank my colleague from North Dakota for crafting this new proposal and for all of his hard work on behalf of farmers and ranchers all over this country. Senator DORGAN has, indeed, been a leader in this Senate in focusing attention on the fact that so many of our farmers and ranchers are in dire straits, and that we need a substantial package of relief and help to get them through this winter and into next year.

What Senator DORGAN has now sent to the desk is, hopefully, a reaching out to our colleagues and friends on the Republican side to join us in this effort. The proposal we had yesterday that I had offered was $10.7 billion. This is now $1 billion less. So we have come down $1 billion. We have taken some money out of places which, quite frankly, this Senator thinks is going to be hard to explain to some farmers. But in order to try to reach an agreement with our colleagues on the other side, for at least a meaningful package, Senator DORGAN and I and others have crafted this new package that is $1 billion less than what we offered yesterday.

This may, indeed, be the Senate's last chance to vote on a meaningful package of support for our farmers and ranchers.

Again, the amounts that are in this package are pretty close to the minimum of what we are going to need. I cannot, for the life of me, understand why we have the proposal again before us that, as I understand it, is about $400 million more than what it was yesterday.

I don't know, the Senator from Mississippi might correct me on that, but I think it is about $400 million more. I think that includes crop insurance.

Mr. COCHRAN. That is right.

Mr. HARKIN. I thank the Senator.

That is a step in the right direction to put that $400 million for the Crop Insurance Program. That was in our initial proposal. I am delighted to see it in this one.

But I must say the entire package is still not enough. Will it help? Sure, it will help. Heck, $100 would help. I have farmers out in my area who would take $100. One thousand dollars would help. Yes; this will help.

If I might analogize it a little bit, it is the kind of help that if a person is out there drowning in deep water, and you throw him one of those little life preservers, the drowning person grabs ahold of the life preserver, only to find out there is a slow leak in it. It is going to keep that person alive for a while, give him a few more moments of life on Earth. Then the air is going to go out.

That is sort of the way I see the Republican amendment before us now. It will help. It will get some farmers through. It is going to leave a lot behind. I think it is going to hold out some false hopes. The last thing our farmers and ranchers need now is false hope. They need real hope that we are going to significantly address the problem.

Again, I point out that the amendment offered by the Senator from Mississippi includes payments that go out to farmers all as agriculture marketing transition adjustment payments, so-called AMTA payments. These payments are based upon old-fashioned, outdated ag policies. What I mean by that is that the AMTA payments are based upon something known as base acres and proven yields. Base acres has gone out the window; we don't have that any longer; and yet they reach back, years back, to take base acres and proven yields in order to make the payments.

I want to forewarn my colleagues: You are going to see a lot of stories in the paper this fall and this winter about people getting these payments who aren't even farming, aren't even raising a crop. But they are going to get them because several years ago, 10 years ago, they had some base acres and they had an established proven yield. They may not even have that any longer, but they are going to get a payment. They are going to get an AMTA payment.

Yet a young producer who may not even have been in business 10 years ago, who started up in this decade, does not have base acres, does not have proven yields, but they are out there struggling to get by, they are not going to get the same AMTA payment. They will get a modest LDP this fall that is already in the bill, but this amendment offers no further relief under the loan deficiency payments.

To be sure, I understand that Senator COCHRAN's amendment has a $500 million payment to soybeans and oilseeds. Again, that is helpful. But under our LDP program the payments to soybean producers would be in the neighborhood of about $1 billion, not $500 million. They deserve some help also. I shouldn't just say soybeans. I mean all oilseeds, whether it is safflower or canola oilseeds, would also get more under the LDP payment than they would under the AMTA payment.

That is why I believe the Cochran amendment is still insufficient and why I believe the amendment sent forward by the Senator from North Dakota, Mr. DORGAN, again may be our last best hope to get meaningful help to all the farmers—all of them, not just a few.

I thank the Senator for yielding the time.

Mr. DORGAN. How much time remains?

The PRESIDING OFFICER. The Senator has 5 minutes 15 seconds.

Mr. DORGAN. I will reserve the remainder of my time in the event the manager wishes to speak at this point.

Mr. President, if Senator COCHRAN does not have a speaker, let me then finish by saying that while I think the proposal that was offered today is improved by Senator COCHRAN—adding the $400 million for crop insurance improves it—as we indicated yesterday, it is not sufficient. It does not provide help for disaster.

It provides payments directly to farmers using AMTA. AMTA might sound like a foreign language to some people, but AMTA is a mechanism by which payments are made to people based on a 1991–1995 crop history, and we will have payments going to people who aren't producing anything. All of a sudden, they will open their mailbox and get a check. We will have payments made to people who aren't in trouble at all because AMTA is disconnected from any relationship to production.

We have proposed that the payments go with respect to a loan deficiency payment that relates to production, relates to people who are not able to receive the adequate price they need for their commodity. It tries to say let us use scarce public money here, Federal tax dollars, where they might be invested and do the most good.

It doesn't make much sense to throw a 5-foot rope to somebody drowning in 30 feet of water. One can say thanks for the rope, but it didn't save anybody. What we need to do at the end of today is to have said: Well, we have done something to try to address the farm crisis, collapsed commodity prices, collapsed livestock prices, devastating crop disease in some parts of the country, devastating drought in others, and flooding in yet other parts of the country. We need at the end of the day to say we have put together a package of help that says to those family farmers trying to do business under those circumstances: You have a chance here to survive. You can make it across these price valleys.

Putting together an inadequate package and then just going home is not solving problems. It is just prolonging the day, probably by a month or 2 or 6 months, by which farmers might have a chance to make a decision later that they are going to have to be out of business.

That is not what we want to do for farmers. Family farmers are important to this country. I come here with a real passion for family farming. It is because I grew up in a rural area of this country and I know what it takes to raise livestock. I know what kinds of efforts and passions people put into trying to operate a family farm. I see now the tears in the eyes of family farmers who stands up at meetings with me and say: I am losing the farm. This is a farm my grand-dad operated and my dad operated, and I am losing it. I am not a bad farmer, I am a good farmer, but I can't make it with Depression-era prices for wheat and corn. I just can't make a living that way.

Members of the Senate couldn't make a living that way. People on minimum wage couldn't make a living that way. Nobody can make a living when their prices collapse. Is there anybody you know of who has half the income they used to have a couple years ago and are doing well? I don't think so. That is what this is about.

Are we going to invest in family farming? Are we going to extend a helping hand to say, you matter, we want to help you, or are we going to pass a bill that is inadequate and say, we passed it, so credit us for passing a bill?

I hope my colleagues will take a close look at this compromise, $9.837 billion, nearly $1 billion less than that which we offered yesterday. My colleagues, Senators HARKIN and CONRAD and others, sincerely hope we will be able to accept this as a compromise and then understand that we have done something significant and real, something helpful to America's family farmers and for America's family farmers.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. COCHRAN. Mr. President, I yield myself such time as I may consume.

I don't know of any Senators on this side of the aisle who desire to debate this issue any further. We have had a full debate of all of the issues surrounding this amendment—the issues of disaster and income assistance.

I observe that the proposal that is now before the Senate, offered by the Senators from North Dakota and Iowa and others who may be cosponsors, is very similar to the amendment that has already been voted on, on a motion to table the Daschle-Harkin amendment. On that vote, the motion to table was agreed to.

There are some reductions in the individual items of assistance that are included in the bill, but the bill is basically the same bill substantively and in terms of the procedures used to deliver the disaster assistance. We were told also that the earlier bill had been estimated by the Congressional Budget Office to cost over $11 billion. It had been advertised as having a cost of $10.793 billion. This has been revised downward from that previous estimate to $9.83 billion.

The individual items we observe that have been changed: There is $100 million less for dairy. There is a reduction in the livestock assistance program from $200 million to $150 million. There was a so-called flooded land program at $250 million in the earlier proposal which is now $150 million. There is a cancellation of the so-called emergency short-term land diversion program and also of the producers erroneously denied eligibility for the 1998 relief program. There are two programs in the emergency conservation area that have been reduced in cost, and one has been canceled.

Those are the highlights of the changes that have been made in this legislation from the way it appeared when the Senate voted to table the amendment earlier in the consideration of this bill. So it is virtually the same amendment. There have been some modifications.

I urge Senators to vote to table the amendment when that motion is made. It is the intention of this manager to yield back all time that remains on this side, and I will be prepared to do that whenever the Senator from North Dakota says they are ready to vote.

Mr. DORGAN. Mr. President, how much time remains?

The PRESIDING OFFICER. One minute 11 seconds.

Mr. DORGAN. Mr. President, of those items that my colleague, Senator COCHRAN, described as having been reduced, in most cases, they were reduced from a level of funding that we thought was necessary. But I say that, in almost every case, these items have no entry on the underlying amendment. There isn't any money available in the Cochran proposal that the Senate has considered.

So it is true, we have had to reduce some accounts. But whatever is left is certainly more than exists in the farm crisis package that has been offered today by my colleague.

I hope that our colleagues will look at this in the spirit in which it is offered and believe that a compromise is important and necessary and believe it is far better during a farm crisis to try to extend the helping hand to people who are producing and provide help, because prices have collapsed for that which they have produced, than it is to concoct another approach that says: Let's just send checks out there and hope some of them get in the right mailboxes. That is what AMTA is and what it does. That is why it is not effective.

I yield the floor.

Mr. COCHRAN. Mr. President, I yield back all time remaining on this side on the amendment.

I move to table the amendment and 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 motion to table amendment No. 1514.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Idaho (Mr. CRAPO) is necessarily absent.

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

The result was announced—yeas 55, nays 44, as follows:

[Rollcall Vote No. 255 Leg.]

YEAS—55

Abraham	Gorton	Murkowski
Allard	Graham	Nickles
Ashcroft	Gramm	Roberts
Bennett	Grams	Roth
Bond	Grassley	Santorum
Brownback	Gregg	Sessions
Bunning	Hagel	Shelby
Campbell	Hatch	Smith (NH)
Chafee	Helms	Smith (OR)
Cochran	Hutchinson	Snowe
Collins	Hutchison	Specter
Coverdell	Inhofe	Stevens
Craig	Jeffords	Thomas
DeWine	Kyl	Thompson
Domenici	Lott	Thurmond
Enzi	Lugar	Voinovich
Feingold	Mack	Warner
Fitzgerald	McCain	
Frist	McConnell	

NAYS—44

Akaka	Durbin	Lieberman
Baucus	Edwards	Lincoln
Bayh	Feinstein	Mikulski
Biden	Harkin	Moynihan
Bingaman	Hollings	Murray
Boxer	Inouye	Reed
Breaux	Johnson	Reid
Bryan	Kennedy	Robb
Burns	Kerrey	Rockefeller
Byrd	Kerry	Sarbanes
Cleland	Kohl	Schumer
Conrad	Landrieu	Torricelli
Daschle	Lautenberg	Wellstone
Dodd	Leahy	Wyden
Dorgan	Levin	

NOT VOTING—1

Crapo

The motion was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, as I understand it, under the agreement there was an opportunity for another disaster assistance amendment to be offered. It is my understanding that an agreement has been reached to limit the time for debate on that amendment to 30 minutes equally divided prior to a motion to table.

I make that suggestion to see if it is satisfactory with the distinguished Senator from North Dakota.

Mr. CONRAD. That is the understanding.

AMENDMENT NO. 1517 TO AMENDMENT NO. 1499

(Purpose: To make a perfecting amendment)

Mr. CONRAD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. CONRAD] proposes an amendment numbered 1517 to amendment No. 1499.

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

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

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

Mr. CONRAD. Mr. President, this is an attempt to have a pure compromise between the two sides on the question of disaster relief for agriculture. The Democratic plan previously proposed was at $10.8 billion. The Republican plan that we started with was $6.9 billion. This is for $8.8 billion. First, it compromises on the money.

Second, on the payment methodology, it adopts what the Republicans have insisted on, the use of enhanced AMTA payments for income support. This is a sincere attempt to compromise on the question of disaster relief.

Beyond that, there are significant differences. This is a disaster bill that actually has disaster aid. Our amendment has $500 million set aside for 1999 crop income losses. There is nothing in the underlying amendment. Let me repeat that for people who are listening, and for our colleagues. Our amendment has $500 million for 1999 crop income losses from droughts and floods. The underlying amendment has zero. We are talking about a disaster bill that, on the Republican side, does not have disaster provisions. It has provisions to offset the dramatic loss from the plummeting crop prices, but it does not have provisions to address drought or flooded lands.

In addition, the underlying amendment has no money for the unmet 1998 disaster assistance promise that was made. Last year, the government came up short. We gave farmers compensation based on a formula. They got 85 percent of what Congress had promised. My amendment improves on that. It closes the gap between what was promised and what was delivered. The underlying amendment has no money for dairy. Our proposal has $200 million for dairy. The underlying amendment has no money for price reporting. We have a modest amount of money for that. The underlying amendment has no money for agricultural mediation. We have a small amount of money for that.

In addition, the underlying amendment has no money for section 32 commodity purchases to address the drought and the livestock price collapse that we have seen for hogs. Our amendment does.

The underlying amendment, the Cochran amendment, is at $7.5 billion. Our amendment is at $8.8 billion. It represents a pure compromise on the dollars. It represents an acceptance of the Republican payment mechanism—all AMTA payments. As I have indicated, the other differences are as follows: The underlying amendment has about $200 million for specialty crops; we have $300 million. The underlying amendment has $325 million for livestock assistance and section 32; we have $550 million. The underlying amendment has nothing for 1999 crop income losses; we have $500 million. The underlying amendment has nothing for dairy; we have $200 million. The underlying amendment has nothing for the unmet 1998 disaster promise; we have $162 million. The underlying amendment has money for tobacco farmers; so do we.

We also have some miscellaneous provisions and deal with raising payment limits. We have the same approach as in the Republican proposal.

This is an attempt to have a straightforward compromise between the two positions. I hope very much our colleagues will accept it. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I yield myself such time as I may consume. I know of no Senators on this side who are requesting recognition to debate this amendment. I observe that there has been a lot of discussion and consideration in the Senate on all of the issues that are included in this proposed amendment. Nothing really has been changed except the vehicle for delivery of assistance—that has been changed—and a reduction in total cost.

We still observe this is not a CBO estimate of the cost. The earliest cost of the Harkin amendment was over $10 billion, but then CBO sends us an estimate and it is over $11 billion. So one thing for Senators to keep in mind is that the cost of this proposed amendment is still considerably higher than the Cochran amendment that has previously been agreed to by the Senate on a voice vote this afternoon.

I hope Senators will continue to support the managers' effort to table this amendment and proceed to then consider the remaining amendments we have available to be disposed of in connection with this legislation. We think the underlying amendment fully addresses the need for action to deal with the problem of lost income and disaster assistance. It may not be perfect. There is no provision in the House bill on this subject. So we have an opportunity in conference to work out differences. If there are developments between now and the time when we do go to conference with the House, we will have an opportunity to address those issues.

I am hopeful Senators will understand this is our first action on this subject by the Congress. We have had no support from the administration in terms of trying to identify an appropriate level of disaster assistance for current problems. We already have a disaster program that is still being administered by the Department of Agriculture which was approved in the last Congress. That is a $6 billion program. We are willing to continue to work with the administration and with Senators in this Chamber to design the best possible economic assistance program.

We think this is a very strong effort and is a sign that we are serious about dealing with the problems in agriculture. It is a strong commitment. It is a $7 billion effort that has already been agreed to this afternoon. So we will continue to talk to Senators on both sides of the aisle to try to reach a point where we have a consensus and we have an understanding that will be acceptable not only to Congress but get the signature of the White House as well. We realize that is a fact of legislative life. But this is an important issue.

We appreciate the way Senators have responded to the challenge, discussing the options and voting for the measures that have been before us. But it is my intention, once the Senator has used his time or yielded it back, to yield the time that remains on this side and move to table the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. CONRAD. Mr. President, I yield 5 minutes to the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, first of all, I thank both Senator CONRAD from North Dakota and Senator GRASSLEY from Iowa. This is the first bipartisan effort we have had.

I also want to key on what the Senator from Mississippi just said. I appreciate very much what the Senator from Mississippi did earlier with the voice vote, basically saying let's try to get some agreement on what our baseline is going to be.

I am wondering. I say to the Senator from Mississippi, it seems some things put together in the package by Senators GRASSLEY and CONRAD might be agreeable to the Senator from Mississippi. Perhaps all of them are not. I wonder if the Senator will be willing to consider adding by voice vote some of the things? Look, for example, at the 1999 agricultural disaster losses. That almost on the face cries out for funding, it seems to me.

I wonder if the Senator from Mississippi will respond to that. I know earlier we had a voice vote that set down a foundation of what we were going to do. Since this is the first truly bipartisan effort we have had, which is exactly what we are going to need in order to get the President's signature and the House to come along, we have a ways to go before we can get something signed and assistance out to farmers who are in need.

As I said, I appreciate very much the Senator from Mississippi—there is no question he understands there is a real need there, and it is not a question of whether or not he wants to help. He has a problem with some of the details of it and the timing of it. I wonder if there is anything on this list that the Senator from Mississippi by voice vote will be able to add in at this stage of the game?

Mr. COCHRAN. Mr. President, if the Senator will yield, no, there is not.

Mr. KERREY. Let me ask specifically on the ag disaster income loss, it seems to me—this is for 1999 that had been promised previously—this is just a matter of keeping a promise that was made previously. The Senator still would not—he can shake his head no if the answer is no. I am seeking some way to build on what Senator GRASSLEY and Senator CONRAD have done, which is trying to split the difference here and come up with a proposal.

Their proposal, for example, the most controversial one right off the bat, was they have all the money going out in an AMTA payment. As the Senator from Mississippi knows, the earlier effort reached by partisan agreement was one of the most difficult issues. Democrats wanted the money to go out in LDPs, and Republicans wanted it to go out in AMTA. We yielded in the bipartisan proposal of which I am fully supportive. It seems to me it would be reasonable at least to consider putting this 1999 assistance that has been promised on the appropriations bill. Does the Senator not agree with that?

Mr. COCHRAN. Mr. President, if the Senator will yield, I am happy to discuss this. I do not think we are going to make any progress in reaching an agreement in the way the Senator from Nebraska has undertaken to try to explore the options. This is, is it the third day? It seems as if it has been 3 days. Maybe it has just been 2. Time passes so fast when you are having fun trying to work something out.

We have undertaken in good faith to try to arrive at a package of assistance that will address the needs, as we understand them, in agriculture. If the Senator has listened to the debate, as I am sure he has, there have been some Senators who do not think there should be any funds made available at this time for this purpose because the harvests have not been completed and we do not know what the losses are in some areas of the country.

This year, some farmers are predicted to make more money than they did last year. In my State, aquaculture is considered to be having a very good year. There was a big feature story just this week in our State's press about that. But there are some farmers who are having a terrible time. Many of them are in the newspapers and photographs where drought has hit crops in this region of the country.

We are all aware of those problems. To suggest to me that I should now look at this last amendment that has a

long list of things in it and I should select things that I could be willing to accept puts me in a position that is really untenable. I think the Senator understands that. So I think his questions are not only facetious but not well intended to really achieve the result of a compromise.

I cannot speak for all Senators on this side of the aisle when trying to respond to a question such as that. I can say that there is a lot of diversity in the Senate. We have come together to agree on an approach. It is a generous approach, and I think we are willing to go to conference with that. I am willing to take that to conference and defend it and improve it if we can, if the House has some better ideas.

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

Mr. COCHRAN. Mr. President, I yield back all the time remaining on this side on the amendment. I move to table the amendment, and I ask for the yeas and nays.

Mr. CONRAD. Will the Senator withhold until Senator GRASSLEY has a chance to speak? I am not out of time.

Mr. COCHRAN. I will be happy to withhold if the Senator wants to talk.

The PRESIDING OFFICER. I believe the Senator from North Dakota has 4 minutes, 56 seconds.

Mr. CONRAD. I give 4 minutes to the Senator from Iowa.

Mr. GRASSLEY. Mr. President, yesterday I spoke about the hope that we could get a bipartisan agreement. I spoke also about the fact that I consider ag programs and Social Security and Medicare as social contracts that we have with segments of our population and the Government, and the extent to which, for the most part, those social contracts have been bipartisan when there have been changes made.

I welcomed the opportunity yesterday to have Democratic leaders and people interested in agricultural issues wanting to meet with Republicans to reach that bipartisan accord. An accord such as this is one where each side gives some. I think Republicans have given, the extent to which this is more than some magic $7.5 billion, but, there again, as the Senator from North Dakota explained, it is about halfway between the extremes of what both parties were offering.

What I know is very strongly felt by a lot of people on the other side of the aisle is that there should be a division of the cash infusion into agriculture between AMTA payments and LDPs. We on this side of the aisle believe more strongly about that than almost any other issue—that that is the wrong way to go, for two reasons: One, LDP is a convoluted way to get money to farmers; and the second one is that when we have an emergency such as this, we ought to be able to get the money to the community as fast as we can. This can be done within 10 days after the President signs the bill.

On the other side of the aisle, at least I can say for the Senator from North Dakota, they have given a lot in order to reach this compromise. It is very deeply felt by Republicans that all of this money should go out through AMTA. This is give and take on both sides, and I hope that it does get a massive amount of support so we can say we did something with a social contract that is bipartisan, which is a tradition of this body.

I yield the floor.

Mr. CONRAD. Mr. President, I ask unanimous consent for an additional 5 minutes so that two other Senators may speak.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. CONRAD. I thank my colleague from Mississippi for the accommodation.

I yield 3 minutes to the Senator from Iowa, Senator HARKIN.

Mr. HARKIN. I thank the Chair, and I thank the Senator from Mississippi for letting us have this additional time.

Again, I rise to support the amendment offered by the Senator from North Dakota and my colleague from Iowa. Sure, there are some things in this with which I do not agree. I do not think it all ought to go out in AMTA payments.

Obviously, the body has spoken. The Republicans have the votes on that. So it is done.

There is a better way of putting it out through the LDP system, but that is a moot point right now. What we are down to is really how much we are going to put out there and whether or not we are going to dribble it out or do something meaningful.

We keep coming down from the amendment we offered the other day for about 10.7; then we came down to 9.8, and I guess this now is about 8.5.

Mr. CONRAD. Mr. President, 8.8.

Mr. HARKIN. It is 8.8.

So, again, I hope that Senators will see fit to at least endorse and vote for this package. The amendment offered by Senator COCHRAN has no money for section 32 purchases, which I think is going to be very important for our pork and cattlemen, to buy up some of this excess stuff we have and put it into food banks, school lunch programs, and things such as that.

I also must say there is no money in the Cochran amendment for price reporting. Quite frankly, I still think we have an obligation to do something about the unmet needs from the 1998 floods we had that so devastated North Dakota and some other parts of this country. Quite frankly, in this amendment, this compromise proposal that Senator CONRAD and Senator GRASSLEY have offered, there is money for that.

So I think it does represent a true compromise. It represents a sort of meeting between where we started yesterday and where the manager of the bill started. Again, I think there are some provisions in there I wish we could have changed, but we had our votes and we were not on the winning side of that.

So I think we can at least now have an agreement to get the amount of money out there, even though it is through the AMTA payments, that is needed and to provide some of the money for some of the areas that the Cochran amendment has omitted.

I thank the managers, and I thank Senator CONRAD for yielding me this time. I urge support of the amendment.

Mr. CONRAD. I yield 1 minute to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas.

Mrs. LINCOLN. I thank the Chair and thank the Senator for yielding me this time.

I am one of the newer Members of the Senate. I have not taken to the floor of the Senate often to speak yet. But I have been on the floor of the Senate five times already to speak on this issue of the agricultural crisis. I think it is immensely important to this Nation and certainly vital to the rural areas of our country.

I compliment my colleague from North Dakota, Senator CONRAD. I think the spirit in which this bipartisan effort has been crafted is essential in being able to produce good policy for this country.

I also agree with the words of my colleague from Mississippi that without a doubt this is a diverse body, and especially when it comes to agriculture, oftentimes we certainly see our diversity in terms of regions more than parties. I compliment his leadership in many of these areas.

But I do think the debate and the differences we have seen are certainly reflective of the necessity now to review agricultural policy in this country. I truly encourage my colleagues to take a look at this bipartisan approach that has been presented by Senator CONRAD.

I thank the Senator for yielding.

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

Mr. CONRAD. I yield 1 minute to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 1 minute.

Mr. WELLSTONE. Mr. President, this is not all that I hoped for for farmers in Minnesota, but I thank Senator CONRAD and Senator GRASSLEY for this compromise effort.

I think we are doing more for dairy. I think we are doing more for livestock producers. I think we are doing much more for disaster relief, which is terribly important to farmers in my State and farmers all across the Nation.

I hope that we get a very strong vote. I think at this point in time in the week this is the very best we can do. I am pleased to support this effort.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I just urge my colleagues to give our amendment close consideration. This is the

only amendment that is bipartisan. We have compromised on the dollar amounts almost down the middle. We have provided the Republican payment mechanism.

We have $500 million to address drought and flooded lands. There is nothing in the underlying amendment for that. We have $200 million to address the crisis in dairy. There is nothing in the underlying amendment for that.

This is $8.8 billion, in a bipartisan proposal, to deal with the disaster. I hope my colleagues can support it on a bipartisan basis.

I thank the Chair and yield the floor and yield back our time.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, all time has been consumed or yielded back.

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

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment No. 1517. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Idaho (Mr. CRAPO), is necessarily absent.

The result was announced—yeas 51, nays 48, as follows:

[Rollcall Vote No. 256 Leg.]

YEAS—51

Abraham	Gorton	Nickles
Allard	Graham	Roberts
Bennett	Gramm	Roth
Bond	Gregg	Santorum
Brownback	Hagel	Sessions
Bunning	Helms	Shelby
Chafee	Hutchinson	Smith (NH)
Cochran	Hutchison	Smith (OR)
Collins	Inhofe	Snowe
Coverdell	Jeffords	Specter
Craig	Kyl	Stevens
DeWine	Lott	Thomas
Domenici	Lugar	Thompson
Enzi	Mack	Thurmond
Feingold	McCain	Torricelli
Fitzgerald	McConnell	Voinovich
Frist	Murkowski	Warner

NAYS—48

Akaka	Dorgan	Lautenberg
Ashcroft	Durbin	Leahy
Baucus	Edwards	Levin
Bayh	Feinstein	Lieberman
Biden	Grams	Lincoln
Bingaman	Grassley	Mikulski
Boxer	Harkin	Moynihan
Breaux	Hatch	Murray
Bryan	Hollings	Reed
Burns	Inouye	Reid
Byrd	Johnson	Robb
Campbell	Kennedy	Rockefeller
Cleland	Kerrey	Sarbanes
Conrad	Kerry	Schumer
Daschle	Kohl	Wellstone
Dodd	Landrieu	Wyden

NOT VOTING—1

Crapo

The motion was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, at the time the Ashcroft amendment was agreed to, it was offered in a form that related to the Harkin-Daschle amendment.

The PRESIDING OFFICER. The Senate will come to order. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I have been asked to seek unanimous consent that it be in order to reoffer the Ashcroft amendment regarding sanctions, that the amendment be considered agreed to, and the motion to reconsider be laid upon the table.

I announce that I have been asked to seek that consent. I know a copy of the agreement has been furnished to staff on both sides, and it has been hotlined. I don't have a response as to whether it has been agreed to. So I am raising the question as to whether or not that consent can be granted.

Mr. GRAHAM. Mr. President, I will object if that unanimous consent request is placed.

The PRESIDING OFFICER. Objection is heard.

Mr. COCHRAN. In that event, as I understand the parliamentary situation, the Senator from Missouri could offer his amendment on sanctions for the consideration of the Senate and, at this time, it would be parliamentarily permissible for him to do it.

The PRESIDING OFFICER. That is correct.

Mr. ASHCROFT. Mr. President, it is my intention to send an amendment to the desk and ask for its immediate consideration.

AMENDMENT NO. 1516 TO AMENDMENT NO. 1499

(Purpose: To provide stability in the United States agriculture sector and to promote adequate availability of food and medicine abroad by requiring congressional approval before the imposition of any unilateral agricultural or medical sanction against a foreign country or foreign entity)

Mr. ASHCROFT. Mr. President, it is my intention to send an amendment to the desk. I ask unanimous consent that the amendment be considered as read, the amendment be considered agreed to, and the motion to reconsider be laid upon the table.

Mr. GRAHAM. Mr. President, I object to the unanimous consent request.

The PRESIDING OFFICER. Objection is heard.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Missouri (Mr. ASHCROFT), for himself, and Mr. HAGEL, Mr. BAUCUS, Mr. ROBERTS, Mr. KERREY, Mr. DODD, Mr. BROWNBACK, Mr. GRAMS, Mr. WARNER, Mr. LEAHY, Mr. CRAIG, Mr. FITZGERALD, Mr. DORGAN, Mr. SESSIONS, Mrs. LINCOLN, Mrs. LANDRIEU, Mr. HARKIN, Mr. CHAFEE, and Mr. INHOFE, proposes an amendment numbered 1516 to amendment No. 1499.

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

Mr. GRAHAM. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The assistant legislative clerk read as follows:

At the appropriate place, insert the following:

(___) REQUIREMENT OF CONGRESSIONAL APPROVAL OF ANY UNILATERAL AGRICULTURAL OR MEDICAL SANCTION.—

(1) DEFINITIONS.—In this subsection:

(A) AGRICULTURAL COMMODITY.—The term ''agricultural commodity'' has the meaning given the term in section 402 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1732).

(B) AGRICULTURAL PROGRAM.—The term ''agricultural program'' means—

(i) any program administered under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et. seq.);

(ii) any program administered under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431);

(iii) any commercial sale of agricultural commodities, including a commercial sale of an agricultural commodity that is prohibited under a unilateral agricultural sanction that is in effect on the date of enactment of this Act; or

(iv) any export financing (including credits or credit guarantees) for agricultural commodities.

(C) JOINT RESOLUTION.—The term ''joint resolution'' means—

(i) in the case of paragraph (2)(A)(ii), only a joint resolution introduced within 10 session days of Congress after the date on which the report of the President under paragraph (2)(A)(i) is received by Congress, the matter after the resolving clause of which is as follows: ''That Congress approves the report of the President pursuant to section ___(___)(2)(A)(i) of the _____ Act ___, transmitted on _____.'', with the blank completed with the appropriate date; and

(ii) in the case of paragraph (5)(B), only a joint resolution introduced within 10 session days of Congress after the date on which the report of the President under paragraph (5)(A) is received by Congress, the matter after the resolving clause of which is as follows: ''That Congress approves the report of the President pursuant to section ___(___)(5)(A) of the _____ Act ___, transmitted on _____.'', with the blank completed with the appropriate date.

(D) UNILATERAL AGRICULTURAL SANCTION.—The term ''unilateral agricultural sanction'' means any prohibition, restriction, or condition on carrying out an agricultural program with respect to a foreign country or foreign entity that is imposed by the United States for reasons of foreign policy or national security, except in a case in which the United States imposes the measure pursuant to a multilateral regime and the other member countries of that regime have agreed to impose substantially equivalent measures.

(E) UNILATERAL MEDICAL SANCTION.—The term ''unilateral medical sanction'' means any prohibition, restriction, or condition on exports of, or the provision of assistance consisting of, medicine or a medical device with respect to a foreign country or foreign entity that is imposed by the United States for reasons of foreign policy or national security, except in a case in which the United States imposes the measure pursuant to a multilateral regime and the other member countries of that regime have agreed to impose substantially equivalent measures.

(2) RESTRICTION.—

(A) NEW SANCTIONS.—Except as provided in paragraphs (3) and (4) and notwithstanding

any other provision of law, the President may not impose a unilateral agricultural sanction or unilateral medical sanction against a foreign country or foreign entity for any fiscal year, unless—

(i) not later than 60 days before the sanction is proposed to be imposed, the President submits a report to Congress that—

(I) describes the activity proposed to be prohibited, restricted, or conditioned; and

(II) describes the actions by the foreign country or foreign entity that justify the sanction; and

(ii) Congress enacts a joint resolution stating the approval of Congress for the report submitted under clause (i).

(B) EXISTING SANCTIONS.—

(i) IN GENERAL.—Except as provided in clause (ii), with respect to any unilateral agricultural sanction or unilateral medical sanction that is in effect as of the date of enactment of this Act for any fiscal year, the President shall immediately cease to implement such sanction.

(ii) EXEMPTIONS.—Clause (i) shall not apply to a unilateral agricultural sanction or unilateral medical sanction imposed with respect to an agricultural program or activity described in clause (ii) or (iv) of paragraph (1)(B).

(3) EXCEPTIONS.—The President may impose (or continue to impose) a sanction described in paragraph (2) without regard to the procedures required by that paragraph—

(A) against a foreign country or foreign entity with respect to which Congress has enacted a declaration of war that is in effect on or after the date of enactment of this Act; or

(B) to the extent that the sanction would prohibit, restrict, or condition the provision or use of any agricultural commodity, medicine, or medical device that is—

(i) controlled on the United States Munitions List;

(ii) an item for which export controls are administered by the Department of Commerce for foreign policy or national security reasons; or

(iii) used to facilitate the development or production of a chemical or biological weapon.

(4) COUNTRIES SUPPORTING INTERNATIONAL TERRORISM.—This subsection shall not affect the current prohibitions on providing, to the government of any country supporting international terrorism, United States government assistance, including United States foreign assistance, United States export assistance, or any United States credits or credit guarantees.

(5) TERMINATION OF SANCTIONS.—Any unilateral agricultural sanction or unilateral medical sanction that is imposed pursuant to the procedures described in paragraph (2)(A) shall terminate not later than 2 years after the date on which the sanction became effective unless—

(A) not later than 60 days before the date of termination of the sanction, the President submits to Congress a report containing the recommendation of the President for the continuation of the sanction for an additional period of not to exceed 2 years and the request of the President for approval by Congress of the recommendation; and

(B) Congress enacts a joint resolution stating the approval of Congress for the report submitted under subparagraph (A).

(6) CONGRESSIONAL PRIORITY PROCEDURES.—

(A) REFERRAL OF REPORT.—A report described in paragraph (2)(A)(i) or (5)(A) shall be referred to the appropriate committee or committees of the House of Representatives and to the appropriate committee or committees of the Senate.

(B) REFERRAL OF JOINT RESOLUTION.—

(i) IN GENERAL.—A joint resolution shall be referred to the committees in each House of Congress with jurisdiction.

(ii) REPORTING DATE.—A joint resolution referred to in clause (i) may not be reported before the eighth session day of Congress after the introduction of the joint resolution.

(C) DISCHARGE OF COMMITTEE.—If the committee to which is referred a joint resolution has not reported the joint resolution (or an identical joint resolution) at the end of 30 session days of Congress after the date of introduction of the joint resolution—

(i) the committee shall be discharged from further consideration of the joint resolution; and

(ii) the joint resolution shall be placed on the appropriate calendar of the House concerned.

(D) FLOOR CONSIDERATION.—

(i) MOTION TO PROCEED.—

(I) IN GENERAL.—When the committee to which a joint resolution is referred has reported, or when a committee is discharged under subparagraph (C) from further consideration of, a joint resolution—

(aa) it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any member of the House concerned to move to proceed to the consideration of the joint resolution; and

(bb) all points of order against the joint resolution (and against consideration of the joint resolution) are waived.

(II) PRIVILEGE.—The motion to proceed to the consideration of the joint resolution—

(aa) shall be highly privileged in the House of Representatives and privileged in the Senate; and

(bb) not debatable.

(III) AMENDMENTS AND MOTIONS NOT IN ORDER.—The motion to proceed to the consideration of the joint resolution shall not be subject to—

(aa) amendment;

(bb) a motion to postpone; or

(cc) a motion to proceed to the consideration of other business.

(IV) MOTION TO RECONSIDER NOT IN ORDER.—A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order.

(V) BUSINESS UNTIL DISPOSITION.—If a motion to proceed to the consideration of the joint resolution is agreed to, the joint resolution shall remain the unfinished business of the House concerned until disposed of.

(ii) LIMITATIONS ON DEBATE.—

(I) IN GENERAL.—Debate on the joint resolution, and on all debatable motions and appeals in connection with the joint resolution, shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the joint resolution.

(II) FURTHER DEBATE LIMITATIONS.—A motion to limit debate shall be in order and shall not be debatable.

(III) AMENDMENTS AND MOTIONS NOT IN ORDER.—An amendment to, a motion to postpone, a motion to proceed to the consideration of other business, a motion to recommit the joint resolution, or a motion to reconsider the vote by which the joint resolution is agreed to or disagreed to shall not be in order.

(iii) VOTE ON FINAL PASSAGE.—Immediately following the conclusion of the debate on a joint resolution, and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the House concerned, the vote on final passage of the joint resolution shall occur.

(iv) RULINGS OF THE CHAIR ON PROCEDURE.—An appeal from a decision of the Chair relating to the application of the rules of the Senate or House of Representatives, as the case may be, to the procedure relating to a joint resolution shall be decided without debate.

(E) COORDINATION WITH ACTION BY OTHER HOUSE.—If, before the passage by 1 House of a joint resolution of that House, that House receives from the other House a joint resolution, the following procedures shall apply:

(i) NO COMMITTEE REFERRAL.—The joint resolution of the other House shall not be referred to a committee.

(ii) FLOOR PROCEDURE.—With respect to a joint resolution of the House receiving the joint resolution—

(I) the procedure in that House shall be the same as if no joint resolution had been received from the other House; but

(II) the vote on final passage shall be on the joint resolution of the other House.

(iii) DISPOSITION OF JOINT RESOLUTIONS OF RECEIVING HOUSE.—On disposition of the joint resolution received from the other House, it shall no longer be in order to consider the joint resolution originated in the receiving House.

(F) PROCEDURES AFTER ACTION BY BOTH THE HOUSE AND SENATE.—If a House receives a joint resolution from the other House after the receiving House has disposed of a joint resolution originated in that House, the action of the receiving House with regard to the disposition of the joint resolution originated in that House shall be deemed to be the action of the receiving House with regard to the joint resolution originated in the other House.

(G) RULEMAKING POWER.—This paragraph is enacted by Congress—

(i) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such this paragraph—

(I) is deemed to be a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a joint resolution; and

(II) supersedes other rules only to the extent that this paragraph is inconsistent with those rules; and

(ii) with full recognition of the constitutional right of either House to change the rules (so far as the rules relate to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(7) EFFECTIVE DATE.—This subsection takes effect 180 days after the date of enactment of this Act.

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

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

The legislative assistant proceeded to call the roll.

AMENDMENT NO. 1094

Mr. SANTORUM. Mr. President, I rise to talk about the issue of farmland preservation. I have an amendment that was filed. It is amendment No. 1094. I will not call up that amendment, but I do want to speak on it for a couple of minutes.

The reason I will not call the amendment up is the amendment is now subject to rule XVI. It is on farmland preservation, which was an authorized program under the farm bill in 1996, but because the program was so successful, all the money has been used in the authorization. So while I would very much like to see more money be appropriated for this program that shares very broad bipartisan support, the job

before us is to get this program authorized. Since legislating on appropriations bills is now not the order of the day, and I support that, we are going to have to work through the authorization process.

But the Farmland Preservation Program, I think, has probably been shown to be one of the most successful pieces of legislation in preserving open space and critical farmland that we have seen in this country. In fact, last year, $7 billion of farmland protection money, preservation money, was approved via voter referendum throughout the country. That is an enormous commitment on the part of States and localities to preserve this vital agricultural land and at the same time preserve a way of life and preserve vital open space in places where the pressure for development is extremely high.

The area of my State that is under the most development pressure is the southeastern corner of Pennsylvania. The counties there, from Lancaster County to Chester County, Bucks County, York County, and others, have done a great job in their own programs. In fact, all those programs I mentioned, county programs, were started long before the Federal Government ever even thought of participating in helping them acquire land. In fact, we have helped. The $35 million—that is all it was, $35 million—from the Federal level which was spent over the first 3 years of the farm bill preserved over 127,000 acres of land that is under great pressure of development on 460 farms.

In Pennsylvania alone, we have a 10-year backlog, a 10-year waiting list of farmers who voluntarily want to preserve their land and preserve, as a result, the family farm to be able to pass it on from generation to generation. States and localities, in partnership with the Federal Government—and as I said, in some cases without the Federal partnership—have bought these development rights so they can get some money to help keep this farm within the family. In fact, in a third of the cases—and we will be dealing with the tax bill tomorrow—these development rights were sold by farmers so they could pay death taxes, they could pay inheritance taxes, estate taxes—call them what you want. They sold their development rights on the farm so they could keep the farm in the family because of what the Federal Government has done in taxing their estates upon death.

That is a remarkable situation. Hopefully, if we can get the President to sign the tax bill we will pass tomorrow, we can go a long way toward avoiding that kind of use for these development rights. These development rights can then be used to modernize, to upgrade, and to make more competitive these agricultural lands that are under this intense development pressure.

I am disappointed we are not going to be successful in agreeing to the $10 million that is in this amendment. It would go a long way to relieve that backlog, not only in Pennsylvania but in the 19 other States that have participated in the Federal program. Since the Federal program was enacted, many more States have passed laws—in fact, 52 jurisdictions in States and localities have adopted some sort of farmland preservation program that would dovetail very nicely with the Federal effort.

This is an important issue to the people, particularly in the eastern part of the State of Pennsylvania. It is an important issue, I know, to my colleagues all throughout the Mid-Atlantic and New England States, many of whom are cosponsors of this legislation; also in California, where Senator BOXER and Senator FEINSTEIN worked to pass the original farmland preservation amendment back in 1996.

I am hopeful that the Agriculture Committee on which I serve will bring up this legislation and reauthorize it for the remaining part of the farm bill so we can include this in the Agriculture appropriations bill next time. I commend and thank Senator LUGAR who, a couple of weeks ago, held a hearing in the Agriculture Committee about this subject. We had some very enlightened testimony. It shows how incredibly popular this program is across the country and how important it is to preserve a way of life in rural America, particularly those areas that are threatened by development pressure.

I am hopeful, again, while we will not be able to accomplish it here today, that soon in this session of Congress we will pass a reauthorization of this program and be able to fund it in future appropriations bills.

Mr. President, seeing no one else seeking the floor, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

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

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

AMENDMENT NO. 1516, AS MODIFIED

Mr. ASHCROFT. Mr. President, I modify my amendment with the modification that is at the desk.

The modification is as follows:

GUIDELINES WITH RESPECT TO STATE SPONSORS OF INTERNATIONAL TERRORISM.—(A) Notwithstanding any other provision of the Act, the export of agricultural commodities or medicine or medical devices to the government of a country that has been determined by the Secretary of State to have repeatedly provided support for acts of international terrorism under section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371) shall only be made——

(1) pursuant to one year licenses issued by the United States Government for contracts entered into during that one year period and completed within a twelve-month period after the signing of the contract; and

(2) without benefit of federal financing, direct export subsidies, federal credit guarantees or other federal promotion assistance programs.

(B) Quarterly reports to the appropriate congressional committees shall be submitted by the applicable agency charged with issuing licenses in subparagraph (A)(1).

Mr. ASHCROFT. Mr. President, I ask unanimous consent that the amendment, as modified, be considered agreed to and the motion to reconsider be laid upon the table. I further ask unanimous consent that any rule XVI objections to the amendment be inappropriate and out of order and be waived.

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

The amendment (No. 1516), as modified, was agreed to.

Mr. COCHRAN. Mr. President, I thank the distinguished Senator from Missouri and others who were interested in the sanctions amendment that he had offered and which had been approved in a different form earlier in the consideration of the bill for working to put this legislation together in a form that could be adopted by the Senate tonight. I know the Senators from Florida and New Jersey were interested in this legislation, and the author of the amendment has shown strong leadership in bringing this issue to the Senate and in pushing it the way he did to get it approved. I compliment him and those who worked with him to try to resolve this issue.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Mr. President, I want to make a couple of remarks by way of appreciation to the other Senators as well, to Senator HAGEL, to Senator GRAHAM of Florida, Senator MACK of Florida, Senator TORRICELLI, and to all the Senators who worked together. It was important for us to make the fine-tuning adjustments that make this a better piece of legislation, and I commend them for their cooperation.

I trust, even expect, that in implementing this process, the administration will endeavor to streamline to the maximum extent possible the process by which food and medicine can be exported pursuant to this provision. This is what our farmers and ranchers and those who produce our medicinal supplies expect from their Government and the people expect from America. For example, I urge the implementing agencies to use general licenses to the maximum extent possible, but obviously this provision provides some judgment and exercise by the administration in this regard.

I thank my colleagues, and I thank the Senator from Mississippi for his patience in this respect. I am grateful to him and pleased to have had this opportunity to make this contribution to the measure. I yield the floor.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I think progress is being made by the

managers and our staff members with those Senators who have suggested amendments to the bill. We are compiling a list of amendments that will be agreed upon. There are a few that have not been resolved and that probably will require either disposition by voice vote or rollcall vote either up or down or on a motion to table.

I am just suggesting we are getting to that point toward the end of the bill when we are ready to wrap this up. We hope we are not in too late tonight. If Senators will cooperate and offer the amendments they have, we will appreciate that very much.

AMENDMENT NO. 1499, AS AMENDED

Mr. COCHRAN. Mr. President, at this point in the proceeding, I know the pending business is the Cochran amendment and it is at the desk. I know of no other amendments that are going to be offered to that amendment. The bill will be open for amendment further upon the adoption of that amendment. It is an amendment that has already been voted on twice, once on a motion to table and then adopted on a voice vote. I am prepared to move forward to dispose of that disaster assistance issue.

I am awaiting the advice of the Chair. Do we have to have third reading? If we do, I will request it.

The PRESIDING OFFICER. The yeas and nays have been ordered on amendment No. 1499, as amended. Does the Senator wish a rollcall vote?

Mr. COCHRAN. The staff is advising me that the yeas and nays have been ordered.

The PRESIDING OFFICER. The Senator is correct. Is there further debate?

The Senator from Kansas.

Mr. BROWNBACK. Mr. President, point of inquiry of the manager of the bill to understand where we are. We will be voting on the managers' base bill as has been put forward in amendments so far; is that where we are? I want to understand where we are.

Mr. COCHRAN. The Senator is correct.

Any parliamentary inquiries can be directed to the Chair.

I tried to explain the vote. It is on the Cochran amendment. We have voted on it twice—on a motion to table; and it was adopted on a voice vote. It was an amendment to the Daschle-Harkin amendment.

Mr. BROWNBACK. I want to understand for sure what all this contains in it, whether or not I am looking at the proper bill, the Cochran amendment No. 1499 to S. 1233. I want to make sure I have the right section, section G, regarding the tobacco program in the base bill.

Mr. COCHRAN. Mr. President, if the Senator would yield, I will be glad to suggest the absence of a quorum and go over the bill and try to answer any questions the Senator has.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. COCHRAN. 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. MACK. Mr. President, I rise today to express my opposition to the amendment before us today by the Senator from Mississippi. While I know my friends who support this amendment have the best of intentions in offering the agricultural relief package, I must say I am concerned with the direction of this debate.

We find ourselves today, Mr. President, in an increasingly familiar place. Once again, there is a crisis in farm country and the Congress is called on to construct a comprehensive package of relief and support. The amendment before us would spend more than $7 billion on—among other things—direct cash payments to farmers. This follows our efforts last year when we provided just short of $6 billion in emergency payments to America's farmers. Since 1988 emergency supplemental acts and farm disaster acts have amounted to approximately $17 billion in emergency supplemental funding for USDA programs.

Now I understand that much of this money was spent helping farmers who had suffered crop losses through drought, seasonal storms and other natural disasters. In fact, a portion of last year's emergency appropriations went to farmers who were harmed by weather conditions related to the El Nino phenomenon and other acts of God.

In other words, we were attempting to help farmers in previous years because times were bad. What concerns me about this effort today is that we are helping farmers because times are good. Increasingly in these relief bills we are seeing the bulk of support going in response to low commodity prices. In fact, much of the rhetoric we're hearing is going to the issue of declining farm income and the difficulty farmers in the heartland and elsewhere are having finding markets for their goods.

Today we're not addressing a crisis borne of declining productivity. It is not that America's farmer's aren't extremely good at what they do. Rather exactly the opposite. We are here because—stimulated by science and technology—farm productivity has persistently grown more rapidly than other sectors of the economy. More importantly, agricultural productivity has outstripped demand. And it leaves us faced with the one of the most basic economic functions: in the face of overwhelming supply and insufficient demand, prices will fall.

In nearly all sectors, this phenomenon is a quiet one. The ''unseen hand'' of the market in most cases allocates resources among the population and prevents market saturation. But in the farm sector, Congress is often asked to intervene in this process and all too often in the past, we have. For far too long, we have allowed politics rather than economics to allocate agricultural resources and determine business success or failure. As seen by the overwhelming failure this century of centrally planned economies across the globe, political allocation leads to economic stagnation and long-term failure.

It is for these reasons I fear our continued subsidization of the farm sector thwarts the free market process and will ultimately harm well-run farms by enabling continued market saturation. I understand the production of food is essential to the past and future of our country. I also recognize the instability and risk farmers face on a year to year basis and appreciate the need for occasional assistance. The New York Times, for example, contains an article yesterday discussing the drought disaster facing farmers in Maryland and West Virginia and the need for assistance in those areas. I do not discount the need for federal disaster relief. In Florida, Agriculture is a major part of our economy, and certainly there have been circumstances when we've called on Congress to assist us after hurricanes or winter freezes. These natural events warrant Congressional consideration and our best efforts. However, it seems our debate here is increasingly about politics rather than economics or weather-related disasters.

In 1996, the Congress passed a Farm Bill which provided farmers of our major export crops with direct payments to transition them off the old subsidy programs and onto the free market. These direct payments were supposed to diminish each year until 2002. Instead, we are here—for the second year in a row—considering legislation to increase these payments. Once again, Congress is using emergency payments to undo the 1996 Farm Bill and circumvent the free market. I hear my colleagues blaming the free market for price failures and I find this to be a somewhat misguided notion. In fact, the market is working all too well; the overcapacity in agriculture that was papered over by government price supports for generations is now in full view. And the results are evident in the low commodity prices we're seeing on the markets today.

I support the ideals and practices of family farming. I do not, however, support continually subsidizing businesses that fail. This is wasteful and destructive. By paying farmers who are unable to make profits in farming, you only delay their ultimate failure, and deter them from seeking other alternatives for income and employment. In addition, these farms that would otherwise fail still can produce crops that dilute the market and drive prices down, thereby creating a vicious cycle that we are seeing realized in this year's crisis in farm country.

This problem far outstrips any two-day debate on emergency cash payments for farmers. What we need, Mr.

President, is long-term structural solutions that solve the underlying problems of oversupply in the face of insufficient world demand. One major impediment to the movement of people out of the farming sector and into other areas of the economy is the punitive capital gains taxes owed by farmers who sell their land. I will be introducing legislation soon to repeal the capital gains tax on the sale of farmland. This will allow farmers to realize an additional dollar in five on the sale of their land. They can then use this money to help them in the transition to non-farm businesses or work. While I agree with my colleagues that we need solutions to the crisis in American agriculture, I submit we need solutions that solve the underlying economic problems rather than patchwork measures that do little more than treat the symptoms and defer the problem to another year and another Congress.

Mr. President, my opposition to this amendment is not based on a disdain or lack of appreciation for American agriculture. On the contrary, I believe it is a vital part of our economy and food security is clearly in our national interest. But the farming way of life is not served by government handout and bailouts of alarming size and regularity. Rather—like most other businesses—it is only preserved through sound business practices, hard work and an understanding of market fundamentals. Agriculture does not operate outside of the laws of supply and demand, and I urge my colleagues to carefully consider the long-term impact of continual subsidization on this important sector of the American economy.

I hope my colleagues will oppose this amendment and explore ways to help farmers who are facing natural disasters rather than price disasters. We cannot allow the short-term politics to deter us from the long-term effort to steer agriculture towards the free market. Nobody wants to see failure in America. Nobody wants to see families lose their farms. Nobody wants the agrarian way of life in America to fade from existence. For these very reasons, Congress has an obligation to stay the course and lay the free-market groundwork for a prosperous farm economy.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1499, as amended. The yeas and nays have been ordered. The clerk will call the roll.

The legislative assistant called the roll.

Mr. NICKLES. I announce that the Senator from Idaho (Mr. CRAPO) is necessarily absent.

Mr. REID. I announce that the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Louisiana (Ms. LANDRIEU) are necessarily absent.

The result was announced—yeas 89, nays 8, as follows:

[Rollcall Vote No. 257 Leg.]

YEAS—89

Abraham	Durbin	Lugar
Akaka	Edwards	McCain
Allard	Enzi	McConnell
Ashcroft	Feinstein	Mikulski
Baucus	Fitzgerald	Moynihan
Bayh	Frist	Murkowski
Bennett	Gorton	Murray
Biden	Grams	Nickles
Bingaman	Grassley	Reed
Bond	Hagel	Reid
Boxer	Harkin	Robb
Breaux	Hatch	Roberts
Brownback	Helms	Rockefeller
Bryan	Hollings	Roth
Bunning	Hutchinson	Santorum
Burns	Hutchison	Sarbanes
Byrd	Inhofe	Schumer
Campbell	Inouye	Sessions
Chafee	Jeffords	Shelby
Cleland	Johnson	Smith (OR)
Cochran	Kerrey	Snowe
Collins	Kerry	Specter
Conrad	Kohl	Stevens
Coverdell	Kyl	Thomas
Craig	Lautenberg	Thompson
Daschle	Leahy	Thurmond
DeWine	Levin	Warner
Dodd	Lieberman	Wellstone
Domenici	Lincoln	Wyden
Dorgan	Lott	

NAYS—8

Feingold	Gregg	Torricelli
Graham	Mack	Voinovich
Gramm	Smith (NH)	

NOT VOTING—3

Crapo	Kennedy	Landrieu

The amendment (No. 1499), as amended, was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

CHANGE OF VOTE

Mr. SMITH of New Hampshire. Mr. President, I ask unanimous consent that my last recorded vote be changed to nay. I voted in error.

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

(The foregoing tally has been changed to reflect the above order.)

Mr. COCHRAN. Mr. President, there are several Senators who have amendments we want to consider. I know Senator BOXER has an amendment. She is prepared to offer it. We are trying to resolve most of the amendments that have been brought to our attention, but there are a few that may require a vote. I think Senator BOXER's amendment may be one of them.

The PRESIDING OFFICER. The Senator from California is recognized.

AMENDMENT NO. 1521

(Purpose: Expressing the sense of the Senate regarding the continued use of the fuel additive methyl tertiary butyl ether (MTBE) and its impact on drinking water)

Mrs. BOXER. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from California (Mrs. BOXER), for herself, Mr. FITZGERALD, Mr. DURBIN, Mr. HARKIN, Mr. GRASSLEY, Mr. WELLSTONE, and Mr. CRAPO, proposes an amendment numbered 1521.

Mrs. BOXER. Mr. President, 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:

At the appropriate place, add the following:

SEC. . (a) FINDINGS.—Congress finds that—

(1) The Clean Air Act requires that federal reformulated gasoline contain oxygen as a means of achieving air quality benefits.

(2) While both renewable ethanol and MTBE may be used to meet this Clean Air Act requirement, MTBE is in substantially greater use than ethanol.

(3) MTBE is classified as a possible human carcinogen, and when leaked into water causes water to take on the taste and smell of turpentine, rendering it undrinkable.

(4) MTBE leaking from underground fuel storage tanks, recreational watercraft and abandoned automobiles has led to growing detections of MTBE in drinking water, and has contaminated groundwater and drinking water throughout the United States.

(5) Approximately five to ten percent of drinking water supplies in areas using reformulated gasoline now show detectable levels of MTBE.

(6) MTBE poses a more pervasive threat to drinking water than the other harmful constituents of gasoline because MTBE is more soluble, more mobile and slower to degrade than those other constituents.

(7) Renewable ethanol provides air quality and energy security benefits without raising drinking water concerns.

(8) A substantial increase in renewable ethanol production would enhance the energy security of the United States by reducing dependence upon foreign oil.

(9) A substantial increase in renewable ethanol production would help alleviate the financial crisis facing farmers.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the United States should—

(1) phase out MTBE in order to address the threats MTBE poses to public health and the environment;

(2) promote renewable ethanol to replace MTBE as a means of enhancing energy security and supporting the farm economy;

(3) provide assistance to state and local governments to treat drinking water supplies contaminated with MTBE;

(4) provide assistance to state and local governments to protect lakes and reservoirs from MTBE contamination.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. BOXER. Mr. President, it is very unusual that an amendment has such strong bipartisan support and unlikely allies across the aisle. This is one of those. I will tell you the reason.

We have a situation in this country that has just been recognized by the Environmental Protection Agency where we have been using an oxygenate in gasoline, MTBE, methyl tertiary butyl ether, an additive which is in essence, without going into technicalities, poisoning the water across this country, and particularly in my home State where MTBE is in use. It is an oxygenate, and it has been used in the blending of gasoline. We thought it was safe, and we thought it cleaned up the air. It does help clean up the air, but it is in fact harming our water supply.

While other oxygenates such as ethanol may be used to meet the requirement of the Clean Air Act which calls

for 2 percent of our gas to be reformulated, MTBE is the oxygenate of choice for most refiners, and today it fulfills 85 percent of the demand for oxygenate that the Clean Air Act requires. Ethanol fulfills only 8 percent of that demand.

Why did I offer this to the Agriculture bill? I think that is a legitimate question. Some Senators have asked me. Because I will tell you that if we can use more ethanol, it is going to help our farm States in a big way. Senator FITZGERALD is going to go into that point far more than I will. He knows the subject. If we can help our farm States increase their income, that is going to reduce the cost of subsidies to taxpayers. So this is very much related to the Agriculture bill.

Unlike other harmful constituents of gasoline, such as benzene, when MTBE leaks from underground fuel tanks, it moves through the water very fast and very far. After it is released into the environment, it resists degrading. Once in the water, MTBE, even at the very low level of 5 parts per billion, can cause that water to take on the taste and smell of turpentine, rendering it undrinkable.

My colleague from Texas said, How do you know it is undrinkable? The answer is, there have been many hearings all across my State of California. People have testified that where MTBE leaks into the drinking water supply, the water smells. We had a chance to smell that water. You wouldn't even put it close to your lips.

MTBE is a possible carcinogen in animals, and it is a probable carcinogen in humans. Why on Earth would we continue to add it to our gasoline, knowing it will leak into our drinking water supply? There is no Federal drinking water standard for MTBE to protect the public health, because the studies necessary to determine if there is a safe level of MTBE have not been performed. Let me tell you the news on this.

Many of us have been calling for a phaseout of MTBE. Senator FEINSTEIN has her own bill. I have a bill. We know there is a reason. There is a reason to ban it, because the EPA has just stated that it should be decreased dramatically. This is the first time they have ever stated that in their blue-ribbon panel.

In Santa Monica, CA, the people of that city lost 71 percent of their local water supply because of MTBE contamination. Imagine being told you cannot drink the water because it is contaminated. They were forced to close nine high-volume drinking water wells. Before the contamination, those wells served 6.5 million gallons of water per day. Efforts to clean up continue today. The city estimates that it will cost $160 million to clean up the affected wells.

I want to tell you that the EPA has spent hundreds of millions of dollars in an effort to clean up the contamination from MTBE. Just in the city of Santa Monica, they say it is going to cost $160 million to clean up those affected wells.

Why are we continuing to use MTBE? We know enough now to move away from it. We have alternatives, and our resolution talks about that. We have litigation now concerning cleanup, and alternative water supply costs continue to rise.

Santa Monica's contamination is just the tip of the iceberg. I think a lot of you have heard about Lake Tahoe. What a beautiful place that is. Yet in South Lake Tahoe, CA, we have lost 13 of 34 drinking water wells because of MTBE contamination.

If somebody stands up on the floor of the Senate and says this is premature and that we have not looked at this enough, I say: Come to California. Take a look at Lake Tahoe. Talk to the people of Santa Monica. They have lost their water supply. Read the blue-ribbon panel report of the EPA that was very reticent to take it on initially. They finally did. That blue-ribbon panel says that MTBE is bad.

In Santa Clara, CA—that is in the Silicon Valley—MTBE has been detected in the local drinking water supply reservoirs, and it is creating a real problem there. We have seen it in the ground water in that county in over 400 sites, and many of those sites are very near public water supply wells.

I don't want to have to come back here every year and talk to you about the tragedy of MTBE destroying the water. We take this first step tonight. Several of our colleagues want to speak on this. I will quickly summarize. Hopefully, we will hear from other colleagues.

We know that California isn't the only place where there is trouble. Governor Davis has signed an executive order prohibiting MTBE in California after December 31, 2002.

Last year, Maine announced it would take steps to reduce MTBE's use after a study revealed between 1,000 and 4,300 private wells could contain unhealthful levels of MTBE. New Hampshire is considering taking similar action. In New Hampshire, MTBE has been detected in more than 100 public wells.

We cannot allow the States to take on this fight by themselves. After all, it is up to Congress because of the Clean Air Act and the requirement to make sure that a safe additive is used.

In summary, I think we have a terrific chance tonight to send a very clear signal to the Environmental Protection Agency. It is simply a sense of the Senate, but I think it will have a lot of weight because we have never voted on the MTBE question before. This would be our first vote. We will have a vote most likely on a motion to table.

The bottom line is MTBE is poison. It is poisoning water supplies. It is a known danger. We have options, including ethanol. We have other options. We can do two things at once: We can send a message to the EPA, phase out MTBE; and at the same time send a message to our farmers who need a message of hope that they have a product that can fill the void.

I hope we will get a good vote on this. If there is a motion to table, I hope we will have a strong vote against that. I look forward to listening to my colleagues who have been extraordinary in helping to shape this resolution and helping get it to the floor.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, I know it is kind of late tonight and everybody is eager to go home, and I know we are dealing with a farm bill, an agriculture appropriations bill. I also know that this amendment is cloaked in the garb of being a sense-of-the-Senate resolution and sense-of-the-Senate resolutions tend to be viewed as relatively insignificant.

I want to argue that this is not insignificant, that this amendment is not based on any scientific study. We should not be making a major energy policy decision in America tonight at 7:30 as we debate the agriculture appropriations bill. I want to argue that we should table this amendment. Let me explain why.

First of all, we all have trouble pronouncing it. MTBE is an ether derivative that EPA has certified lowers the amount of pollution generated when an internal combustion engine burns gasoline. This ether derivative makes gasoline burn more thoroughly. As a result, it is the dominant oxygenate used in reformulated gasoline all over America. It has been a major contributor toward improving the environment in those areas of the country where there is both a high concentration of automobiles and people.

We have had relatively limited scientific analysis of this problem, other than a clear finding that California's underground storage tanks are leaking gasoline into the ground. If there are holes in these tanks, it seems the obvious solution to the problem is to fix those underground tanks.

When gasoline leaches into the ground, the gasoline and all of its components start to leach through the soil. What has been found, and what our dear colleague from California is referring to, is the discovery that this ether derivative, in areas surrounding leaking underground storage tanks, is starting to show up in ground water and in wells. Ultimately, if these leaks are not fixed, all the other components that make up gasoline will be found in ground water.

Here are the problems:

No. 1, compared to MTBE, ethanol is in very limited supply, and our Nation's capacity to produce more of it is substantially limited from year to year.

No. 2, ethanol has several problems that MTBE does not. Let me state two. One, it tends to vaporize at a much lower pressure. We are going to create a problem because ethanol vaporizes

more rapidly than MTBE and could in itself create another environmental problem. Two, Distributors have a very difficult time getting it into various parts of the country. It is quite competitive where it is produced, but it is very difficult to transport. If this should be implemented, the result of these two problems would be a spike in gasoline prices.

Ethanol is a wonderful derivative, and I am not arguing one against the other. I am trying to explain that if you remove the dominant derivative and attempt to ban it, you force the substitution of another derivative which has a fixed supply from year to year based on agricultural production levels. You are going to produce shortages that will be exacerbated by the fact that ethanol tends to degrade in a pipeline.

I urge my colleagues to not get into a long debate on a subject that few Members are qualified to debate. Fortunately, the distinguished chairman of the Environment Committee is here, a man respected by people on both sides of the aisle, who opposes this amendment. I will let him explain why.

To sum up, here is the problem. We have leaking underground tanks. We need to fix the leaks in the underground tanks. It is bad to go around pouring gasoline, no matter what additives are in it, into the ground. Rather than California fixing its leaking underground tanks, we are being called on by the Senator from California to take a major step in going on record by encouraging Administrator Browner to ban MTBE, which she has the power to do.

This is not a trivial, throw away sense-of-the-Senate resolution. We are, by taking this position, in essence, encouraging the Administrator to take action that would produce gasoline shortages in over half the country, that would spike gasoline prices, that would create a new environmental problem because of vaporizing ethanol. Why are we doing it? Because we have leaking underground tanks. Let's fix the tanks.

If the Senate were asking support for programs to do something about the leaking tanks, that would be one thing. But to ban a gasoline additive, which is the dominant additive in producing clean air in America because you have holes in tanks that are not being fixed in California is a policy which I think is totally irresponsible. This is not a decision that should be made by the Senate on a farm bill at 7:30 tonight.

I urge my colleagues, when the motion is made to table this amendment, to vote to table it. Not because Members are not concerned about leaking underground tanks and about MTBE in potential underground water or drinking water, because I think we ought to be concerned.

Mrs. BOXER. Will the Senator yield?

Mr. GRAMM. Let me finish and I am happy to yield.

I think we ought to be concerned. But the Committee on Environment and Public Works is holding hearings; they are working with Administrator Browner; they are trying to come up with a comprehensive policy in committee.

This is an area that is very complicated. I don't think there is anybody here, without reading it off a piece of paper, who can pronounce the ether derivative that is MTBE, much less understand its chemical makeup and its advantages in clean air and its disadvantages if you spill it in a creek.

So I do not doubt the Senator from California is well intended, trying to do something that she thinks sends a good signal. But we are not talking about signals. We are talking about the energy policy of a nation that is dependent on energy. This is not a good policy to decide on the floor when the committee of jurisdiction is working on this problem right now on a bipartisan basis. So I urge my colleagues to not support this amendment, and in tabling it, simply refer it to the committee of jurisdiction. Let's get a comprehensive look at it; let the committee decide how to deal with this problem.

Might I say, I am from one of the ten largest corn-growing States in the Union. I hope my colleagues from farm States are not going to jump onto bad science, bad environmental policy, and disastrous economic policy in the name of trying to ban the use of MTBE, which receives no Government subsidy, in favor of ethanol, which is already highly subsidized. I hope we will not get into this deal, ''I am going to support it because I have corn in my State.''

I have corn in my State and I have oil in my State. I am glad the Lord put one there and we brought the other there to grow it. But the point is, this is a serious issue that deserves more attention than it is going to get tonight in a sense-of-the-Senate resolution. I hope my colleagues will vote to table this amendment and give the committee an opportunity to do something about it.

Mrs. BOXER. Will the Senator yield for a question?

Mr. GRAMM. I am happy to.

Mrs. BOXER. I appreciate my friend's strong feelings on this point. I know he appreciates mine. I want him to know I did actually say the full name of MTBE.

Mr. GRAMM. It is tough.

Mrs. BOXER. It is very tough: Methyl tertiary butyl ether, MTBE.

Mr. GRAMM. You looked down.

Mrs. BOXER. I did look down. Methyl tertiary butyl ether, let the RECORD show I have mastered it.

The point is what I have mastered—I want to ask my friend a question—is that this is a serious problem wherever the MTBE shows up, and I have discussed in my abbreviated statement the places it has. Has the Senator had the opportunity to read the blue-ribbon committee's report? I do not know that he has because it is very fresh off the press. I wanted to say to my friend, is he aware that in this the EPA blue-ribbon panel says the new tanks are simply not the solution? Because we have had new tanks put into place in California, and it is not working. This stuff is leaking. It is leaking badly.

Also, I know my friend talked about environmentalists and I also want to know if he knows the list of environmental organizations that support what we are doing.

I ask unanimous consent to have both the blue-ribbon panel findings and the names of the environmental organizations printed in the RECORD.

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

BLUE RIBBON PANEL ON OXYGENATES IN GASOLINE—EXECUTIVE SUMMARY AND RECOMMENDATIONS, JULY 27, 1999

INTRODUCTION

The Federal Reformulated Gasoline Program (RFG) established in the Clean Air Act Amendments of 1990, and implemented in 1995, has provided substantial reductions in the emissions of a number of air pollutants from motor vehicles, most notably volatile organic compounds (precursors of ozone), carbon monoxide, and mobile-source air toxics (benzene, 1,3-butadiene, and others), in most cases resulting in emissions reductions that exceed those required by law. To address its unique air pollution challenges, California has adopted similar but more stringent requirements for California RFG.

The Clean Air Act requires that RFG contain 2% oxygen, by weight. Over 85% of RFG contains the oxygenate methyl tertiary butyl ether (MTBE) and approximately 8% contains ethanol—a domestic fuel-blending stock made from grain and potentially from recycled biomass waste. There is disagreement about the precise role of oxygenates in attaining the RFG air quality benefits although there is evidence from the existing program that increased use of oxygenates results in reduced carbon monoxide emissions, and it appears that additives contribute to reductions in aromatics in fuels and related air benefits. It is possible to formulate gasoline without oxygenates that can attain similar air toxics reductions, but less certain that, given current federal RFG requirements, all fuel blends created without oxygenates could maintain the benefits provided today by oxygenated RFG.

At the same time,the use of MTBE in the program has resulted in growing detections of MTBE in drinking water, with between 5% and 10% of drinking water supplies in high oxygenate use areas[1] showing at least detectable amounts of MTBE. The great majority of these detections to date have been well below levels of public health concern, with approximately one percent rising to levels above 20 ppb. Detections at lower levels have, however, raised consumer taste and odor concerns that have caused water suppliers to stop using some water supplies and to incur costs of treatment and remediation. The contaminated wells include private wells that are less well protected than public drinking water supplies and not monitored for chemical contamination. There is also evidence of contamination of surface waters, particularly during summer boating seasons.

The major source of groundwater contamination appears to be releases from underground gasoline storage systems (UST). These systems have been upgraded over the

Footnotes at end of article.

last decade, likely resulting in reduced risk of leaks. However, approximately 20% of the storage systems have not yet been upgraded, and there continue to be reports of releases from some upgraded systems, due to inadequate design, installation, maintenance, and/or operation. In addition, many fuel storage systems (e.g. farms, small aboveground tanks) are not currently regulated by U.S. EPA. Beyond groundwater contamination from UST sources, the other major sources of water contamination appear to be small and large gasoline spills to ground and surface waters, and recreational water craft—particularly those with older motors—releasing unburned fuel to surface waters.

THE BLUE RIBBON PANEL

In November, 1998, U.S. EPA Administrator Carol M. Browner appointed a Blue Ribbon Panel to investigate the air quality benefits and water quality concerns associated with oxygenates in gasoline, and to provide independent advice and recommendations on ways to maintain air quality while protecting water quality. The Panel, which met six times from January–June, 1999, heard presentations in Washington, the Northeast, and California about the benefits and concerns related to RFG and the oxygenates; gathered the best available information on the program and its effects; identified key data gaps; and evaluated a series of alternative recommendations based on their effects on: air quality; water quality; and stability of fuel supply and cost.

THE FINDINGS AND RECOMMENDATIONS OF THE BLUE RIBBON PANEL

Findings

Based on its review of the issues, the Panel made the following overall findings:

The distribution, use, and combustion of gasoline poses risks to our environment and public health.

RFG provides considerable air quality improvements and benefits for millions of US citizens.

The use of MTBE has raised the issue of the effects of both MTBE alone and MTBE in gasoline. This panel was not constituted to perform an independent comprehensive health assessment and has chosen to rely on recent reports by a number of state, national, and international health agencies. What seems clear, however, is that MTBE, due to its persistence and mobility in water, is more likely to contaminate ground and surface water than the other components of gasoline.

MTBE has been found in a number of water supplies nationwide, primarily causing consumer odor and taste concerns that have led water suppliers to reduce use of those supplies. Incidents of MTBE in drinking water supplies at levels well above EPA and state guidelines and standards have occurred, but are rare. The Panel believes that the occurrence of MTBE in drinking water supplies can and should be substantially reduced.

MTBE is currently an integral component of the U.S. gasoline supply both in terms of volume and octane. As such, changes in its use, with the attendant capital construction and infrastructure modifications, must be implemented with sufficient time, certainty, and flexibility to maintain the stability of both the complex U.S. fuel supply system and gasoline prices.

The following recommendations are intended to be implemented as a single package of actions designed to simultaneously maintain air quality benefits while enhancing water quality protection and assuring a stable supply at reasonable cost. The majority of these recommendations could be implemented by federal and state environmental agencies without further legislative action, and we would urge their rapid implementation. We would, as well, urge all parties to work with Congress to implement those of our recommendations that require legislative action.

Recommendations to enhance water protection

Based on its review of the existing federal, state and local programs to protect, treat, and remediate water supplies, the Blue Ribbon Panel makes the following recommendations to enhance, accelerate, and expand existing programs to improve protection of drinking water supplies from contamination.

Prevention

1. EPA, working with the states, should take the following actions to enhance significantly the Federal and State Underground Storage Tank programs.

a. Accelerate enforcement of the replacement of existing bank systems to conform with the federally-required December 22, 1998 deadline for upgrade, including, at a minimum, moving to have all states prohibit fuel deliveries to non-upgraded tanks, and adding enforcement and compliance resources to ensure prompt enforcement action, especially in areas using RFG and Wintertime Oxyfuel.

b. Evaluate the field performance of current system design requirements and technology and, based on that evaluation, improve system requirements to minimize leaks/releases, particularly in vulnerable areas (see recommendations on Wellhead Protection Program in 2, below).

c. Strengthen release detection requirements to enhance early detection, particularly in vulnerable areas, and to ensure rapid repair and remediation.

d. Require monitoring and reporting of MTBE and other ethers in groundwater at all UST release sites.

e. Encourage states to require that the proximity to drinking water supplies, and the potential to impact those supplies, be considered in land-use planning and permitting decisions for siting of new UST facilities and petroleum pipelines.

f. Implement and/or expand programs to train and license UST system installers and maintenance personnel.

g. Work with Congress to examine and, if needed, expand the universe of regulated tanks to include underground and aboveground fuel storage systems that are not currently regulated yet pose substantial risk to drinking water supplies.

2. EPA should work with its state and local water supply partners to enhance implementation of the Federal and State Safe Drinking Water Act programs to:

a. Accelerate, particularly in those areas where RFG or Oxygenated Fuel is used, the assessments of drinking water source protection areas required in Section 1453 of the 1996 Safe Drinking Water Act Amendments.

b. Coordinate the Source Water Assessment program in each state with federal and state Underground Storage Tank Programs using geographic information and other advanced data systems to determine the location of drinking water sources and to identify UST sites within source protection zones.

c. Accelerate currently-planned implementation of testing for and reporting of MTBE in public drinking water supplies to occur before 2001.

d. Increase ongoing federal, state, and local efforts in Wellhead Protection Areas including: enhanced permitting, design, and system installation requirements for USTs and pipelines in these areas; strengthened efforts to ensure that non-operating USTs are properly closed; enhanced UST release prevention and detection; and improved inventory management of fuels.

3. EPA should work with states and localities to enhance their efforts to protect lakes and reservoirs that serve as drinking water supplies by restricting use of recreational water craft, particularly those with older motors.

4. EPA should work with other federal agencies, the states, and private sector partners to implement expanded programs to protect private well users, including, but not limited to:

a. A nationwide assessment of the incidence of contamination of private wells by components of gasoline as well as by other common contaminants in shallow groundwater;

b. Broad-based outreach and public education programs for owners and users of private wells on preventing, detecting, and treating contamination;

c. Programs to encourage and facilitate regular water quality testing of private wells.

5. Implement, through public-private partnerships, expanded public Education programs at the federal, state, and local levels on the proper handling and disposal of gasoline.

6. Develop and implement an integral field research program into the groundwater behavior of gasoline and oxygenates, including:

a. Identifying and initiating research at a population of UST release sites and nearby drinking waters suppliers including sites with MTBE, sites with ethanol, and sites using no oxygenate;

b. Conducting broader, comparative studies of levels of MTBE, ethanol, benzene, and other gasoline compounds in drinking water supplies in areas using primarily MTBE, areas using primarily ethanol, and areas using no or lower levels of oxygenate.

Treatment and remediation

7. EPA should work with Congress to expand resources available for the up-front funding of the treatment of drinking water supplies contaminated with MTBE and other gasoline components to ensure that affected supplies can be rapidly treated and returned to service, or that an alternative water supply can be provided. This could take a number of forms, including but not limited to:

a. Enhancing the existing Federal Leaking Underground Storage Tank Trust Fund by fully appropriating the annual available amount in the Fund, ensuring that treatment of contaminated drinking water supplies can be funded, and streamlining the procedures for obtaining funding.

b. Establishing another form of funding mechanism which ties the funding more directly to the source of contamination.

c. Encouraging states to consider targeting State Revolving Funds (SRF) to help accelerate treatment and remediation in high priority areas.

8. Given the different behavior of MTBE in groundwater when compared to other components of gasoline, states in RFG and Oxyfuel areas should reexamine and enhance state and federal ''triage'' procedures for prioritizing remediation efforts at UST sites based on their proximity to drinking water supplies.

9. Accelerate laboratory and field research, and pilot projects, for the development and implementation of cost-effective water supply treatment and remediation technology, and harmonize these efforts with other public/private efforts underway.

Recommendations for blending fuel for clean air and water

Based on its review of the current water protection programs, and the likely progress that can be made in tightening and strengthening those programs by implementing Recommendations 1–9 above, the Panel agreed

broadly, although not unanimously, that even enhanced protection programs will not give adequate assurance that water supplies will be protected, and that changes need to be made to the RFG program to reduce the amount of MTBE being used, while ensuring that the air quality benefits of RFG, and fuel supply and price stability, are maintained.

Given the complexity of the national fuel system, the advantages and disadvantages of each of the fuel blending options the Panel considered (see Appendix A), and the need to maintain the air quality benefits of the current program, the Panel recommends an integrated package of actions by both Congress and EPA that should be implemented as quickly as possible. The key elements of that package, described in more detail below, are:

Action agreed to broadly by the Panel to reduce the use of MTBE substantially (with some members supporting its complete phase out), and action by Congress to clarify federal and state authority to regulate and/or eliminate the use of gasoline additives that threaten drinking water supplies;

Action by Congress to remove the current 2% oxygen requirement to ensure that adequate fuel supplies can be blended in a cost-effective manner while quickly reducing usage of MTBE; and

Action by EPA to ensure that there is no loss of current air quality benefits.

The oxygen requirement

10. The current clean Air Act requirement to require 2% oxygen, by weight, in RFG must be removed in order to provide flexibility to blend adequate fuel supplies in a cost-effective manner while quickly reducing usage of MTBE and maintaining air quality benefits.

The panel recognizes that Congress, when adopting the oxygen requirement, sought to advance several national policy goals (energy security and diversity, agricultural policy, etc) that are beyond the scope of our expertise and deliberations.

The panel further recognizes that if Congress acts on the recommendation to remove the requirement, Congress will likely seek other legislative mechanisms to fulfill these other national policy interests.

Maintaining air benefits

11. Present toxic emission performance of RFG can be attributed, to some degree, to a combination of three primary factors: (1) mass emission performance requirements, (2) the use of oxygenates, and (3) a necessary compliance margin with a per gallon standard. In Cal RFG, caps on specific components of fuel is an additional factor to which toxics emission reductions can be attributed.

Outside of California, lifting the oxygen requirement as recommended above may lead to fuel reformulations that achieve the minimum performance standards required under the 1990 Act, rather than the larger air quality benefits currently observed. In addition, changes in the RFG program could have adverse consequences for conventional gasoline as well.

Within California, lifting the oxygen requirement will result in greater flexibility to maintain and enhance emission reductions, particularly as California pursues new formulation requirements for gasoline.

In order to ensure that there is no loss of current air quality benefits, EPA should seek appropriate mechanisms for both the RFG Phase II and Conventional Gasoline programs to define and maintain in RFG II the real world performance observed in RFG Phase I while preventing deterioration of the current air quality performance of conventional gasoline.[2]

There are several possible mechanisms to accomplish this. One obvious way is to enhance the mass-based performance requirements currently used in the program. At the same time, the panel recognizes that the different exhaust components pose differential risks to public health due in large degree to their variable potency. The panel urges EPA to explore and implement mechanisms to achieve equivalent or improved public health results that focus on reducing those compounds that pose the greatest risk.

Reducing the use of MTBE

12. The Panel agreed broadly that, in order to minimize current and future threats to drinking water, the use of MTBE should be reduced substantially. Several members believed that the use of MTBE should be phased out completely. The Panel recommends that Congress act quickly to clarify federal and state authority to regulate and/or eliminate the use of gasoline additives that pose a threat to drinking water supplies.[3]

Initial efforts to reduce should begin immediately, with substantial reductions to begin as soon as Recommendation 10 above—the removal of the 2% oxygen requirement—is implemented.[4] Accomplishing any such major change in the gasoline supply without disruptions to fuel supply and price will require adequate lead time—up to 4 years if the use of MTBE is eliminated, sooner in the case of a substantial reduction (e.g. returning to historical levels of MTBE use).

The Panel recommends, as well, that any reduction should be designed so as to not result in an increase in MTBE use in Conventional Gasoline areas.

13. The other ethers (e.g. ETBE, TAME, and DIPE) have been less widely used and less widely studied than MTBE. To the extent that they have been studied, they appear to have similar, but not identical, chemical and hydrogeologic characteristics. The Panel recommends accelerated study of the health effects and groundwater characteristics of these compounds before they are allowed to be placed in widespread use.

In addition, EPA and others should accelerate ongoing research effortsd into the inhalation and ingestion health effects, air emission transformation byproducts, and environmental behavior of *all* oxygenates and other components likely to increase in the absence of MTBE. This should include research on ethanol, alkylates, and aromatics, as well as of gasoline compositions containing those components.

14. To ensure that any reduction is adequate to protect water supplies, the Panel recommends that EPA, in conjunction with USGS, the Departments of Agriculture and Energy, industry, and water suppliers, should move quickly to:

a. Conduct short-term modeling analyses and other research based on existing data to estimate current and likely future threats of contamination;

b. Establish routine systems to collect and publish, at least annually, all available monitoring data on: use of MTBE, other ethers, and Ethanol; levels of MTBE, Ethanol, and petroleum hydrocarbons found in ground, surface and drinking water; and trends in detections and levels of MTBE, Ethanol, and petroleum hydrocarbons in ground and drinking water;

c. Identify and begin to collect additional data necessary to adequately assist the current and potential future state of contamination.

The Wintertime Oxyfuel Program

The Wintertime Oxyfuel Program continues to provide a means for some areas of the country to come into, or maintain, compliance with the Carbon Monoxide standard. Only a few metropolitan areas continue to use MTBE in this program. In most areas today, ethanol can and is meeting these wintertime needs for oxygen without raising volatility concerns given the season.

15. The Panel recommends that the Wintertime Oxyfuel program be continued (a) for as long as it provides a useful compliance and and/or maintenance tool for the affected states and metropolitan areas, and (b) assuming that the clarification of state and federal authority described above is enacted to enable states, where necessary, to regulate and/or eliminate the use of gasoline addictives that threaten drinking water supplies.

Recommendations for evaluating and learning from experience

The introduction of reformulated gasoline has had substantial air quality benefits, but has at the same time raised significant issues about the questions that should be asked before widespread introduction of a new, broadly-used product. The unanticipated effects of RFG on groundwater highlight the importance of exploring the potential for adverse effects in all media (air, soil, and water), and on human and ecosystem health, before widespread introduction of any new, broadly-used, product.

16. In order to prevent future such incidents, and to evaluate of the effectiveness and the impacts of the RFG program, EPA should:

d. Conduct a full, multi-media assessment (of effects on air, soil, and water) of any major new addictive to gasoline prior to its introduction.

e. Establish routine and stastistically valid methods for assessing the actual composition of RFG and its air quality benefits, including the development, to the maximum extent possible, of field monitoring and emissions characterization techniques to assess ''real world'' effects of different blends on emissions.

f. Establish a routine process, perhaps as a part of the Annual Air Quality trends reporting process, for reporting on the air quality results from the RFG program.

g. Build on existing public health surveillance systems to measure the broader impact (both beneficial and adverse) of changes in gasoline formulations on public health and the environment.

APPENDIX A

In reviewing the RFG program, the panel identified three main options (MTBE and other ethers, ethanol, and a combination of alkylates and aromatics) for blending to meet air quality requirements. They identified strength and weaknesses of each option:

MTBE/other ethers—A cost-effective fuel blending component that provides high octane, carbon monoxide and exhaust VOCs emissions benefits, and appears to contribute to reduction of the use of aromatics with related toxics and other air quality benefits; has high solubility and low biodegradability in groundwater, leading to increased detections in drinking water, particularly in high MTBE use areas. Other ethers, such as ETBE, appear to have similar, but not identical, behavior in water, suggesting that more needs to be learned before widespread use.

Ethanol—An effective fuel-blending component, made from domestic grain and potentially from recycled biomass, that provides high octane, carbon monoxide emission benefits, and appears to contribute to reduction of the use of aromatics with related toxics and other air quality benefits; can be blended to maintain low fuel volatility; could raise possibility of increased ozone precursor emissions as a result of commingling in gas tanks if ethanol is not present in a majority of fuels; is produced currently primarily in Midwest, requiring enhancement of infrastructure to meet broader demand; because of high biodegradability, may

retard biodegradation and increase movement of benzene and other hydrocarbons around leaking tanks.

Blends of Alkylates and Aromatics—Effective fuel blending components made from crude oil; alkylates provide lower octane than oxygenates; increased use of aromatics will likely result in higher air toxics emissions than current RFG; would require enhancement of infrastructure to meet increased demand; have groundwater characteristics similar, but not identical, to other components of gasoline (i.e., low solubility and intermediate biodegradability).

APPENDIX B

Members of the Blue Ribbon Panel

Dan Greenbaum, Health Effects Institute, Chair.

Mark Buehler, Metropolitan Water District, So. California.

Robert Campbell, CEO, Sun Oil.

Patricia Ellis, Hydrogeologist, Delaware Department of Natural Resources and Environmental Conservation.

Linda Greer, Natural Resources Defense Council.

Jason Grumet, NESCAUM.

Anne Happel, Lawrence Livermore Nat. Lab.

Carol Henry, American Petroleum Institute.

Michael Kenny, California Air Resources Board.

Robert Sawyer, University of California, Berkeley.

Todd Sneller, Nebraska Ethanol Board.

Debbie Starnes, Lyondell Chemical.

Ron White, American Lung Assoc.

Federal representatives (non-voting)

Robert Perciasepe, Air and Radiation, U.S. EPA.

Roger Conway, US Dept. of Agriculture.

Cynthia Dougherty, Drinking Water, U.S. EPA.

William Farland, Risk Assessment, US EPA.

Barry McNutt, US DOE.

Margo Oge, Mobile Sources, US EPA.

Samuel Ng, Underground Tanks, US EPA.

Mary White, ATSDR.

John Zogorski, USGS.

SUMMARY OF DISSENTING OPINION

(By Todd C. Sneller, Member EPA Blue Ribbon Panel)

(The complete text of Mr. Sneller's dissenting opinion on the Panel's recommendation to eliminate the federal oxygen standard for reformulated gasoline has been submitted for inclusion in the final report and recommendations of the Blue Ribbon Panel.)

In its report regarding the use of oxygenates in gasoline, a majority of the Blue Ribbon Panel on Oxygenates in Gasoline recommends that action be taken to eliminate the current oxygen standard for reformulated gasoline. Based on legislative history, public policy objectives, and information presented to the Panel, I do not concur with this specific recommendation. The basis for my position follows:

1. The Panel's report concludes that aromatics can be used as a safe and effective replacement for oxygenates without resulting in deterioration in VOC and toxic emissions. In fact, a review of the legislative history behind the passage of the Clean Air Act Amendments of 1990 clearly shows that Congress found the increased use of aromatics to be harmful to human health and intended that their use in gasoline be reduced as much as technically feasible.

2. The Panel's report concludes that oxygenates fail to provide overwhelming air quality benefits associated with their required use in gasoline. The Panel recommendations, in my opinion, do not accurately reflect the benefits provided by the use of oxygenates in reformulated gasoline. Congress correctly saw a minimum oxygenate requirement as a cost effective means to both reduce levels of harmful aromatics and help rid the air we breathe of harmful pollutants.

3. The Panel's recommendation to urge removal of the oxygen standard does not fully take into account other public policy objectives specifically identified during Congressional debate on the 1990 Clean Air Act Amendments. While projected benefits related to public health were a focal point during the debate in 1990, energy security, national security, the environment and economic impact of the Amendments were clearly part of the rationale for adopting such amendments. It is my belief that the rationale behind adoption of the Amendments in 1990 is equally valid, if not more so, today.

Congress thoughtfully considered and debated the benefits of reducing aromatics and requiring the use of oxygenates in reformulated gasoline before adopting the oxygenate provisions in 1990. Based on the weight of evidence presented to the Panel, I remain convinced that maintenance of the oxygenate standard is necessary to ensure cleaner air and a healthier environment. I am also convinced that water quality must be better protected through significant improvements to gasoline storage tanks and containment facilities. Therefore, because it is directly counter to the weight of the vast majority of scientific and technical evidence and the clear intent of Congress, I respectfully disagree with the Panel recommendation that the oxygenate provisions of the federal reformulated gasoline program be removed from current law.

LYONDELL CHEMICAL COMPANY—SUMMARY OF DISSENTING REPORT

While the Panel is to be commended on a number of good recommendations to improve the current underground storage tank regulations and reduce the improper use of gasoline, the Panel's recommendations to limit the use of MTBE are not justified.

Firstly, the Panel was charged to review public health effects posed by use of oxygenates, particularly with respect to water contamination. The Panel did not identify any increased public health risk associated with MTBE use in gasoline.

Secondly, no quantifiable evidence was provided to show the environmental risk to drinking water from leaking underground storage tanks (LUST) will not be reduced to manageable levels once the 1998 LUST regulations are fully implemented and enforced. The water contamination data relied upon by the panel is largely misleading because it predates the implementation of the LUST regulations.

Thirdly, the recommendations fall short in preserving the air quality benefits achieved with oxygenate use in the existing RFG program. The air quality benefits achieved by the RFG program will be degraded because they fall outside the control of EPA's Complex Model used for RFG regulations and because the alternatives do not match all of MTBE's emission and gasoline quality improvements.

Lastly, the recommendations will impose an unnecessary additional cost of 1 to 3 billion dollars per year (3–7 c/gal. RFG) on consumers and society without quantifiable offsetting social benefits or avoided costs with respect to water quality in the future.

Unfortunately, there appears to be an emotional rush to judgment to limit the use of MTBE. For the forgoing reasons, Lyondell dissents from the Panel report regarding the following recommendations:

The recommendation to reduce the use of MTBE substantially is unwarranted given that no increased public health risk associated with its use has been identified by the Panel.

The recommendation to maintain air quality benefits of RFG is narrowly limited to the use of EPA's RFG Complex Model which does not reflect many of the vehicle emission benefits realized with oxygenates as identified in the supporting panel issue papers. Therefore, degradation of air quality will occur and the ability to meet the Nation's Clean Air Goals will suffer and under these recommendations.

FOOTNOTES

[1] Areas using RFG (2% by weight oxygen) and/or Oxyfuel (2.7% by weight Oxygen)

[2] The Panel is aware of the current proposal for further changes to the sulfur levels of gasoline and recognizes that implementation of any change resulting from the Panel's recommendations will, of necessity, need to be coordinated with implementation of these other changes. However, a majority of the panel considered the maintenance of current RFG air quality benefits as separate from any additional benefits that might accrue from the sulfur changes currently under consideration.

[3] Under §211 of the 1990 Clean Air Act, Congress provided EPA with authority to regulate fuel formulation to improve air quality. In addition to EPA's national authority, in §211(c)(4) Congress sought to balance the desire for maximum uniformity in our nation's fuel supply with the obligation to empower states to adopt measures necessary to meet national air quality standards. Under §211(c)(4), states may adopt regulations on the components of fuel, but must demonstrate that (1) their proposed regulations are needed to address a violation of the NAAQS and (2) it is not possible to achieve the desired outcome without such changes.

The panel recommends that federal law be amended to clarify EPA and state authority to regulate and/or eliminate gasoline additives that threaten water supplies. It is expected that this would be done initially on a national level to maintain uniformity in the fuel supply. For further action by the states, the granting of such authority should be based upon a similar two part test:

(1) states must demonstrate that their water resources are at risk from MTBE use, above and beyond the risk posed by other gasoline components at levels of MTBE use present at the time of the request.

(2) states have taken necessary measures to restrict/eliminate the presence of gasoline in the water resource. To maximize the uniformity with which any changes are implemented and minimize impacts on cost and fuel supply, the panel recommends that EPA establish criteria for state waiver requests including but not limited to:

a. Water quality metrics necessary to demonstrate the risk to water resources and air quality metrics to ensure no loss of benefits from the federal RFG program.

b. Compliance with federal requirements to prevent leaking and spilling of gasoline.

c. Programs for remediation and response.

d. A consistent schedule for state demonstrations, EPA review, and any resulting regulation of the volume of gasoline components in order to minimize disruption to the fuel supply system.

[4] Although a rapid, substantial reduction will require removal of the oxygen requirement, EPA should, in order to enable initial reductions to occur as soon as possible, review administrative flexibility under existing law to allow refiners who desire to make reductions to begin doing so.

Mr. GRAMM. Mr. President, let me first say I admit I have not read the study, as probably 98 other Members of the Senate tonight have not read it, which is the reason we ought to have the committee of jurisdiction look at it.

Second, when we are talking about something leaking into ground water from tanks, my point is that this is a problem with tanks. We do not have this problem in Texas. We have gone to

great lengths to try to deal with underground tanks that leak. We have required the tanks to be dug up in every old filling station in the State.

I think the Senator has raised a legitimate problem about leaking and underground water sources. But the point is we need to fix the tanks. I know of no study that suggests that fixing tanks does not solve the problem.

In any case, I want to conclude so Senator CHAFEE and others can speak. But I want to remind my colleagues that the EPA has the power to act in this area. I urge my colleagues not to put the Senate on record, on a subject that we have relatively little knowledge about, on a farm bill, when we are talking about a policy that has profound environmental impact, including the potential for more air pollution because of the higher vapor pressure for ethanol as compared to MTBE; second, shortages of gasoline potentially in huge quantities of the country because of, one, eliminating the dominant oxygenate in fuels from consideration; and, second, the problem of transporting the alternative to MTBE; and, finally, the potential spike in gasoline prices that could occur.

This is simply a policy we ought to be dealing with in a systematic way. I am delighted the chairman of the committee is dealing with it because it is a serious problem.

I yield the floor. Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. FITZGERALD. Mr. President, I am very pleased to rise in strong support of my colleague from California on this legislation. Senator GRAMM is one of my senior colleagues whom I respect as much as anybody in this body for his intelligence and hard work. On this issue, though, I respectfully disagree.

The EPA called for a study last November. They appointed a blue-ribbon committee that did come up and look into the scientific evidence. On that blue-ribbon committee there were representatives, importantly, of the oil industry, which would have an economic interest to see that MTBE not be done away with. This committee, this blue-ribbon panel, had a representative from the American Petroleum Institute and also an oil company. They said of MTBE in our Nation's fuel supply, that while all gasoline can possibly leak through an underground storage tank into the ground water, they specifically pointed out that MTBE is more dangerous when leaking into the ground water than other gasoline components. That is on page 3 of the report.

They recommend that MTBE be phased out gradually. Senator GRAMM brings up a good point. We have to have an alternative. We may not have at the current moment the production capabilities to replace the MTBE all at once. But I do believe we have to act quickly because we are talking about our Nation's ground water, and ground water contamination is very serious. In California it has been estimated that a large percentage of their ground water has been contaminated. This is a possible carcinogen. We cannot dawdle on an issue such as this. We have to move quickly.

Ethanol, as many of you know, can be used as an alternative to MTBE. We do have an alternative that is environmentally safe and sound. Yes, it does help our American farmers. Not only does it help corn growers in my State, which is a major corn-producing State, but ethanol can be derived from wheat, from rice straws, even from potatoes and, yes, potentially it could help farmers all across the country if they could produce the oxygenate for our reformulated fuel in this country.

So I am in strong support of this legislation. I think it is good public policy for us to urge the EPA to act quickly. Our Nation's ground water supply is at stake. We do not want this situation to go on any longer. We cannot afford to wait. We must act quickly.

I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, this is a very complicated subject. It is not only the pronunciation of MTBE that is complicated. The whole area of oxygenates as additives to gasoline adds to the complication that we face.

There have been several references, and aptly so, to the blue-ribbon panel that EPA established to look into MTBE and decide to the best of its ability what ought to be done. This blue-ribbon panel has just reported, so we have hardly had a chance to see it. I think it was a report in the last 2 weeks. So we have hardly had a chance to see it.

I would point this out: The report looked to a reduction in the use of MTBE, whereas, if you note from the sense-of-the-Senate resolution that the Senator from California has, she looks to a complete phaseout—phaseout meaning end the production of, use of, MTBE, in order, she says, to address the threats posed by it.

As I said in my opening remarks, this is a complicated issue. We have had two hearings on it in the Committee on Environment and Public Works which has jurisdiction over this matter, and we have been waiting for the report which now has just come in. In September, I can promise everyone here that, indeed—the Senator from California is a member of our committee—we will have further hearings on it and decide what recommendations we will make to the full Congress.

As has been pointed out, to just ban MTBE is not the way to go, recognizing that even though the corn growers are anxious to fill the gap, they would themselves recognize there is just plain not enough ethanol to take care of our Nation at this time.

I greatly urge my colleague, the Senator from California, to withdraw her amendment. We are going to have a hearing on it. She is going to have an opportunity to have her views expressed come September, which is very close. Secondly, I urge my colleagues, absent the Senator from California withdrawing the amendment, to vote to table it and give us a chance within the committee to study not only the report itself but just to make up our minds in a bipartisan fashion what we think is the best route to go.

Mrs. BOXER. Will my friend yield for one question?

Mr. CHAFEE. Yes.

Mrs. BOXER. I just want to make sure my chairman, who I absolutely revere, has read that we do not say ''ban.'' We say ''phase out.'' That is a big difference. We phase it out so you make sure you are doing it in a wise fashion. That is exactly what Gov. Gray Davis said. I want to make sure that is what we are calling for.

Mr. CHAFEE. I did say ''phase out,'' that it was to end it. That is the way I read it. Perhaps others may read it differently. My point is, we have a real problem on our hands. We need a little time to examine this, to give attention to the report, to consider it, and make our recommendations.

In our committee, we are fortunate to have the chairman of the subcommittee of jurisdiction, Senator INHOFE. I am sure he has some comments in connection with this whole problem.

Mr. INHOFE. Mr. President, I do not mind yielding first to the Senator from Illinois to make his remarks and we can go back and forth.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, I thank the Senator from Oklahoma for his graciousness. There will be more to the debate if we take turns expressing our points of view.

I rise in support of the amendment offered by the Senator from California and my colleague, the Senator from Illinois. I am happy to join both of them as cosponsors of this amendment.

First, when we talk about methyl tertiary butyl ether, which we are familiar with in the Midwest, we have to put it in perspective of what role it has played in terms of providing energy and whether or not it adds to problems with pollution, because that is the bottom line.

We are talking about additives to gasoline that we hope will clean up the environment. That is why we have the program. That is why we are using ethanol with MTBE because the bottom line is we want to say to Americans: When you use your automobiles, the gasoline you use should contain additives that make America a cleaner place—cleaner air and cleaner water. That is why the amendment of the Senator from California is so important because we no longer can trust MTBE to meet that mission goal.

The findings of the EPA blue-ribbon panel on oxygenates in gasoline was reported last week. The panel confirmed

my long-held belief that MTBE poses a risk to ground water and to the health and safety of the American public.

I hope those who are following this debate will listen carefully to the pervasive nature of MTBE when it occurs in the natural environment. MTBE, a petroleum-derived chemical, does not biodegrade. In 5 years of widespread use, MTBE has become the second most commonly found chemical in ground water. It is second only to chloroform. One gallon of MTBE is enough to pollute 26 million gallons of water.

So when the Senator from Texas stands and says the problem is in the storage tanks, I suggest to him, no, it goes far beyond that. The problem is in two-cycle engines, for example, as you find on many boats which use MTBE additives in their fuels, and as they spray out the back of those engines, because of their fuel inefficiency, what they are spraying into reservoirs and water supplies across America is MTBE which is not biodegradable. When they test these water supplies, it is not alone from leaking storage tanks but from the fact that this additive is particularly sinister when it comes to the clean water goals that we all share.

It has been labeled by the U.S. EPA as a carcinogen. If this additive did not biodegrade and was benign, did not cause any health problems, we would not be here. The fact is, whether it is a leaking storage tank or a two-cycle engine spraying it into Lake Decatur or Lake Springfield in Illinois, which also serve as water supplies, it increases the risk of cancer. That is why it is a particularly sinister additive, and that is why the amendment of the Senator from California is so important.

Let me give an example in my home State of the dangers of MTBE. Ten years ago, a gasoline spill occurred in Kankakee, IL. To this day, MTBE still contaminates that area's drinking water supply. It does not go away, and it causes cancer. It is carcinogenic.

With MTBE's future clearly in doubt, now is the time for us to really make clear that corn-based ethanol, or many other crops which can be used as a base for ethanol, should step up to fill this void. Ethanol currently comprises about 15 percent of the reformulated gasoline program, including a successful effort in Chicago and Milwaukee. That is the top RFG, reformulated gasoline, market in the Nation, accounting for 400 million gallons of ethanol demand, or approximately one-third of the industry's production.

Many of the arguments against the amendment of the Senator from California suggest since we do not have enough supply of ethanol at this moment to replace MTBE, we ought to stick with it. As the blue-ribbon panel found, and I think common sense tells us, you would not stick with an additive that is this dangerous, one that is so pervasive, not biodegradable and carcinogenic. It is far better for us to set out a national program to expand ethanol production.

Naturally, many people are listening and we expect to hear: DURBIN, you are from Illinois where they produce most of the ethanol and primarily from one company.

I will concede that fact. I am open to suggestions for legislation to increase ethanol nationwide from a variety of sources. I think it is good. It will create better competition and may develop better standards for manufacturers to bring down the cost. I will certainly support it whatever State wants to engage in ethanol production.

It is also important to note that recent studies have found that ethanol and MTBE are essentially equivalent in terms of their effect on ozone; that is, in reducing air pollution, so we are not losing in this tradeoff moving from MTBE to ethanol. In fact, we are holding our ground with a much safer additive.

Ethanol has lower carbon monoxide emissions and reduced reactivity, along with a lower incidence of environmental contamination when compared to MTBE.

Instead of shelving the RFG oxygenate requirements—that additive that makes it safer for the requirement—it would be in our country's best interest to expand the use of a safe oxygenate such as ethanol. The U.S. Department of Agriculture and industry data demonstrate that adequate supplies of ethanol would exist to meet the oxygenate requirement in a cost-effective manner with a gradual phaseout of MTBE.

I say to my friend—a man I also respect—from the State of Rhode Island that we are not talking about an instantaneous ban on MTBE. Instead, we are talking about a phaseout of the use of this additive as we increase the production of the safer additive, the oxygenate ethanol. In fact, ethanol blends with reformulated gas would be more cost effective than nonoxygenated gasoline.

We need to look no further than rural America to understand the benefits an ethanol-based RFG program would have on our ag economy. The USDA is predicting a bumper corn crop of 9.7 billion bushels. Farm prices are in a free-fall, and we need to find alternative uses for our agricultural bounty.

Illinois annually produces about 40 percent of the nearly 1.5 billion gallons of ethanol. Illinois corn accounts for about 17 percent of the crop use for ethanol. As you drive or fly over the Midwest and look down on those cornfields, one out of six of those cornfields is dedicated to go into processing and come out as ethanol, which we burn in our automobiles. This allows ethanol to gradually replace MTBE as a great benefit to our fragile rural economy.

I am pleased to join Senator BOXER and Senator FITZGERALD on her amendment and urge my colleagues from both rural and urban States to support this important effort to encourage the phaseout of MTBE and the promotion of ethanol as an alternative.

Mrs. BOXER. Would my friend yield for a question?

Mr. DURBIN. I would be happy to yield.

Mrs. BOXER. I know Senator INHOFE is patiently waiting, and he is chair of the Clean Air Subcommittee, as my chairman, Senator CHAFEE, has stated, but it is important to know, and I want to know if my friend is aware, that the chairman of the Drinking Water Subcommittee, Senator CRAPO, is an original coauthor of this.

I want to make the point of my friend that we have a situation that this additive was to clean the air, and now we find out it is poisoning the water, and we cannot get it out of the drinking water. The more we let this thing go, without phasing it out, my friend is absolutely right, the more expensive it gets, the more of a problem it is, the more poison is spread. To sit here and wait around does not seem to make much sense.

I also ask my friend if he is aware that we have large numbers of environmental organizations that support this, along with many in the farm community, including the Sierra Club, the Audubon Society, and Communities for a Better Environment. I hope my friend asks that we place that in the RECORD. I wonder if he is aware that Senator CRAPO brings a lot of authority, I think, to this particular debate.

Mr. DURBIN. I thank the Senator from California. I was not aware of all the details.

I ask unanimous consent that the document evidencing the organizations supporting the Boxer amendment be printed in the RECORD.

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

BLUEWATER NETWORK,
August 3, 1999.

Hon. BARBARA BOXER,
Senate Hart Office Building, Washington, DC.

DEAR SENATOR BOXER: Bluewater Network and the following signatories strongly support S. 1037 to climinate MTBE use nationwide. Extensive investigation into the hazards of MTBE demonstrates that continued use of this oxygenate will further jeopardize U.S. water supplies and undercut the public's right to clean drinking water, shoulder water and regulatory agencies with unprecedented liabilities and cost burdens, and seriously threaten public health.

S. 1037 targets three key areas:

(1) It provides EPA with the authority to immediately prohibit MTBE in sensitive or at-risk communities. This will save many areas millions of taxpayer dollars in clean up and liability costs. California alone faces an estimated $1 to $2 billion in MTBE cost. This provision also allows EPA to react swiftly to contamination sites, and effectively prioritize public health.

(2) It immediately restricts the use of MTBE to areas where oxygenates are required by the Clean Air Act. This is a common sense approach which will minimize the use and the impacts of MTBE during the phase-out.

Voluntary use of MTBE is common throughout the country. Almost all of California's gasoline contains MTBE, while only Los Angeles, San Diego, and Sacramento are required to use oxygenates. MTBE use in

non-oxygenated zones may increase during a phase-out for various economic reasons involving fuel supply and distribution. For example, Chevron and Tosco recently increased their use of MTBE in Northern California—where oxygenates are not required—despite their agreement with Governor Davis to cooperate with California's MTBE phase-out. Providing immediate restrictions on MTBE in non-oxygenated zones will prevent needless MTBE contamination, and ensure that the use of the chemical does not spread further into these areas.

(3) It provides an investigation into the impacts of ethanol, olefins, aromatics, and alkylates which will provide critical information about the impacts of banning MTBE, the general effectiveness of oxygenates, and the overall benefits of the federal Reformulated Gasoline Program. We strongly recommend Senator Boxer include the study of ''other ether-based additives'' in this section to adequately assess the feasibility and risks of chemical additives with similar properties as MTBE (e.g. TAME, ETBE). The elimination of MTBE, and especially the use of non-oxygenated fuels proposed by some refiners, necessitates fuel blending adjustments which employ these chemicals. These studies will ensure that the impacts of non-MTBE fuels are fully realized.

We commend Senator Boxer's efforts to combat the MTBE problem nationally. Neither improving underground storage tanks, banning two-stroke engines, and/or lifting the Clean Air Act's oxygen mandate will prevent continued use of the additive, nor will such steps protect our most critical resources and public health from ongoing MTBE contamination.

S. 1037 provides critical protections against the inherent risks of MTBE use, and phases out a chemical known to be a significant threat to public health.

We look forward to working with you on this issue. If we can be of any assistance, please do not hesitate to contact us. Thank you for your consideration.

Sincerely,

BROOKE COLEMAN,
Project Coordinator.
RUSSELL LONG, PH.D.,
Executive Director.

SIGNATORIES

Friends of the Earth, Brent Blackwelder.
International Rivers Network, Patrick McCully.
Audubon Society, Cassandra Lista.
Sierra Club, National Marine Wildlife and Habitat Committee, Vivian Newman.
Communities for a Better Environment, Denny Larson.
Animal Rights Foundation, Doe McCaffrey.
Backcountry Skiers Alliance, Lynn Buhlig.
Campaign to Safeguard America's Waters, Gershon Cohen.
Concerned Citizens, Renee Chapotel.
Earth Island Institute, John Knox.
Earth Island Journal, Gar Smith.
Earth Rescue, Ian Looney.
GaiaLink, Marv Lyons.
Hells Canyon Preservation Council, Brenda Schweitzer.
Hudson River Sloop Clearwater, Andi Weiss Bartczak.
Institute of Social Studies, Isaack Otienno.
If Not Now, Phil Mitchell.
Lake Hamilton Safety Supporters, Stan Cothren.
North Farm Cooperative, Sarah Wepman.
Ocean Advocates, Fred Felleman.
Architects, Designers, Planners for Social Responsibility, Kay Yeuell.
Pinniped-Fisheries Project, Laura Seligsohn.
San Francisco BayKeeper, Mike Lozeau.
Save Our Shores, Vicki Nichols.
Coalition to Stop Vail Expansion, Emily Wolf.
Site for Social Action, Doug Casner.
Surfers Tired of Pollution, Donna Frye.
World Stewardship Institute, Sarah Nossaman.

Mr. DURBIN. Mr. President, I yield the floor.

Mr. INHOFE addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. Mr. President, when I heard that the Senator from California was going to bring up her amendment, I came down to the floor. Quite frankly, I came down carrying the credentials of the blue-ribbon committee. I think there is one thing on which we can all agree: If you actually read the recommendations of the committee, they are not consistent with the amendment that is offered by the Senator from California.

We have 13 people on the panel. They are from industry, they are from some of the environmentalist groups, chaired by Dan Greenbaum of the Health Effects Institute. I think it is important that we read what this blue-ribbon committee recommends.

What they recommend is that they are not through yet. I will just read a couple of the recommendations here. They recommend that MTBE should be reduced but not banned. They said that oxygenate mandates should be eliminated. This amendment would increase mandates, not eliminate them. They said that benefits of ethanol need to be studied more. They did not say they have already been proven scientifically.

If there is one thing that has bothered me about the Environment and Public Works Committee, it is that some of the things that come out are not based on sound science. In this case, we do have the beginning of sound science. We have a recommendation by a blue-ribbon committee, made up of 13 people who are very professional and should represent all aspects of this issue.

Anyway, that is not what their recommendation is. They said that we should not ban MTBE, considering all alternatives and benefits. In addition to use as an oxygenate, MTBE is also used as an oxygenate enhancer. I think this has not been brought out. There is a reason for MTBE to be included.

As far as the use of ethanol, as far as the report is concerned, the environmental benefits are in question. The blue-ribbon panel recommended that it further be studied before its use is increased. That is what the recommendations were of this committee. I think we have plenty of time to have the hearings, as we have discussed.

There is another thing that has not been talked about. That is, if we were to adopt the Boxer amendment, some amount of money would have to come from the highway trust fund. Ethanol users receive a tax credit at the current time, and at the end of each year it comes out of the highway trust fund. Therefore, each of our States will have their highway funds reduced if this amendment should pass.

It is not possible to switch to ethanol right away, as the Senator from California suggests. We do not have the national infrastructure to transport the ethanol. A lot of people are not aware that this cannot be added at the refinery; it has to be added at the rack where the fuels are mixed.

On health effects, only 1 percent of the detections of MTBE in water has met the threshold for smell, which is below the threshold for human health effects. I really think if we want to use, as our basis, our decision on this amendment being the blue-ribbon panel recommendations, we ought to go ahead and not pass the amendment, allow Senator CHAFEE and me, as chairman of the subcommittee of jurisdiction, to have hearings. We are going to have hearings on this, on the blue-ribbon committee, in September. We are prepared to do that.

This is a drastic step. It is something we do not want to get into unless we are sure. If you read the report, it says: Do not do it now. Study it. The results are not in. We will have to make further recommendations.

We are willing to have the committee hearing on this. I can just give you my word at this time we will have it probably sometime in September.

I yield the floor or yield for questions.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa, Senator HARKIN.

Mr. HARKIN. Mr. President, first, I just respond to my friend from Oklahoma by saying that they can still go ahead and have the hearings and everything else after we adopt the sense-of-the-Senate resolution. Nothing prevents the committee from going ahead and meeting and having the blue-ribbon panel appear, and proceed with hearings. But we ought to express ourselves here as to the health issues that confront us.

I also point out to my friend from Oklahoma that I was reading the blue-ribbon panel's page here on this, and I thought I might read the pertinent parts because it is not quite exactly as my friend from Oklahoma said.

On page 6 it says: ''Recommendations for Blending Fuel for Clean Air and Water.''

Based on its review of the current water protection programs, and the likely progress that can be made in tightening and strengthening those programs by implementing Recommendations 1–9 above, the Panel agreed broadly, although not unanimously, that even enhanced protection programs will not give adequate assurance that water supplies will be protected, and that changes need to be made to the RFG [the reformulated gasoline] program to reduce the amount of MTBE being used, while ensuring that the air quality benefits of RFG, and fuel supply and price stability, are maintained.

The next paragraph said:

The key elements of that package, described in more detail below, are:

Action agreed to broadly by the Panel to reduce the use of MTBE substantially (with some members supporting its complete

phaseout), and action by Congress to clarify federal and state authority to regulate and/or eliminate the use of gasoline additives that threaten drinking water supplies. . .

So I think it is quite clear where they are headed on that: To reduce MTBE use substantially. Some members even wanted its total elimination.

Mr. President, what we are talking about here is a health issue. I find it astounding——

Mr. INHOFE. Would the Senator yield on that point?

Mr. HARKIN. I will yield without losing my right to the floor.

Mr. INHOFE. Of course.

The Senator was reading from the report. I would like to read the next paragraph that he overlooked. It says they are recommending:

Action by Congress to remove the current 2% oxygen requirement—

That is right before ethanol—

to ensure that adequate fuel supplies can be blended in a cost-effective manner while quickly reducing usage of MTBE. . . .

Exactly the opposite of what the Senator from California is trying to do with her amendment.

Mr. HARKIN. I beg to differ. The blue-ribbon panel's conclusions support the Senator's resolution. What we are talking about is phasing out MTBE, and encouraging the use of ethanol—an oxygenate that reduces air pollution and at the same time does not contaminate water supplies or adversely affect health.

That is what we are talking about. I was responding to the point of the Senator from Oklahoma about what the blue-ribbon panel was saying. They were clearly saying that we ought to substantially reduce or eliminate the use of MTBE. They want to make sure we have a fuel supply that is not a health hazard to our people. That is what they are saying. That is really the issue before us. It is a health issue, pure and simple.

Again, I find it astounding that people can argue and say: We have a lot of MTBE out there; forget that it is a possible human carcinogen; forget that it is highly polluting; let's go ahead and keep using it because, quite frankly, we don't have anything to replace it with right now. That is the sort of argument that is being used.

I thought the Senator from Illinois, Mr. DURBIN, laid out quite succinctly how dangerous MTBE is. We have been told, first by the Senator from Texas, that it is just a matter of leaking tanks. Well, that is not just it at all. Senator DURBIN pointed out motor boats, motor skis, everything else, lawn mowers, motorcycles, airplanes, everything else that is using MTBE all leak a little bit, and every time it leaks, MTBE gets into the surface water and ground water.

One might say: Well, it is the gasoline leak that is the problem, and not what is in the gasoline. But when you have a gasoline leak, most of the components in gasoline, tend to break down. MTBE breaks down very little and very slowly, and it permeates rapidly. It is highly soluble in water, when it gets in water. If you put some oil in water, it doesn't mix. It can be separated out. But when MTBE gets in water, because of its chemical properties, it permeates the water quite rapidly, and that is what makes it so tough to get it out. It is not like oil or gasoline in water at all. It is highly soluble in the water.

As Senator DURBIN pointed out, the U.S. Geologic Survey has found that MTBE is the second most commonly found contaminant in ground water. But it has been in widespread use for only about 7 years. The second most prevalent contaminant in ground water in the United States, in a matter of only 7 years. EPA estimates that MTBE already can be detected in 5 to 10 percent of water supplies nationwide.

MTBE has been found to be leaking into groundwater at over 10,000 sites in California. A state report in Maine found that anywhere from 1,000 to 4,300 private wells could contain unhealthful levels of MTBE. And in New Hampshire, MTBE has been found in 100 public wells and water supplies. Five parts per billion is enough to contaminate water and make it taste and smell like turpentine. As I said, it is highly toxic. It is a poison. It permeates rapidly.

I think I would like to review a little bit some of the history of why we are here. In 1990, when we passed the Clean Air Act, trying to reduce the pollutants in automobile gasoline, we wanted to get rid of the witch's brew—we always called it the witch's brew—of toxins that were basically used as octane enhancers, such as benzene, xylene and toluene, highly toxic, highly poisonous substances used to enhance octane and performance.

In order to get rid of those toxics, while maintaining gasoline performance, something was needed to replace them. The oxygenates make a cleaner burning gasoline while improving octane and gasoline performance. So we came up with the oxygen content standard in the Clean Air Act so that we could have cleaner gasoline, and reduce the toxics and carbon monoxide emissions. The oxygenate in the fuel does that. It reduces carbon monoxide. We all know what carbon monoxide is—a pollutant that makes you sick or kills you. So we came up with the oxygenate standard for that. We got rid of pollution and carbon monoxide. Both MTBE and ethanol were octane enhancers so they could be used to make cleaner gasoline and replace the witch's brew of toxics like xylene and benzene and toluene.

Because MTBE is a derivative of petroleum, it was much easier to get the MTBE and to use it and to have it marketed more rapidly around the country than ethanol. That is why MTBE became the largest part of the oxygenate supply for the reformulated gasoline program.

I freely admit that MTBE does do some good in reducing air pollution. I would never argue that it doesn't; of course, it does. But we have found that the downside is even worse in terms of its pollution of water supplies. So we say, are we on the horns of a dilemma? We have MTBE. It reduces air pollution. It keeps the octane up. But it terribly pollutes our ground water. Is there nothing we can do?

Well, yes, there is. We can move toward using more ethanol. Now, ethanol is a renewable fuel that provides the clean air benefits, but it will not pollute ground water. Ethanol is so safe one can drink it. It is about 190 proof. That is what it is, basically 190 proof, good old corn alcohol. That is all it is. You can drink it if you want. It is pretty strong, but it won't hurt you. So we can replace it MTBE with ethanol.

Senator GRAMM talked about the vapor pressure, the fact that when you mix ethanol with gasoline, a funny thing happens. It becomes more volatile. True. Therefore, they say because it is more volatile, it evaporates and it causes ozone. Well, I have looked at that, and quite frankly, I think the conclusions about evaporation are outdated and not valid.

First of all, it is true that the Reid vapor pressure does go up, so it is more evaporative. But if you look at the design and building of automobiles since that time, you find that automobiles are not like they were 20 years ago. The gas tanks have a sealing flap on them. All gas tanks have an airtight lock on them now, all cars built probably within the last 10 to 15 years. Almost all new cars use fuel injection. They don't have carburetors like the old cars used to have. There isn't that much evaporation from automobiles, even when they sit in the hot summer sun. It may be true of older cars, but not of the new cars that have been built within the last 10 or 15 years.

Secondly, at most of the gas pumps in the United States now, they have a recapturing mechanism to recapture the fumes from the pumps. So those that say that because we mix ethanol with gasoline and it evaporates and causes ozone, that is based upon studies that I believe are not valid and are outdated.

We do know one thing about ethanol. It reduces carbon monoxide tailpipe emissions. And carbon monoxide contributes to ozone formation. The air quality benefits of reduced carbon monoxide emissions has to be taken into account when talking about the evaporation of gasoline containing ethanol. So we have a proposition. We can replace MTBE with ethanol. We can enhance the octane. We can clean up the gasoline, cut the toxics and reduce carbon monoxide, and there is absolutely no pollution water pollution. But Senator GRAMM and others have said, and the Senator from Oklahoma, we can't do that. The reason we can't do that is because we don't have an alternative in place right now to replace MTBE.

If I read the sense-of-the-Senate resolution of the Senator from California,

it doesn't say we have to do this immediately. It says: It is the sense of the Senate that the United States should, one, phase out MTBE in order to address the threats that MTBE poses to public health and the environment—phase it out. We didn't put a time limit on it, just phase it out.

Well, let me, for the record, point out how we can, without disruptions in fuel supplies, replace MTBE with nonpolluting ethanol. We now produce about 1.5 billion gallons of ethanol annually. We use about 1.2 billion gallons of that in this country and we export the rest. We would need about an additional 2.1 to 2.2 billion gallons of ethanol production to replace MTBE. The current ethanol production capacity that we have in the United States right now is about 1.8 billion gallons annually. So to replace MTBE, the U.S. would need to have the capacity to produce about 3.3 billion gallons of ethanol each year. That is the 1.2 billion that we use domestically, plus the 2.1 it would take to replace MTBE. So that would be about 3.3 billion gallons.

In checking with the producers of ethanol, they have told me ethanol production could be ramped up anywhere in 2.5 to 3 years to meet those requirements. We already have 1.8 billion gallons of annual ethanol production capacity. We don't even have to double it in order to meet the requirements of replacing MTBE.

I point out that the U.S. Department of Agriculture's analysis supports this conclusion that we could, within 2.5 years, and at the most 3 years, ramp up the production of ethanol to replace MTBE. I would have to admit there is probably no way we can phase out MTBE in probably less than 2.5 to 3 years. So as we phase out MTBE, we could ramp up the production of ethanol.

Now, my friend from Oklahoma said we don't have the transportation facilities and things such as that. They would come along, plus, I daresay that ethanol would be produced in a lot of different places in the country. Now it is mostly produced in the Midwest, but it will probably be produced in a lot of other areas in the United States.

So for the reasons of health, for the reasons of making sure we don't further contaminate our ground water and our water supplies in this country, to ensure that we are able to replace MTBE in an orderly fashion with a renewable fuel produced here in this country, I support the sense-of-the-Senate amendment offered by the Senator from California, Senator FITZGERALD, and others.

Lastly, I want to make one more point. The Senator from Texas went on about subsidies for ethanol. I don't think he wants to get involved in that subject. Quite frankly, we have the data to show that the tax breaks to the oil industry vastly exceed the modest tax incentives for ethanol. That is just during the recent past, not to mention all the tax and other subsidies the oil industry has gotten over the last 100 years or so from the U.S. Government. So I don't think the Senator from Texas wants to get involved in talking about subsidies, especially when we can point out the huge tax subsidies the oil industry has gotten over all these years.

In conclusion, the issue before us is framed this evening primarily as an environmental and health issue, pure and simple. All of these arguments from the other side notwithstanding, what we are about is saying the Senate is going on record that we ought to phase out MTBE and to promote renewable ethanol to replace MTBE. Ethanol enhances energy security, it supports the farm economy, it improves air quality and the environment. There are many reasons to support ethanol, but when it comes down to the crux of the debate tonight we are talking about the extensive water contamination caused by MTBE and the fact that with ethanol we have a clean and safe alternative to take its place. That is what this debate is about.

I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa, Mr. GRASSLEY, is recognized.

Mr. GRASSLEY. Mr. President, this is a health issue, yes, but it is more than just an issue of whether or not we are going to continue to poison the environment and the ground water and permit poison, on the one hand, or a product that you can drink, on the other hand, to take its place. This is also an economic issue, although we have almost exclusively debated the health issues tonight. We just as easily could be conjuring up the debates of previous years between big oil on the one hand and agriculture on the other hand—agriculture being the base product for the production of ethanol, and big oil because of its interest in MTBE.

So it is an economic issue, not just an issue of poisoning the environment. It is also an issue of whether or not we ought to rely upon a renewable source of energy that comes from agriculture and corn, to make ethanol, or whether you ought to rely upon a nonrenewable fuel, MTBE. It is also an issue of whether or not this country ought to be energy-dependent upon foreign sources, because like our importing more than half of our petroleum, we also import half of our MTBE. The issue should be how we are going to be less dependent upon foreign sources of energy when we fully use our own family farmers to grow our own crops and use our own agricultural products to produce ethanol, a renewable fuel.

It is an environmental issue in regards to whether or not you are going to produce MTBE from a nonrenewable source, a finite source, and poison; or whether you are going to have the more clean-burning, renewable source that doesn't poison from ethanol.

Our balance of trade is also an issue due to the fact that one-third of our unfavorable balance of trade comes from the fact that we import so much of our energy. We should use more of our domestically produced energy, a renewable source of energy which is not imported and not controlled by oil companies. This would provide the nation with a more favorable balance of trade.

Our national defense should not be devoted in part to defending foreign sources of energy. An admiral in the Navy once explained that about half of the Navy's budget is dependent upon protecting oil, the flow of oil from the Middle East to the United States. This should be considered a subsidy. This source of energy partially compromises our national defense. We should base our national defense more on energy independence through the use of renewable energy, domestically produced energy, of which ethanol is part of that equation, produced from a renewable source.

Yes, this is an issue of poison versus a product that isn't poison. Ethanol is a product that you can drink, but it has a positive economic impact, solidifies our national defense, benefits our environment, and reduces our trade deficit.

So let's look at it in a very broad vein because this is not a brand new debate. This is a debate that has been going on in this body over a period of time, dating back to 1980 when we first started the renewable resource of ethanol as a supplement to gasoline.

Now, this isn't just a recent health issue because of California and what the Governor of California has done to phase out MTBE, the poisonous product in their State. The Governor has already made that decision. But I have given evidence on the floor in this body, in previous debates on this issue, where people using MTBE in Alaska got sick and the Governor had to ask for waivers. I think I also produced evidence in those previous debates regarding a similar situation in the State of New Jersey, just as an example.

I think it has been well established that this does not just come from leaky gasoline tanks leaking into the underground water. It has been presented very clearly that this product also is emitted into the air and because of rainfall finds its way into our water supply.

In my State of Iowa, the legislature has banned MTBE. My State banned its use in the last legislative session. The Governor of California has also moved to phase the poison out of its fuel. While we have been moving forward on this issue, the debate tonight might appear new to many of my colleagues. To those colleagues it might make sense to study this more, to let the committees make the proper decisions. But there are numerous state legislatures that have made the conclusion that MTBE should be banned. I hope we will favorably consider the Boxer amendment because I think it is very legitimate that we immediately move forward on this issue.

Obviously, my State of Iowa, as the No. 1 corn-producing State in the Nation, will benefit if this poisonous product is phased out. I stand guilty of promoting ethanol. But it is not fair to say that just because you as the traveling public—and every one of you in this body owns an automobile—who pull up to the gasoline pump and pay a little bit less gas tax because a portion of your gasoline is ethanol which doesn't have the Federal gas tax in it, that this is a subsidy. The word ''subsidy'' implies that there is money paid out of the Federal Treasury to somebody to use that product. That is not true. Do we want to raise the tax on people motoring? Then do away with the ethanol tax exemption and you would have it.

I think we have the arguments on our side. I think it is going to be easy to cloud the issue and claim this needs to be studied. Remember, there are legislative bodies elsewhere in this country that have come to the conclusion that this has had enough study and that something as poisonous as MTBE should not be in the water.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I don't address these remarks to any exporter of ethanol. But I am really astounded tonight. I think if you pull out your ledger, every time we have an ethanol vote, my friend or someone else is standing there to make sure that I vote for it and make sure that I vote the same way over and over.

Frankly, I wouldn't be voting for ethanol if I had to put up with this kind of argument and justification for being for ethanol. Just put that in your hat. Because this is an absurd argument. Most of those who support ethanol on this side of the aisle are constantly arguing that the Environmental Protection Agency oversteps all the time—that they overregulate, that they do things that cost the American taxpayers too much. And yet they come here tonight.

There is the chairman of the Committee on Environment and Public Works. Is this man antienvironment? For most of the same people, they have been arguing that he is too much in favor of the environment. He comes to the floor of the Senate a reputed chairman, and you all make this an environmental issue?

You want to make this issue one that says we will sell more corn. I don't believe that is the right way to handle environmental issues in the United States when a blue-ribbon commission issued a report, and the chairman of the committee says: I need time to study it. But it will just be a matter of a few weeks, and we will have a hearing.

That is what we should do tonight. We should say to that committee: Do your hearings quickly and give us your recommendation.

But to stand here on the floor of the Senate and make this a corn-growers versus a non-corn-growers issue, and try to say it is the environment when you are counting heads, to every head you are counting, you are sending a memo: This is for corn.

Is that why we want you to vote for it? Right. In fact, my friend, who I greatly respect, tried to cover that up in a 15-minute speech about it being something else. But it is an effort to say let us get rid of this thing that we are using to make our gasoline better, more oxygenated, and better for the clean air of our country when there is a study that is only 5 days old—6 days, whatever it is. You have the chairman of the subcommittee and the chairman of the full committee saying: Wouldn't you give us time to look at it?

Here we have an agriculture bill and somebody making an issue that now what you would do is make PETE DOMENICI tonight, who is not going to vote with you anti-corn growers, says listen, corn growers. You are more apt to make me an anti-corn grower with this kind of approach than if you leave it in the committee and let them do their work.

I hope some others will join me in that respect because I am not against corn growers. I don't have very many in my State. But I think it is ridiculous to come to the floor and make this kind of argument in behalf of the environment and leaking underground tanks when you won't even give the most esteemed environmental chairman we have had around here since Ed Muskie a chance to conduct some hearings on it.

Frankly, I hope we either table it or somebody offers a substitute so we can do what is right here tonight.

Mr. HARKIN. Mr. President, will the Senator yield for a question?

Mr. DOMENICI. I am finished. But I would be glad to answer a question.

Mr. HARKIN. I understand that Senator INHOFE is the chairman of the air quality subcommittee. I understand—and I don't know this—that he is the chairman of the water quality subcommittee, which we are talking about, and Senator CRAPO is in favor of this.

Mr. DOMENICI. Senator who?

Mr. HARKIN. Senator CRAPO.

Mr. DOMENICI. Senator CRAPO is in favor? Of course. Maybe he is because he is a corn grower. But I do not know that he is.

Mr. HARKIN. He is chairman of the water quality subcommittee. That is what I am told.

Mr. DOMENICI. All I know is that I mentioned two chairmen. I mentioned the esteemed chairman of the full committee and the chairman of the subcommittee on clean air. I don't know the makeup of the public works committee. I served on it for 12 years. I think it is a wonderful committee.

But to be honest with you, I am thrilled it is your job and not mine. I say to the chairman that I could have been chairman. I am glad he is chairman and that I am not.

But what I said tonight I believe is true; that is, we ought to tell the committee to do their job and do it quickly. That ought to be the vote tonight.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I am sitting here looking at the chairman of the Agriculture Appropriations Subcommittee who has been trying to pass a responsible bill all week. All of a sudden, out of the blue, we have a sense of the Senate that doesn't belong on the Agriculture appropriations at all.

Mr. INHOFE. Will the Senator yield?

Mrs. HUTCHISON. Then you see the chairman of the Committee on Environment and Public Works who says: Excuse me, but this is my jurisdiction, and I would like to address it. And he is, as Senator DOMENICI said, one of the most distinguished of our Members.

I say to Members, do this: MTBE should be looked at. It is a way to clean the air. It is an additive to gasoline to meet the clean air requirements of EPA.

We should not have a sense of the Senate that holds up the Agriculture appropriations bill. I hope Members will vote to table this sense of the Senate and give Chairman CHAFEE the opportunity to look at this issue to determine if there is something wrong with MTBE, which I think is very much a question.

But to have something like this continue to hold up this bill, when our farmers certainly need the relief this appropriations bill is going to give us, I think is the wrong approach.

I urge Members to table this sense of the Senate.

Mr. INHOFE. Will the Senator yield?

Mrs. HUTCHISON. I am happy to yield to the Senator.

Mr. INHOFE. I know people are getting restless and I know there will be a substitute offered, but if there is anyone in here who is predicating their decision on how to vote on this blue-ribbon committee, let me read from the report. It totally contradicts what the Senator from California is saying. They recommend:

> Action by Congress to remove the current 2 percent oxygen requirement to ensure that the adequate fuel supplies can be blended in a cost-effective manner, while quickly reducing usage of MTBE.

What she is trying to do is actually fill that 2 percent with ethanol.

Another recommendation says:

> Accelerate air and water affects research on other fuel components likely to take MTBE's place such as . . .

It names ethanol, aromatics, and alkylates. It says don't do it until we do the research.

That is the recommendation of this blue-ribbon committee.

Last, it bothers me when people use scare tactics. This blue-ribbon committee said:

> The great majority of these detections to date have been well below levels of public health concern with approximately 1 percent rising to levels above 20 parts per billion.

I certainly concur with the recommendation of the Senator from Texas. Let Members have a chance to hold hearings on the results of the blue-ribbon committee. Nothing would be lost.

Mrs. HUTCHISON. I thank the Senator from Oklahoma.

It is clear from the debate this is not an issue that should be taken up on this bill. Clearly there are questions. The scientific basis is not proven at all. I hope we will not do something that will mar the record and take the jurisdiction from where it should be, and that is the Environment and Public Works Committee.

AMENDMENT NO. 1522 TO AMENDMENT NO. 1521

Mr. CHAFEE. Mr. President, I send a substitute to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. DEWINE). The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Rhode Island [Mr. CHAFEE] proposes an amendment number 1522 to amendment No. 1521.

Strike all after the first word, and insert the following: ‘‘ . It is the sense of the Senate that the Committee on Environment and Public Works should review the findings of the EPA Blue Ribbon Panel on MTBE and other relevant scientific studies, hold comprehensive hearings, and report to the senate at the earliest possible date any legislation necessary to address the recommendations of the Blue Ribbon Panel.’’

Mr. CHAFEE. Mr. President, this is very cut-and-dried. What we say in this substitute is give us a chance. We have a committee. In September, as chairman of the committee—and the chairman of the subcommittee is here—we promise the Senator to hold, very early in September, as soon as we can get proper witnesses, a hearing on this subject. It is an important subject. I recognize that to California it is very important, and it is important to other States, likewise.

I think that is the proper way to go. It is a complicated subject and it involves not just MTBE; it involves the oxygenates that come from corn. That is the way I recommend we proceed.

Mrs. BOXER. Mr. President, I hope we will not accept this. I will be very brief. We all know what this is. This is sending this bipartisan sense-of-the-Senate resolution right into the graveyard.

My friend, my esteemed chairman, says it is complicated. Let me tell him it is not complicated to understand that MTBE is leaking. It is leaking badly. The State of California has phased it out. It is an opportunity for other options which will help our farmers. I think this is a unique moment.

We have Senators agreeing, Members who don’t vote together very often. We have a long list of environmental organizations that support this. We have a long list of people from the farm States and organizations that support this. We don’t need to continue with hearings.

As the Senator from Texas stated, the head of the Environmental Protection Agency can take action under her emergency powers to phase out MTBE. I believe if we support this sense of the Senate and vote down the second-degree amendment, she will understand that we really care about this issue, we care about getting rid of a possible carcinogen, and we care about helping our fathers at the same time.

To me, it isn’t that complicated, perhaps because I see what is happening to drinking water in California. Right now in California it is going to cost $1 to $2 billion to clean up the poison in our drinking water. And my friends are saying: Plenty of time to study.

Members don’t want this to happen to their State.

I yield the floor.

Mr. COCHRAN. 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.

Mrs. BOXER. Mr. President, I move to table the Chafee amendment, and 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 motion to table amendment No. 1522. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative assistant called the roll.

Mr. NICKLES. I announce that the Senator from Idaho (Mr. CRAPO) and the Senator from Florida (Mr. MACK) are necessarily absent.

Mr. REID. I announce that the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Ms. LANDRIEU), and the Senator from New York (Mr. MOYNIHAN) are necessarily absent.

I further announce that, if present and voting, the Senator from New York (Mr. MOYNIHAN) would vote ‘‘no.’’

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

The result was announced—yeas 51, nays 44, as follows:

[Rollcall Vote No. 258 Leg.]

YEAS—51

Abraham	Dorgan	Leahy
Akaka	Durbin	Levin
Ashcroft	Edwards	Lieberman
Baucus	Feingold	Lugar
Bayh	Feinstein	Mikulski
Bond	Fitzgerald	Murray
Boxer	Graham	Reed
Brownback	Grams	Reid
Bryan	Grassley	Robb
Burns	Harkin	Roberts
Byrd	Hollings	Rockefeller
Cleland	Inouye	Sarbanes
Collins	Johnson	Schumer
Conrad	Kerrey	Snowe
Daschle	Kerry	Torricelli
DeWine	Kohl	Wellstone
Dodd	Lautenberg	Wyden

NAYS—44

Allard	Breaux	Cochran
Bennett	Bunning	Coverdell
Biden	Campbell	Craig
Bingaman	Chafee	Domenici
Enzi	Jeffords	Shelby
Frist	Kyl	Smith (NH)
Gorton	Lincoln	Smith (OR)
Gramm	Lott	Specter
Gregg	McCain	Stevens
Hagel	McConnell	Thomas
Hatch	Murkowski	Thompson
Helms	Nickles	Thurmond
Hutchinson	Roth	Voinovich
Hutchison	Santorum	Warner
Inhofe	Sessions	

NOT VOTING—5

Crapo	Landrieu	Moynihan
Kennedy	Mack	

The motion was agreed to.

AMENDMENT NO. 1521

The PRESIDING OFFICER. The question is on agreeing to the Boxer amendment.

The amendment (No. 1521) was agreed to.

Mr. COCHRAN. I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, the only amendment that I am aware of that has not already been agreed to by the managers or a recommendation to the Senate for agreement is the amendment of the Senator from South Carolina. Senator THURMOND has an amendment. After his amendment is offered—and it will be accepted—we have a group of amendments that we can recommend be agreed to by the Senate. I know of no other controversial amendment that would require a recorded vote.

Then it would be up to the Senate whether to accept passage of the bill on a voice vote or insist on a recorded vote. I have had no one ask me to request the yeas and nays on final passage. So if that is an understanding that is agreeable to the Senate, we will proceed to accept the amendment of the Senator from South Carolina, then the agreed-upon list the managers will recommend, and then adopt the bill on final passage by voice vote.

If there is any objection to that, speak up now.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

AMENDMENT NO. 1523

(Purpose: To prohibit the use of foreign assistance funds to promote the sale or export of alcoholic beverages, including wine)

Mr. THURMOND. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Carolina [Mr. THURMOND] proposes an amendment numbered 1523.

Mr. THURMOND. I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 51, line 13, before the period, insert the following: ''\, or alcoholic beverages, including wine''.

Mr. THURMOND. Mr. President, the mission of the Foreign Agricultural Service, in conjunction with the Commodity Credit Corporation, is to open, expand and maintain global market opportunities for agricultural commodities. One program in place to accomplish this mission is the Market Access Program. This program, funded at $90 million per year, is a cost-share program to help U.S. companies expand their sales in the international marketplace.

I recognize that export promotion is a vital tool in our Nation's effort to expand trade. Since its inception in 1986, the Market Access Program has helped many companies, trade organizations, state and regional trade groups, and agriculture cooperatives to build new markets overseas.

There is, however, one aspect of the market access program, which gives me great concern. In late June, Secretary Glickman announced the 1999 allocations of the $90 million authorized, to 65 U.S. trade organizations for export promotion activities. Included in that allocation is over $3.6 million for the promotion of alcoholic beverages.

Even if one accepts the notion that alcoholic beverages are ''agricultural commodities,'' there is still difficulty in justifying the Federal Government's promotion of such products. I do not believe the United States Government should be funding the marketing of alcoholic beverages, within the United States or in export markets. Further support of this market promotion program cannot be justified by public policy reasons or on economic grounds.

From a public policy viewpoint, the promotion of alcoholic beverages, including wine, by the Federal Government is unsupportable. The Federal Government spends millions of dollars each year researching and combating the ill effects of alcohol. The negative consequences of alcohol use and abuse are well documented—disease, cancer, traffic deaths and injuries, economic loss, and a variety of social costs. Last September, the National Institutes of Health published a study entitled, ''The Economic Costs of Alcohol and Drug Abuse in the United States, 1992.'' The economic costs for alcohol abuse alone were reported at over $148 billion. Remember, these statistics were for 1992. There's no doubt the costs are greater today. I ask unanimous consent that this table be printed in the RECORD following my statement.

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

(See exhibit 1.)

Mr. THURMOND. It was for these reasons and others that I was proud to be a part of a National public health campaign that resulted in alcohol container warning labels. It is irresponsible and poor public policy for the federal government to continue to subsidize the marketing of alcohol beverage products.

In addition, it is poor economics to continue to support the alcohol beverage industry's export program. Quite frankly, Mr. President, the Market Access Program has been a huge success for the wine industry. In the 13 years of the Program, the wine industry has received about $90 million in export program funds. The Wine Institute boasts that the California wine industry has been one of the largest recipients of USDA export promotion funding. This has resulted in record exports each year. During that time, export sales have risen from $35 million in 1986 to $537 million in 1998. This is a 448 percent increase from export sales of a decade ago.

I do not begrudge this success. The wine industry is a legitimate industry, producing and marketing a legal product. It is made up of many small businesses, with thousands of employees. I recognize it contributes billions of dollars to or economy in sales, wages, and taxes.

However, the success of the industry, particularly with its record breaking exports, leads me to conclude that federal government export subsidies are improper, and no longer required. The industry's export program has matured to the point where it can stand on its own. Critical market development funds can surely be used to assist less successful agricultural commodity export programs.

Mr. President, the time has come to discontinue the subsidy of wine exports. It is poor public policy and wasteful spending. I would note than the Federal Government has imposed a similar restriction on export promotion for tobacco.

The amendment I am offering would expand the restriction of Federal funding to alcoholic beverages, including wine.

EXHIBIT NO. 1

ECONOMIC COSTS OF ALCOHOL AND DRUG ABUSE IN THE UNITED STATES, 1992

[In millions of dollars]

Economic costs	Total ($)	Alcohol ($)	Drugs ($)
Health Care Expenditures:			
Alcohol and drug abuse services	9,973	5,573	4,400
Medical consequences	18,778	13,247	5,531
Total, Health Care Expenditures	28,751	18,820	9,931
Productivity Effects (Lost Earnings):			
Premature death	45,902	31,327	14,575
Impaired productivity	82,201	67,696	14,205
Institutionalized populations	2,990	1,513	1,477
Incarceration	23,356	5,449	17,907
Crime careers	19,198	.....	19,198
Victims of crime	3,071	1,012	2,059
Total, Productivity Effects	176,418	106,997	69,421
Other Effects on Society:			
Crime	24,282	6,312	17,970
Social welfare administration	1,020	683	337
Motor vehicle crashes	13,619	13,619	.....
Fire destruction	1,590	1,590	.....
Total, Other Effects on Society	40,511	22,204	18,307
Grand Total	245,680	148,021	97,659

Note: Components may not sum to totals because of rounding.

Source: The Economic Costs of Alcohol and Drug Abuse in the United States, 1992. H. Harwood, D. Fountain, and G. Livermore. Analysis by the Lewin Group., Rockville, MD: DHHS, NIH, NIDA, OSPC, NIAAA, OPA. NIH Publication No. 98–4327, Printed September 1998.

Mr. THURMOND. I understand the chairman will accept this amendment. I thank him for his cooperation. I urge adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1523.

The amendment (No. 1523) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. COCHRAN. 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. COCHRAN. 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. COCHRAN. Mr. President, I ask unanimous consent that immediately upon the passage of S. 1233, the Fiscal Year 2000 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, H.R. 1906, the House companion measure, be discharged from committee and that the Senate proceed to its immediate consideration; that all after the enacting clause of H.R. 1906 be stricken and the text of S. 1233, as passed, be inserted in lieu thereof; that H.R. 1906 then be read for a third time and deemed passed; that the Senate insist on its amendment and request a conference with the House and that the Chair be authorized to appoint conferees, and that upon the appointment of conferees, the passage of S. 1233 be vitiated and the bill S. 1233 be indefinitely postponed.

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

Mr. COCHRAN. 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. KOHL. 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. KOHL. I take this opportunity to thank Senator COCHRAN and his staff, particularly Becky Davies, and Galen Fountain from my staff. Senator COCHRAN has been very cooperative, very supportive. I think he has done a great job in managing this bill. He has my appreciation and my thanks.

I thank the Chair.

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

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

AMENDMENTS NOS. 1524 THROUGH 1561 EN BLOC

Mr. COCHRAN. Mr. President, we are now ready to proceed to the consideration of the amendments. We are now in a position to recommend on behalf of the managers of the bill the amendments to the bill that should be agreed to by the Senate.

I am going to read a list of the amendments, and the Senators who are the authors of the amendments, and the statements that accompany some of the amendments. I will ask unanimous consent the amendments be considered en bloc, approved en bloc, and that the statements relating to the amendments be printed in the RECORD.

The list is as follows: an amendment of Senator ABRAHAM on bovine tuberculosis research; Senator ABRAHAM, Food and Drug Administration offices in Detroit, MI; Bingaman-Leahy-Domenici amendment on RCAP set-aside for Native Americans; an amendment by Senator BOND on contracts for procurement of food aid commodities; Senator BURNS, sense-of-the-Senate resolution regarding eligibility of dry beans for contract acreage; Senator BYRD, an amendment relating to West Virginia State College; an amendment by Senators CLELAND and COVERDELL to rename the School Lunch Act; an amendment by Senator COCHRAN and Senator KOHL regarding Mississippi and Wisconsin pilot projects; an amendment by Senator COCHRAN regarding rural business loans; Senator COCHRAN's amendment regarding rural cooperative development grants for minority farmers; Senator DOMENICI's amendment on the National Drought Commission; Senator DURBIN's amendment on Food and Drug Administration device earmark; Senator DURBIN's amendment on the sense-of-the-Senate resolution regarding the U.S. Food Security Action Plan; Senator GORTON's amendment relating to assistance to American farmers; an amendment by Senators GRAHAM and MACK on funding for the fruit fly exclusion and detection in Florida; Senator KERREY's amendment earmarking funds for grassroots projects; Senator LEVIN's amendment to provide funding for a special research grant in Michigan; Senator LINCOLN's amendment to rename a USDA facility in Arkansas; Senator MACK's amendment to provide funding for climate change research; Senator MCCONNELL's amendment regarding cross-county leasing; Senator NICKLES' amendment to modify section 739 of the bill; an amendment by Senator REID to provide funding for a special research grant in Nevada; Senator ROBERTS' amendment on cross-compliance with certain conservation requirements; Senator SESSIONS amendment to fund a special research food safety grant in Alabama; Senator BOB SMITH's amendment to waive certain rural utilities service regulations for a city in New Hampshre; an amendment by Senator GORDON SMITH on paid advertising for cranberries through the marketing committee; amendments by Senator STEVENS to amend the Food Stamp Program, and WIC food packages; an amendment by Senators INOUYE, AKAKA, and STEVENS to authorize education grant programs for Alaska and Hawaii native institutions; Senator STEVENS' amendment on Smith Leaver Act formulation; Senator STEVENS' amendment on Hatch Act formula; Senator THOMAS' amendment on livestock marketing information systems; Senator WELLSTONE's amendment to the Economic Research Service study on food stamp participation; Senator EDWARDS' amendment to fund a research project to improve early detection of crop diseases; Senator HUTCHISON's amendment, a sense-of-the-Senate resolution on Food and Drug Administration produce sampling; an amendment by Senators BRYAN and REID regarding Clark County, NV, Milk Marketing Order; Senator BAUCUS' amendment on the sense of the Senate relating to WTO actions; Senator KOHL's amendment to increase funding for existing research grants; and an amendment by Senators HARKIN, DASCHLE, and WELLSTONE to increase funding for GIPSA.

I ask unanimous consent those amendments be considered en bloc, be agreed to en bloc, and statements relating thereto be printed in the RECORD.

Mr. KOHL. Mr. President, there is an objection to the Roberts' cross-compliance with certain conservation requirements.

Mr. COCHRAN. We will withdraw the amendment by Senator ROBERTS on cross-compliance with certain conservation requirements.

Mr. KOHL. Then we have no objection.

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

The amendments have been considered en bloc and agreed to en bloc.

The amendments (Nos. 1524 to 1561) were agreed to, en bloc, as follows:

AMENDMENT NO. 1524

(Purpose: To provide funding for bovine tuberculosis research)

On page 13, line 13, strike ''$54,276,000'' and insert ''$54,476,000''. On page 13, line 16, strike ''$119,300,000'' and insert ''$119,100,000''.

Mr. ABRAHAM. Mr. President, this amendment funds a special research grant for the study of Bovine Tuberculosis by the Agricultural Experiment Station at Michigan State University. This special research grant will fund the study of methods of transmission of Bovine TB and will also look toward developing vaccines and possibly a cure.

In order to fund this grant, I propose to reduce funding for Competitive research grants within the Cooperative State Research, Education, and Extension Service (CSREES). Specifically, I intend to take this offset from Animal systems account.

In the past year, Bovine TB has spread from the oversized deer population in the north to a number of herds in Michigan's northern lower peninsula. The spread of this disease threatens Michigan's TB-free status and must be controlled as soon as possible. I urge my colleagues to support this effort.

AMENDMENT NO. 1525

(Purpose: To provide the reduction of the Food and Drug Administration capabilities in Detroit, Michigan)

On page 68, line 5, before the period insert the following: '', or the Food and Drug Administration Detroit, Michigan District Office Laboratory; or to reduce the Detroit Michigan Food and Drug Administration District Office below the operating and full-time equivalent staffing level of July 31, 1999; or to change the Detroit District Office to a station, residence post or similarly modified office; or to reassign residence posts assigned to the Detroit District Office''.

AMENDMENT NO. 1526

On page 35, line 20, after the semicolon, insert the following: ''not to exceed $12,000,000 shall be for water and waste disposal systems to benefit Federally Recognized Native American Tribes, including grants pursuant to section 306C of such Act, provided that the Federally Recognized Native American Tribe is not eligible for any other rural utilities programs set aside under the Rural Community Advancement Program;''.

Mr. BINGAMAN. Mr. President, first, I want to thank the chairman and ranking member for their fine work on this agricultural appropriations bill. I also want to take this opportunity to thank Senator LEAHY and his staff for their work on this amendment. It will mean a great deal to Tribes all over America.

Mr. President, I am sure all Senators recognize the important contributions that the Rural Utilities Service is making in every state. RUS has been especially effective in the rural portions of New Mexico. The RUS's grant and loan programs are making tremendous progress in improving the quality of life of our small towns and in Indian Country. The basic health of rural people in New Mexico, as well as their economic future, are being greatly improved by RUS's programs.

I'd like to take a few minutes to explain what our amendment does. Under current rules RUS can provide no more than 75 percent of the cost of a project in the form of a grant. The remaining 25 percent can be in the form of a loan or from some other local source of funds. This program works well throughout most of rural America. Communities generally have access to taxing or bonding authority or to state funds that they can use for the required matching funds or to guarantee a loan.

However, there are some cases where a community doesn't have the means to provide the required matching funds. Congress has recognized this problem and has created special rules to address these unique situations. One example are colonias, where Congress allows RUS to provide 100 percent of the cost of a project so that the local community isn't burdened by these immigrant settlements, and this bill provides up to $20 million for projects in

colonias. Mr. President, the funding authorization for colonias is a good program, and I thank the Chairman and ranking member for their continued support of it.

Very simply, our amendment would create a parallel program for Indian Country. Currently, RUS is already providing loans and grants to tribes using its standard funding rules. However, some tribes can't take advantage of RUS's programs simply because they don't qualify for the loans required to cover 25 percent of a project's cost. Tribes generally lack taxing or bonding authority to provide these required matching funds.

Mr. President, our amendment would allow RUS to provide 100 percent of the cost of a project for the most economically disadvantaged tribes that can't otherwise provide the required matching funds. The amendment allows up to $12 million for water and wastewater projects for this purpose. The funds come from within RUS's existing appropriation. Without our amendment, a few of our tribes will continue to suffer from a lack of basic water and sewer systems.

Mr. President, our amendment is not a substantial portion of RUS's total appropriation of $630 million, and the funds would not be used unless a tribe did not qualify for any of the RUS's other programs. I think this is an important program to help deal with the critical infrastructure needs of our tribes.

Mr. President, I ask unanimous consent that a letter from the National Congress of American Indians supporting this amendment be included in the RECORD at the conclusion of my remarks.

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

(See Exhibit 1.)

Mr. BINGAMAN. Again, I want to thank Senator LEAHY and his staff for their work on this important amendment and I hope the Senate will support it.

EXHIBIT 1

JULY 21, 1999.

Hon. JEFF BINGAMAN,
U.S. Senate, Washington, DC.

DEAR SENATOR BINGAMAN: The National Congress of American Indians (NCAI), the oldest and largest Indian advocacy organization is pleased to endorse the Leahy/Bingaman amendment, number 1067, to the FY2000 agriculture appropriations bill (S. 1233). This amendment will make available $12 million dollars in direct funding for water and wastewater projects in Indian Country.

The funds for the amendment are from within the Rural Utilities Service's (RUS) $630 million dollar total appropriation. In general, tribes are already eligible for RUS funding; however, current rules limit RUS grants to a maximum of 75 percent of a project's cost.

Infrastructure development in Indian Country is at a critical need. The tribes who can benefit the most are unable to access RUS grants due to their inability to obtain the 25 percent matching requirement from either loans or other funding sources. Moreover, tribes generally lack taxing and bonding authority to obtain the matching funds normally required by RUS.

The structure of the new program in the amendment parallels the $20 million dollar grant program established for the colonias located along the United States/Mexico border, which also allows RUS to provide 100% of the cost of a project. A similar $20 million grant program is also provided in the bill for rural and Native Americans in Alaska. We believe your amendment will benefit a number of tribes throughout Indian Country and we thank you for your efforts.

Sincerely,

W. RON ALLEN,
President.

AMENDMENT NO. 1527

(Purpose: To limit the use of appropriated funds for award of contracts through the HUBZone program)

On page 76, between lines 6 and 7, insert the following:

SEC. 7___. CONTRACTS FOR PROCUREMENT OF FOOD FOR PEACE COMMODITIES.—(a) DEFINITIONS.—In this section:

(1) HUBZONE SOLE SOURCE CONTRACT.—The term ''HUBZone sole source contract'' means a sole source contract authorized by section 31 of the Small Business Act (15 U.S.C. 657a).

(2) HUBZONE PRICE EVALUATION PREFERENCE.—The term ''HUBZone price evaluation preference'' means a price evaluation preference authorized by section 31 of the Small Business Act (15 U.S.C. 657a).

(3) QUALIFIED HUBZONE SMALL BUSINESS CONCERN.—The term ''qualified HUBZone small business concern'' has the meaning given the term in section 3(p) of the Small Business Act (15 U.S.C. 632(p)).

(4) COVERED PROCUREMENT.—The term ''covered procurement'' means a contract for the procurement or processing of a commodity furnished under title II or III of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.), section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)), the Food for Progress Act of 1985 (7 U.S.C. 1736o), or any other commodity procurement or acquisition by the Commodity Credit Corporation under any other law.

(b) PROHIBITION OF USE OF FUNDS.—None of the funds made available by this Act may be used to award a HUBZone sole source contract or a contract awarded through full and open competition in combination with a HUBZone price evaluation preference to any qualified HUBZone small business concern in any covered procurement if performance of the contract by the business concern would exceed the production capacity of the business concern or would require the business concern to subcontract to any other company or enterprise for the purchase of the commodity being procured through the covered procurement.

Mr. BOND. Mr. President, this amendment is intended to prevent a potentially harmful conflict that has come to our attention as we implement the new HUBZone program adopted in the Small Business Reauthorization Act. It appears this program doesn't quite mesh properly with the procurement of grain products in the Food for Peace program funded in this bill, and I offer this amendment to prevent the major economic disruption that could occur between now and the time we are able to correct this glitch in authorizing legislation.

The HUBZone program is a valuable new tool I was able to put together as Chairman of the Small Business Committee. It provides competitive advantages for small businesses located in economically distressed areas as they seek to obtain government contracts. If these small businesses agree to hire 35 percent of their employees from these distressed areas, they become eligible for a 10 percent price evaluation preference in bidding on contracts awarded through free and open competition. The law also provides for certain contracts to be set aside exclusively for competition among HUBZone small business concerns, as well as sole source contracts.

As we implement this program this year, we are occasionally running into situations where the program doesn't quite fit with existing law and other programs. We are working to resolve these issues in a manner that we hope will be as consistent as possible with both the intent of the HUBZone law and those other programs.

When the government purchases agriculture products for the Food for Peace program, those purchases are a procurement within the meaning of the government's's small business procurement policies, including the HUBZone program. Some products like corn soy blend are procured with a mix of both small business set-asides and full and open procedures. In this particular case, 10% of the corn soy blend is purchased as a set aside for small business and 90% is purchased through full and open competition.

Corn soy blend has only a handful of about five vendors, only two of which are small businesses. They would be the only ones allowed to compete for the small business set-aside. Only one of those two small businesses is a HUBZone small business, however. That HUBZone vendor would also be eligible for the 10 percent price evaluation preference in full and open competition. It could bid up to 10 percent more than the other vendors and still be deemed the lowest bidder. For a product like corn soy blend, operating on narrow price margins, this 10 percent preference is likely decisive.

This means that this one HUBZone small business could lock up 90 percent or even 100 percent of the entire market for corn soy blend.It would do so as a matter of law, not simply because it produces the best product at the best price. We could accidentally create a monopoly by government action, thanks to the way these various programs come together in this particular type of procurement.

I can say as Chairman of the Small Business Committee, this is not the outcome we intended. We are not here to create monopolies, even if the monopoly is currently a small business. The small business program seeks to expand small business opportunities and foster competition, not stifle it.

That's why I have offered this amendment. This amendment does not alter any of the existing programs—Food for Peace or HUBZones. It just says, let's not create a monopoly between now and the time we are able to adopt corrective legislation in the next

small business reauthorization bill, which is due next year. I'm sure we can fix this problem appropriately. But in the meantime, contracts for corn soy blend will continue to be awarded, and it is possible the market may have been converted into a monopoly in the short run.

My amendment says that no funds will be used in this bill to award HUBZone contracts for Food for Peace commodities if the award would exceed the actual production capacity of the successful HUBZone small business. The amendment places a similar limitation on Food for Progress procurements of commodities, which are procured in a similar fashion. CCC procurements of non-commodity items—such as desks, computers, office supplies, and the other apparatus needed by any Government agency—would not be covered by this amendment.

This means that a HUBZone small business would not be allowed to lock up the entire market, collect the HUBZone benefits, and then subcontract the actual contract performance to another firm. The business would be limited by the amount of commodity it could deliver on its own. This prevents an abuse of the program that could create a monopoly position for a HUBZone small business, unfairly threaten the livelihoods of its competitors, and unnecessarily drive up costs for the taxpayers.

I should note also that this doesn't lock out anybody, including small businesses that I hope will in fact take advantage of the HUBZone program. It just prevents an abuse of the HUBZone program while we put together a long-term fix that reflects the particular circumstances that prevail in commodities procurement.

I would note also that I anticipate this will be necessary only for this year. I know the managers of the Agriculture Appropriations bill sometimes get a little frustrated at the number of general provisions that get inserted into this bill, and many times these provisions tend to be carried over from year to year. In this particular case, we seek only to prevent market disruption in the interim until we tackle this in the small business reauthorization that will be due next year. Thus, I think this provision will be only for the Fiscal 2000 bill that is in front of us.

This should be a non-controversial amendment, and I hope it can be cleared by unanimous consent. My staff and I are available to answer questions for anyone needing clarification on this.

AMENDMENT NO. 1528

On Page 76, after Line 6 insert the following:

SEC. . It is the Sense of the Senate that the Secretary of Agriculture shall exercise reasonable treatment of producers in order to avoid harmful consequences regarding the inadvertent planting of dry beans on contract acres, up to and including the 1999 crop year.

AMENDMENT NO. 1529

(Purpose: To designate West Virginia State College in Institute, West Virginia, as a land-grant college and to provide funding for the college, with an offset)

On page 13, line 11, strike ''$29,676,000'' and insert ''$30,676,000''.

On page 13, line 13, before the semicolon, insert the following: '', of which $1,000,000 shall be made available to West Virginia State College in Institute, West Virginia, which for fiscal year 2000 and thereafter shall be designated as an eligible institution under section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222)''.

On page 13, line 16, strike ''$119,100,000'' and insert ''$117,100,000''.

On page 14, line 22, strike ''$474,377,000'' and insert ''$473,377,000''.

On page 16, line 16, strike ''$25,843,000'' and insert ''$26,843,000, of which $1,000,000 shall be made available to West Virginia State College in Institute, West Virginia, which for fiscal year 2000 and thereafter shall be designated as an eligible institution under section 1444 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221)''.

On page 16, line 23, strike ''$421,620,000'' and insert ''$422,620,000''.

Mr. BYRD. Mr. President, West Virginia State College in Institute, West Virginia, was designated by Congress as one of the original 1890 land-grant schools under the Second Morrill Act. The college was the first 1890 land-grant school to be accredited and has been accredited longer than any other public college or university in West Virginia.

West Virginia was one of six states to establish a new land-grant college under State control. West Virginia State College faithfully met its duties to the citizens of West Virginia as a land-grant college in an outstanding manner.

However, on October 23, 1956, the State Board of Education voted to surrender the land-grant status of State College (effective July 1, 1957). Historical data suggests that this action was taken in an effort to enhance State College's ability to accommodate veterans returning home with GI benefits. In addition, the decision to surrender the land-grant status preceded explicit funding by Congress for land-grant institutions.

For thirty-three years, West Virginia State College has sought to regain its land-grant status. On February 12, 1991, Governor Gaston Caperton signed a bill into law that provided redesignation authority for land-grant status from the State of West Virginia. On March 28, 1994, then U.S. Department of Agriculture Secretary Mike Espy informed West Virginia Governor Caperton that State College would receive a partial land-grant designation that would entitle the college to $50,000 annually under the Second Morrill Act.

It has become clear that funding, rather than merit, is the issue that must be addressed to reinstate West Virginia State College's land-grant status. I have authored an amendment that would provide $2 million in additional funds for 1890 Institution entitlements to be used for base line funding for West Virginia State College. This amendment does not grant full 1890 land-grant funding privileges to State College, but provides a $2 million entitlement. The amendment does not cut into the current 1890 entitlement accounts. It adds additional funding with an offset from the National Research Initiative account.

My amendment provides fair treatment to West Virginia State College, an original 1890 land-grant school, and I thank my colleagues for supporting this provision.

NOTICE

Incomplete record of Senate proceedings. Except for concluding business which follows, today's Senate proceedings will be continued in the next issue of the Record.

ORDERS FOR THURSDAY, AUGUST 5, 1999

Mr. COCHRAN. Mr. President, I now ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 9:30 a.m. on Thursday, August 5. I further ask consent that on Thursday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then begin 30 minutes of debate on the Holbrooke nomination by a previous order.

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

Mr. COCHRAN. I further ask that following the disposition of the Holbrooke nomination, the Senate resume consideration of the Interior appropriations bill.

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

PROGRAM

Mr. COCHRAN. Mr. President, when the Senate receives the Tax Reconciliation conference report from the House of Representatives, it will begin consideration of that legislation. Therefore, Senators should expect votes into the evening during Thursday's session of the Senate.