Committee of its failure in writing, describing why the deadline was missed and when the required activities will be completed. In closing, and perhaps most importantly, SBA's failure to comply with these reporting requirements raises questions regarding the Agency's commitment to fulfilling its responsibilities under the Act, which was enacted by Congress to ensure that federal agencies treat small businesses fairly in rulemaking and enforcement activities.

Should you need additional information, please contact me or Suey Howe, the Committee's Regulatory Counsel, at 224–5175.

Sincerely,

CHRISTOPHER S. BOND,
Chairman.

U.S. SMALL BUSINESS ADMINISTRATION, OFFICE OF GENERAL COUNSEL,
Washington, DC, March 31, 1999.

Hon. CHRISTOPHER S. BOND,
Chairman, Committee on Small Business, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I have been asked by Administrator Alvarez to respond to your letter of March 16, 1999, to provide you with my legal interpretation of the Small Business Regulatory Enforcement Act (SBREFA). The Small Business Administration (SBA) strongly supports SBREFA. As an Agency we are very sensitive to the problems that small businesses face in dealing with regulatory agencies that impose penalties for regulatory violations and force small businesses to comply with laws and regulations that require them to conduct their businesses in a certain way.

However, SBA is in a different category. All of our programs and activities are specifically designed to aid, counsel and protect small businesses. Unlike regulatory agencies that set policies with which small businesses must comply, SBA provides assistance and counseling. As you know, SBA reports annually, and in many cases more often, on its program activities and the assistance it provides. Therefore, SBA does not believe the SBREFA reports were required.

Rather than regulate small businesses, we provide small businesses access to capital indirectly by guaranteeing loans made by our lending resource partners. Through our Small Business Development Centers, we counsel and train small businesses to start or grow their businesses, often by providing them with information on SBA's programs. Also, SBA assists small businesses in obtaining government contracts through our procurement programs and through working with other Federal agencies to encourage them to contract with small businesses.

SBA is committed to ensuring that we meet both the spirit and dictates of SBREFA. We provide support to the National Ombudsman and the Regulatory Fairness Boards. As you know, the Office of the National Ombudsman is fully staffed and can draw on the resources of the Agency whenever necessary. After consulting with the National Ombudsman, we established a process to respond speedily and thoroughly to small business issues raised with the National Ombudsman.

In fact, we received special mention in the Ombudsman's Report filed with you on March 1, 1999, for our commitment to using high-level, independent staff to process SBREFA comments. Additionally, we are constantly developing new ways to reach as many small businesses as we can to tell them how to take advantage of our programs.

SBA is not a ''regulatory'' agency. It does not, except in very rare instances, impose penalties or conduct enforcement activities. In fact, there are only four instances in which SBA can impose a monetary penalty. (The four instances are: SBA may impose a penalty on an SBIC for failure to cooperate in an examination or for providing books and records in poor condition; SBA may impose a penalty on an individual who wrongfully applies disaster loan proceeds; SBA may impose a penalty on an SBIC for every day that an SBIC fails to report pursuant to the Small Business Investment Act; SBA may impose penalties on a lender or a fiscal transfer agent in certain circumstances.) None of these four penalties are imposed against small businesses—two may be imposed on Small Business Investment Companies, one may be imposed on individuals receiving disaster loans, and one may be imposed on lenders or fiscal transfer agents. In no circumstance can SBA regulate, control or penalize a small business in the conduct of its enterprise.

However, SBA is covered by other sections of SBREFA and has been very responsive to the Regulatory Fairness Program (RegFair) developed by the National Ombudsman and Regional Fairness Boards. For example, we eagerly participate, as an Agency, not just through the Ombudsman's Office, in regional RegFair meetings.

While SBREFA only addresses enforcement proceedings, I would be remiss in not mentioning SBA's Office of Advocacy. The Office of Advocacy works with Federal agencies in developing regulations that address small business concerns. The Office of Advocacy helps ensure that agency policies are structured in such a way that agencies, using fair enforcement policies, can achieve their missions with the least possible burdens on small entities.

SBA strongly supports your efforts on behalf of small business and believes that, working together, we can provide a more positive atmosphere in which small businesses can flourish. I would be glad to meet with you or your staff to discuss this further.

Sincerely,

MICHAEL D. SCHATTMAN,
General Counsel.

Mr. BOND. For the Reg Flex and Red Tape Reduction Act to deliver the benefits intended by Congress, the agencies must comply with the law. It is that simple. Too many agencies, too many officials, unfortunately, in this administration seem to have the attitude that they are Olympians on the hill who know what is best for the peasants in the valley, when it really is the other way around. We should be listening to what the people who create the jobs and the economic well-being in our country, the small business sector, are saying.

Perhaps these plungers will help unclog things. But if sunshine and friendly persuasion will not work and if a plumber's friend cannot get it unclogged, it may be time to put civil penalties and fines in place so the agencies know we are serious. The job we are telling them to do is simple: Help small business, don't hurt it. If they will not do it, if the plumber's best friend won't help them, then we will change the law again and impose some penalties.

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. THOMAS. 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. THOMAS. First of all, I have a couple of unanimous consent proposals.

AUTHORIZING THE USE OF THE EAST FRONT OF THE CAPITOL GROUNDS

Mr. THOMAS. Mr. President, I ask unanimous consent the Senate proceed to immediate consideration of H. Con. Res. 52, which is at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 52), authorizing the use of the East Front of the Capitol Grounds for performances sponsored by the John F. Kennedy Center for the Performing Arts.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. THOMAS. I ask unanimous consent the resolution be agreed to, the motion to reconsider be laid upon the table, and any statements relating to the resolution appear at this point in the RECORD.

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

The concurrent resolution (H. Con. Res. 52) was agreed to.

PERMITTING THE USE OF THE ROTUNDA OF THE CAPITOL FOR A CEREMONY IN HONOR OF THE FIFTIETH ANNIVERSARY OF THE NORTH ATLANTIC TREATY ORGANIZATION

Mr. THOMAS. Mr. President, I ask unanimous consent the Senate proceed to the immediate consideration of H. Con. Res. 81.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 81) permitting the use of the Rotunda of the Capitol for a ceremony in honor of the Fiftieth Anniversary of the North Atlantic Treaty Organization (NATO) and welcoming the three newest members of NATO, the Republic of Poland, the Republic of Hungary, and the Czech Republic, into NATO.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. THOMAS. I ask unanimous consent the resolution be agreed to and statements relating to the resolution appear in the RECORD.

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

The concurrent resolution (H. Con. Res. 81) was agreed to.

Mr. THOMAS. Mr. President, I rise to introduce a bill called the No-Net-Loss of Private Lands Act. If I may have 10 minutes to do that, please.

THE PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. THOMAS. I thank the Chair.

(The remarks of Mr. THOMAS pertaining to the introduction of S. 826 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

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

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

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. 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. DORGAN. Mr. President, I ask consent to speak for 20 minutes in morning business.

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

NATO ACTIONS IN KOSOVO

Mr. DORGAN. Mr. President, I wanted to speak about three items today. First, I want to talk for just a moment about Kosovo and the NATO actions in Kosovo.

I had a town meeting in North Dakota over the weekend and had a fairly large number of North Dakotans pack into a rather small room, and we had a 1½ hour discussion about the airstrikes in which NATO, including the United States, is involved in Yugoslavia and in Kosovo. I expect I am joined by all of my colleagues when I say I hope and pray the hostilities in the region will cease. I hope Mr. Milosevic will pull back his Serb troops and that we will be able to restore peace and order and have the opportunity to find a way to provide those refugees who have streamed across the border the opportunity to go home.

Most North Dakotans who have communicated with me, and those who came to this weekend's meeting I had in Fargo on this subject, are anxious and nervous and concerned about what is happening in the region.

They do not have any better answers than I or my colleagues, or anyone else for that matter, on what to do when someone like Mr. Milosevic commits genocide or ethnic cleansing, including substantial massacres of the civilian population in the region of Kosovo.

The question that all of us at this weekend's meeting in North Dakota posed was, What shall we do? Shall we say it is none of our business, it is not in our part of the world? Genocide committed by Mr. Milosevic or ethnic cleansing is not something we need to be concerned about? I think most people believe that is not the answer either.

Clearly, we do not want in 5 or 10 years from now to look back and say, that genocide or Holocaust, or whatever it was Mr. Milosevic committed, killing thousands, perhaps ultimately hundreds of thousands, is something that we did not care about. If that were the case, I think it would be reasonable to say shame on us.

We must be involved and we must care. The question is, How do we address it? How do we effectively thwart the attempt by Mr. Milosevic to clear all of the Albanians out of Kosovo? How do we thwart his attempt to massacre innocent civilians with the Serb Army? How do we restore order to this region?

I have supported the airstrikes, and I hope and pray they succeed in driving Mr. Milosevic back. I have said before and I reiterate today that I do not and will not support the introduction of U.S. ground troops to the Balkans. I think that would be a horrible mistake.

Frankly, the bulk of the airstrikes have occurred in the Balkan region with U.S. planes and U.S. pilots. If, in fact, ground troops are ultimately needed, I believe it is the responsibility of the European countries to commit those ground troops. I know NATO is involved in this as an alliance, and we are a significant part of that alliance. But the United States bears the heaviest burden in the air war, bears the heaviest cost in the airstrikes, and I think if ground troops ultimately are necessary—and I hope they will not be—I think those ground troops must be furnished by the European countries. I will not support the position that we should introduce U.S. ground troops in the Balkans. I believe that would be a serious mistake, and I cannot and will not support that.

Let me again say, I do not believe my constituents or my colleagues have any easy answers. This is not an easy situation. Things are happening in the Balkans that I think all of the world looks at with horror and says, ''We must do something to try to respond to it.'' But it is not easy.

Dozens of foreign powers over many centuries have gone to the Balkans only to experience profound disappointment in their attempt to change something that was internally happening in that region of the world.

Let me hope, along with my colleagues, that these airstrikes by NATO will convince Mr. Milosevic that the price is too high to continue doing what he is doing in that region to so many innocent men, women, and children. Let us hope that this is a success sooner rather than later and we can provide some peace and stability to that region.

FAMILY FARMERS

Mr. DORGAN. Mr. President, I want to talk just for a moment about agriculture and the challenge facing agriculture.

On Saturday, I was in an airplane and opened up a newspaper to an interesting article. I have spoken about agriculture and family farmers during the past weeks. I have talked about what is happening in our part of the country with the depopulation of middle America, rural communities drying up—shriveling like prunes, people moving out—not moving in, Main Street businesses boarding up, family farmers going broke, and nobody seemingly caring very much.

The business section of the Minneapolis Tribune had two fascinating stories on the front page. They respond in a kind of perverse way to what is happening, both in this Chamber and also around the country with respect to the policy dealing with family farmers.

The first article: ''Cargill Profits from Decline in Farm Prices; 53 percent jump in earnings expected.'' Cargill is a large company and has always done quite well, I believe. It is a privately held company. It purchases agricultural products and is involved in a wide range of activities adding value to agricultural products.

''Cargill Profits from Decline in Farm Prices.'' Is that unusual? No. Big agribusinesses all too often are profiting from the misery of America's family farmers. Family farmers on the one side go broke; while Cargill sees a 53 percent jump in earnings. Cargill, incidentally, wants now to marry up with Continental Grain. Cargill and Continental want to get married, merge, and become bigger, with more market power.

In the question of market power, it is reasonable to ask, who wins and who loses? Family farmers all too often lose, and those with the most market power win. ''Cargill Profits from the Decline in Farm Prices.'' You could wipe out the name ''Cargill'' and include any number of agribusinesses. I am not picking on Cargill; they just happened to be in this paper on Saturday.

Let's go to the article on the bottom of the front page. Family farmers are going broke because commodity prices have collapsed. The price of wheat has collapsed. The article states, ''General Mills to boost cereal prices 2.5 percent'':

> General Mills, Inc., the maker of Cheerios, Wheaties and Lucky Charms, is raising cereal prices an average of 2.5 percent.

One might ask the question, in terms of public policy, What is going on in this country when the folks who gas up the tractor in the spring, borrow money to buy seed, fertilizer, plant the crop, harvest the wheat, sell it in the market, and then go broke because they are told that the wheat they produced from their fields has no value? But the people who buy that wheat and turn it into Cheerios or Wheaties or Lucky Charms, even though the prices of commodities have collapsed and they are paying the farmer less—in fact, so little that family farmers are going broke in record numbers—they say they need to boost cereal prices that people pay at the grocery store.

I woke up this morning and I ate a bowl of cereal. I will not advertise which cereal it was, but I ate a bowl of cereal. I looked at the box, after I had seen this in the paper on Saturday, and I read the label about what is in this