The House met at 12:30 p.m. and was called to order by the Speaker pro tempore (Mr. CULBERSON).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:


I hereby appoint the Honorable JOHN ABNEY CULBERSON to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 3, 2001, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to not to exceed 5 minutes.

MCDONALD'S NAMED RECYCLING LEADER

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentlewoman from Illinois (Mrs. BIGGERT) is recognized during morning hour debates for 5 minutes.

Mrs. BIGGERT. Mr. Speaker, I rise to commend the McDonald's Corporation, which is headquartered in my district, for its continued leadership in environmental conservation. For over a decade, McDonald's has set the standard for corporate social responsibility. It has been a pioneer in a range of initiatives to reduce solid waste, conserve energy, and promote environmental awareness and conservation here in the United States and around the world.

For its good work, McDonald's has been honored by many, including Keep America Beautiful, the National Audubon Society and Conservation International. It also has received awards from the President's Council on Environmental Quality and the Environmental Protection Agency.

Now adding to its long track record of achievements, McDonald's has been selected by the National Recycling Coalition for another important environmental award. This award recognizes the company's vision and leadership in proving that recycling really does work.

Back in 1989, McDonald's formed a partnership with the Environmental Defense Fund or EDF, to develop a comprehensive plan for reducing waste. This cooperative effort sparked a kind of revolution in the restaurant industry. In fact, it laid the foundation for a new approach to solving environmental problems: Working partnerships between businesses and environmental organizations.

With EDF's help, McDonald's set out to assess every aspect of its business, looking for opportunities to conserve. In 1990, McDonald's established one of the first corporate "buy recycle" programs. It also initiated an ongoing series of environmentally friendly changes in packaging designs and materials. Two years later, McDonald's became a founding member of the Buy Recycled Business Alliance, a group of businesses dedicated to purchasing recycled products.

The impact of these efforts has been extraordinary. Since 1990, McDonald's has purchased, in the United States, over $3 billion worth of products made from recycled materials, eliminated 150,000 tons of packaging, and recycled 1 million tons of corrugated cardboard.

Recycling is not the only significant conservation efforts undertaken by McDonald's over the years. This company has expanded its environmental programs to include water conservation, air pollution reduction, rain forest preservation and restoration, protection of domestic natural habitats, and litter reduction. Through partnerships with its suppliers and environmental organizations, it has fostered new conservation technologies, influenced business practices, and supported environmental education in classrooms, communities, and McDonald's restaurants in the U.S. and abroad.

NOTICE

Effective January 1, 2002, the subscription price of the Congressional Record will be $422 per year or $211 for six months. Individual issues may be purchased for $5.00 per copy. The cost for the microfiche edition will remain $141 per year with single copies remaining $1.50 per issue. This price increase is necessary based upon the cost of printing and distribution.

Michael F. DiMario, Public Printer

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Printed on recycled paper.
The National Recycling Coalition's award is a fitting recognition for such significant and successful efforts to make the world a better place.

LIVABLE COMMUNITIES

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Oregon (Mr. BLUMENAUER) is recognized during morning hour debates for 5 minutes.

Mr. BLUMENAUER. Mr. Speaker, I came to Congress dedicated to making the Federal Government a better partner with our communities, our business leaders, and our individual corporations to make sure that our communities are more livable, where our families are safe, healthy, and more economically secure.

For over a century now, organized labor has been a champion of these same families by defending the right to organize and represent themselves by being very active in public policy discussions and the enactment of protective legislation. Last week, in Las Vegas, the national AFL-CIO authorized voice to achieving their goals for America's working families by promoting the principles of livable communities. It noted that the problems of both society and their members are compounded when our communities are abandoned. Cities are hollowed out, sprawl and manufactured traffic jams are making it harder to travel, find decent affordable housing, it is harder for children to breathe, and even workers to organize.

Their important resolution was advanced by progressive unions like the United Food and Commercial Workers, the Amalgamated Transit Union, the good work of Jobs First, with their staff member, Greg LeRoy.

I would note three important provisions in that resolution where they point out; whereas sprawling development on urban fringes creates new jobs beyond public transit grids, leaving consumers with no choice about how to get to work and undermines transit ridership; and whereas many other central labor bodies and State federations have long advocated for policies now collectively called "smart growth," such as affordable housing, better public transit, school rehabilitation, and the jobs that brownfields need therefor; therefore be it resolved, that the AFL-CIO authorize and directs its leadership to actively engage in the emerging public and political debates surrounding urban sprawl and smart growth, asserting labor's rightful role in the national debate about the future of America's cities for the benefit of all working families. Powerful words from a powerful organization dedicated to promoting America's families.

I would note the special leadership of the regional labor leaders, people like Don Turner, the President of the Chicago Federation of Labor, that has been active with the Metropolitan Meetroplis 2020, an organization in Metropolitan Chicago that brings together the community organizing for their future; John Dalrymple, the executive secretary-treasurer of the Contra Costa County Central Labor Council, where organized labor has been a vital force in Silicon Valley for more than 40 years to grapple with the livability of that fast growing area; and John Ryan, the executive secretary of the Cleveland Federation of Labor, where in Cleveland they have been part of a coalition with the Catholic Diocese of Cleveland, reaching out to communities around Ohio.

Mr. Speaker, these are leaders of vision, people who know that smart growth is not the same as no growth; leaders who know that dumb growth can be too expensive and choke long-term prosperity; and that in working together business, citizens, and organized labor, we can truly make our communities more livable where our families are safe, healthy, and more economically secure.

HAITI

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Florida (Mr. Goss) is recognized during morning hour debates for 5 minutes.

Mr. GOSS. Mr. Speaker, I rise today to express some very serious concerns about events that happened yesterday in Haiti, where we are fixated by the CNN optic of what is going on there in Tora Bora and elsewhere, but about events in a friendly neighboring country, democratic country, Haiti.

News reports indicate that a group of individuals attacked the Haitian National Police in the early morning hours. The government of Haiti official report claims that this was some type of attempted coup against President Aristide. There is no particular evidence to support this claim, however.

We are certain of some of the aftermath by some of the initial reports we are receiving from the area. President Aristide has unleashed mobs of his political cronies against U.S. and French official installations and against the homes and offices of numerous political opposition leaders. In fact, those homes and offices were, in several instances, burned down.

Also, the mobs were directed against individuals attacked the Haitian National Police in the early morning hours. The government of Haiti official report claims that this was some type of attempted coup against President Aristide. There is no particular evidence to support this claim, however.

We are certain of some of the aftermath by some of the initial reports we are receiving from the area. President Aristide has unleashed mobs of his political cronies against U.S. and French official installations and against the homes and offices of numerous political opposition leaders. In fact, those homes and offices were, in several instances, burned down.

Also, the mobs were directed against various independent radio stations, which were forcibly shut down. And there were apparently orchestrated riots staged in cities and towns all across Haiti. Most tragically, these events turned to death in a very brutal way, a number of innocent people.

Given President Aristide's lack of commitment to democratic norms we have been watching through the years, I believe that the international community today, and more a detailed explanation of exactly what did happen yesterday in Haiti. I call on the United States Government, the friends of Haiti, and the Organization of the American States to seek thorough, complete and verifiable information on the following issues, at a minimum:

First, whether yesterday's attack on the national palace was deliberately staged by the Aristide government, as many believe, that given the officially sanctioned attacks on the U.S. Consulate, these are our people, our property in Haiti, and the French embassy's Cultural Institute, whether Haiti intends to abide by its prior commitments to protect diplomatic personnel and facilities. This is at a minimum.

And, third, given Haiti's legal agreement to various U.N. and OAS human rights treaties, whether the Aristide government will cease its attacks on Haiti's independent media and democratic political parties and their leaders.

Unfortunately, we have been asking for this for a number of years now and we have not been seeing much cooperation from the Aristide government. In fact, I think most observers would fairly say there has been a very noticeable and significant retreat from democracy in that country, tragically.

One of the immediate consequences for my State of Florida and for the United States is a problem we have been talking about with regard to immigration troubles and terrorism, and that is our porous borders. We are now confronting with people fleeing Haiti, as has been their want in the past, refuging exposing themselves to the treachery of the Florida straits at this time of year, coming over in unsafe boating conditions, and trying to reach the safety of the shores of the United States of America.

It is a tough proposition for us on how to treat these people humanely and not encourage more people from coming. I think most Members will recall we have had floods of people in the past, so many that we have had to create camps in Guantanamo, and I am afraid we are on the verge of another immigrant problem of that magnitude.

I think that it is very important that we look at Haiti very directly as part of a failed legacy of the Clinton foreign policy program. I am sorry to say that. There are many of us at the time that said that the policy was misguided; that it would not work; that the kinds of sanctions the Clinton administration put against Haiti would backfire, and, indeed, they did. Haiti has not had much leadership, and what it has had seems to have been away from democracy. I think it is a spectacular failure of foreign policy.

I think that the misery level in Haiti is spectacular also, regrettably. And I think that the brutality we saw yesterday, again in the mob violence, was brutality that is spectacular and inhuman and very, very regrettable.

I think we have a spectacle on our hands that needs to be explained in
what did happen yesterday, and in the events surrounding the further repression of democracy and the apparent actions that the Aristide Government is claiming that it now must take from yesterday’s events in order to stamp out the last few remnants of decency and capitalization of that wonderful country. It is time for accountability, and I think the world needs to know that.

BILLIONS OF DOLLARS IN TAX CUTS GO TO LARGEST CORPORATIONS

The SPEAKER pro tempore (Mr. CULVERSON). Under the Speaker’s announced policy of January 3, 2001, the gentleman from Ohio (Mr. BROWN) is recognized during morning hour debates for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, we remember following the horrific events of September 11, several gas stations around the country raised their prices to $4, $5 and $6 a gallon. Most called that war profiteering, but the overwhelming majority of Americans came together. They gave blood and put out their flags. Many went to New York and volunteered to help. Thousands volunteered in their communities. School children collected pennies, nickels and dimes to send to the victims and families.

Something else happened in Washington, D.C., not war profiteering in the simple sense of raising gas prices, but a more sophisticated kind of political profiteering. This Congress, lobbied hard by the President and the Republican leadership, first of all gave a huge multi-billion dollar bailout to the airlines, requiring nothing from the airline executives, providing nothing for airline security, doing nothing for airline safety. When many tried to include help in this bill for the 100,000 airline workers who had lost their jobs, the Republican majority leader, the gentleman from Texas (Mr. ARMLEY) told us now is not the time, that extending government assistance to laid off workers was not commensurate with the American spirit.

Then President Bush and this Congress gave billions of dollars in tax cuts and subsidies and rebates to the largest corporations in the United States. A tax refund to IBM, for example, the largest computer company in the world, to help pay for the research and development of IBM’s mainframe computers. Instead of this Republican President and this Congress bestowing tax cuts on the wealthiest Americans, imagine if we were to tutor children who are having difficulty keeping up. Imagine. That is what waving the American flag is all about.

Imagine if the President said to his friends in the drug industry, no more special favors. We are not going to allow drug companies to charge American consumers and America’s elderly more for prescription drugs than anywhere else in the world. Imagine. That is what waving the American flag is all about.

Imagine if the President called on America to volunteer for Meals on Wheels or clean up their neighborhoods or to tutor children who are having difficulty keeping up. Imagine. That is what waving the American flag is all about.

Imagine if the President would say to his friends in the oil business, we are going to wean ourselves off Middle Eastern oil. We are going to find a way to help Americans conserve and get better gas mileage. Imagine. That is what waving the American flag is all about.

Imagine if the President would assist the wage earner once he finds himself out of gainful employment, and never to tolerate the anti-capitalistic rhetoric that says that it is appropriate for leaders in this institution only to assist the wage earner once he finds himself out of gainful employment, and never to come alongside the wage payer, never to provide assistance to businesses small and large, and permit them to bring those families back to work who will be gathered around the tree on the holidays myself, that it is especially poignant time of the year.

Yet we in Congress today continue to languish, continue to debate one with the other over sometimes Jones and sometimes Smith, and sometimes in legitimate ways, about whether or not we can pass an economic stimulus package this week. On behalf of J.J. and Jodi Leever, and their sons, Noah and Hunter, are part of the many families who will be gathered around the tree one week from today, not just filled with the joy of the moment, but filled with the uncertainty these economic times bring.

Mr. Speaker, we must have, if it is to be an economic stimulus package, it must benefit not just the wage earner but the wage payer; and we must no longer tolerate the anti-capitalistic rhetoric that says that it is appropriate for leaders in this institution only to assist the wage earner once he finds himself out of gainful employment, and never to come alongside the wage payer, never to provide assistance to businesses small and large, and permit them to bring those families back to work who will be gathered around the tree on the holidays.

Mr. Speaker, it is accurate to say the best welfare program in the world is a good job. The Republican leadership...
here in the Congress passed an economic stimulus package that, yes, reinforces the safety net to assist Americans through rebates and low-income benefits, assist Americans who are struggling. But we also passed tax relief to working families, small businesses, and in the hallways of this institution that we are about to give birth to an economic stimulus package that has very little stimulus to it at all. It seems to be developing into a potpourri of giveaways to moderate- and low-income and unemployed Americans while turning a deaf ear and a stiff arm to the wage payer in America.

I submit today that thanks to President Bush’s foresight in arguing through this institution a tax relief this summer, this economy is already improving. We will find our way out with or without an economic stimulus package from our present malaise. But the reality is that this institution should heed the advice of many who have gone before, pro-growth conservatives like Jack Kemp and others; and we should go big or go home. We should either pass an economic stimulus package that truly speeds relief and invigorates the American economy at every level, for the wage earner and the wage payer, or we should just go home and enjoy our families over Christmas and be confident that this economic ship will right itself. I urge my colleagues to move on a real bill with real substantive relief. Let us go big, Mr. Speaker, or let us go home.

U.S. TERRITORIES IN DIRE NEED OF ECONOMIC STIMULUS

The SPEAKER pro tempore. Under the Speaker’s announced policy of January 3, 2001, the gentleman from Guam (Mr. UNDERWOOD) is recognized during morning hour debates for 5 minutes.

Mr. UNDERWOOD. Mr. Speaker, today as the House considers yet another version of the economic stimulus package, and while House and Senate negotiators continue to work out a potential compromise, I would like to again speak on behalf of my home island of Guam and the U.S. Territories in the hope that some of our colleagues would understand the dire circumstances that we find ourselves in need of economic relief. We need it now. We need balanced economic relief. We need relief that not only speaks big, but also seeks to ameliorate the real live conditions of human beings for whom this Christmas will be a very dim one indeed. If we go home neglecting their plight and their concerns, then we would be in the position of robbing them of having a decent and hopeful Christmas.

Prior to the September 11 attacks, Guam’s economy was already struggling as a result of the Asian economic crisis. During 1999 and the year 2000, Guam’s unemployment rate was 15.2 and 15.3 percent respectively. For this year, Guam’s unemployment rate was 14.3 percent. We anticipated to be near 20 percent by the end of this year. When Members start talking about they have a few hundred or a few thousand workers that have been displaced or unemployed as a result of the terrorist attacks, and even jobs that also previous to that, I do not think that there is a single community that can match the kinds of trials and tribulations that we face in Guam. This unemployment rate that we are experiencing today is three times the national average.

Already the Government of Guam has been seeking ways to ameliorate the first phase of tax cuts earlier this year. Because of the nature of the tax system in the Territories, in Guam and in the Virgin Islands, we have a mirror Tax Code. We collect the income taxes, but whatever tax cuts are delivered are anticipated to come from so-called local revenues rather than national revenues.

Mr. Speaker, we could not even afford the first level of tax cuts. No taxpayer in Guam has yet received the advanced rebates that were promised this summer. Considering all of the factors that we have to deal with, the unemployment rate, the Asian economic crisis which has affected the nature of our economy, the President’s tax relief plan which hindered the collection of Government of Guam revenues, Guam’s economic situation has been exacerbated by the September 11 attacks.

The most immediate effect has been on tourism. Tourism and international tourism drives Guam’s economy. It is a $3 billion economy in which we get about 1.5 million tourists a year, of which about 80 percent come from Japan.

Guam was impacted by flight cutbacks and employee layoffs of Continental Micronesia, a subsidiary of Continental Airlines, which is Guam’s largest private employer. Guam is also hindered in trying to deal with the dislocation and the misery created by this because we have caps on Medicaid. We have a 50/50 share with the Federal Government, but we are capped, we have caps on TANF and the fact that there is no unemployment insurance available to private sectors in Guam means that the between 15 and 20 percent of the working population in Guam who find themselves dislocated face a dismal future indeed.

I have worked over the last several weeks to try to tell this story and to try to work on a bipartisan basis to ensure that Guam’s interests’ inclusion in this stimulus package, no matter how it may look like. Particularly, for example, the national emergency grants, the President’s proposal, when it first left the White House, it did not include the territories, an oversight as it was indicated. I am very pleased to note that the gentleman from Ohio (Mr. Boehner), chair of the Committee on Education and the Workforce, the Territories eligible should this be part of the final stimulus package. We are also talking about making sure that the territories are included in any payroll tax rebate which we anticipate could be part of the final package. We also want to make sure that health insurance for the unemployed again include the territories. Finally, we want to make sure that unemployment benefits which are generally available, the extension to other American citizens, are also available to American citizens in the territories.

In summary, if we are not able to get all of this and we are not able to get the stimulus package, we call on the executive branch to at least provide discretionary funding to the territories.

NATION’S CAPITAL PLAYS A ROLE IN MAINTAINING AN OPEN SOCIETY DURING TIME OF WAR

The SPEAKER pro tempore (Ms. Norton). Under the Speaker’s announced policy of January 3, 2001, the gentlewoman from the District of Columbia (Ms. Norton) is recognized during morning hour debates for 5 minutes.

Ms. NORTON. Mr. Speaker, I come to the floor this afternoon to speak about a subject which may seem abstract, except that in wartime it is very real. We had a meeting with top White House officials, the Mayor, several city officials, business and labor officials and yes, some officials from here in the House to discuss maintaining an open society in a time of war.

Mr. Speaker, we have got to make sure that the words “open society” do not become clichés. We have been tested recently. The test goes on. Are we able to fight a war even in the homeland and maintain the normalcy that the President admonishes us to maintain? Or will we, little by little, close down the society so that we resemble somebody else’s society, a society we try not to be?

I recall that this House was on the steps of this House on the evening of September 11 sending a brave message to the country and the world that we were going to keep this House open, that we could not be chased from the House and that they could not shut down democracy. It was one of the proudest moments probably in the 200 years that we have had a Congress. The importance, of course, there, was that it occurred in Washington and it occurred from the Nation’s leaders. Then, the House lost its resolve, and we are still suffering from that. The House and the Senate took different paths. The House paid a price.
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But I think people still recognize that the leadership by example is coming from this House and the Senate and will continue to come from the Congress.

The Christmas tree lighting which took place last week was the largest I have ever seen, and I am a native Washingtonian, occur from the Congress. I thank Speaker HASTERT for his leadership in making it a bigger and better lighting and the gentleman from Michigan (Mr. STUPAK) for his work in recognizing that this year, above all, we must make little events like lighting of the Christmas tree into big deals, because everybody is looking to Washington to see whether the war has canceled Christmas and to see whether normalcy really obtains.

I want to thank the Sergeant at Arms of the House and the Senate and the Architect of the Capitol, who are calling Glasc Capitol Police Board for reopening tours of the Capitol. People stood in pouring rain on a Saturday morning when they heard by word of mouth that the tours were reopened.

What is the importance of this event after all? I can only tell you one thing. We do not intend to become the event planner for Washington or any other city, but the world is looking at us to see whether or not we know how to keep on keeping on. They cannot tell. They cannot get inside our heads. They cannot read our minds. They cannot tell. They cannot see the plans we have.

The White House at first closed the Christmas tree lighting. When I called the White House, as I said, do you really have to do this, I appreciate that they thought it and decided that all they had to do was bring the same glass that they used around the President at the inauguration and put that glass in E Street and they should have the public come to the Christmas tree lighting.

I want to make sure that this city is not closed down. If we close down this city, we close down every city in America. The Nation will look to see whether we run to our bunkers to see whether they should run to theirs.

At the meeting last week with White House officials, I want to share with Members some of the suggestions we made that would help send a message that the Nation’s capital is open and, therefore, America is open: Allowing people who were screened through their Social Security numbers to tour the White House in E Street which was closed down again after September 11 even though the Secret Service had agreed that E Street could be reopened once it was widened; allowing a circulator or secured bus for tourists to go right across Pennsylvania Avenue in front of the White House. If that does not send a message to those who think we are afraid, and funding the National Capital Planning Commission so that we have a citywide plan to do security compatible with our national monuments.

Mr. Speaker, I certainly hope that the White House allows District schoolchildren to be the first to see the White House Christmas tree decorations as a sign that this does remain an open and free society.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until 2 p.m.

Accordingly (at 1 o’clock and 8 minutes p.m.), the House stood in recess until 2 p.m.

□ 1400

AFTER RECESS

The recess having expired, the House was called to order at 2 p.m.

PRAYER

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

Lord God, King of heaven and earth, as Members of the U.S. House of Representatives gather today, let every Member know that the prayers of the great religious traditions across this Nation are with them. Guide them, sustain them, and bring them to solemn resolve for what is best for this Nation at this time.

May our Jewish brothers and sisters bring light to a dark world with Hanukkah, praying for the end of violence in the Middle East; they assure us that the lamp of faith is not diminished, but grows stronger day by day.

Our Christian brothers and sisters long for the celebration of the birth of Christ. They pray that this assembly further the incarnation of peace, justice, and love in this world.

May our Muslim brothers and sisters, having finished their purifying fast, now with hearts and minds renewed, turn to You in greater faith that this new day of understanding, compassion, and prophetic truth is rapidly approaching.

May this House and this Nation place all their trust in You alone. Free the world of prejudice and violence in the name of religion as You manifest in us Your divine destiny now and forever. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day’s proceedings and announces to the House his approval thereof.

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

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Colorado (Mr. HEFLEY) come forward and lead the House in the Pledge of Allegiance?

Mr. HEFLEY 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.

TREATMENT OF RECEIPTS FROM MINERAL LEASING ACTIVITIES ON CERTAIN NAVAL OIL SHALE RESERVES

Mr. HEFLEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2187) to amend title 10, United States Code, to make receipts collected from mineral leasing activities on certain naval oil shale reserves available to cover environmental restoration, waste management, and environmental compliance costs incurred by the United States with respect to the reserves, as amended.

The Clerk read as follows:

H.R. 2187

Section 7439 of title 10, United States Code, is amended—

(1) in subsection (j)(1), by striking the second sentence; and

(2) by adding at the end the following new subsection:

“(b) USE OF RECEIPTS.—(1) The Secretary of the Interior may use, without further appropriation, not more than $1,500,000 of the moneys covered into the Treasury under subsection (f)(1) to cover the cost of any additional analysis, site characterization, and geotechnical studies deemed necessary by the Secretary to support environmental restoration, waste management, or environmental compliance with respect to Oil Shale Reserve Numbered 3. Upon the completion of such studies, the Secretary of the Interior shall submit to Congress a report containing—

“(A) the results and conclusions of such studies; and

“(B) an estimate of the total cost of the Secretary’s preferred alternative to address environmental restoration, waste management, and environmental compliance needs at Oil Shale Reserve Numbered 3.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to clause 8 of rule XX, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Any record votes on postponed questions will be taken after debate has been concluded on all motions to suspend the rules, but not before 6:30 p.m. today.

Mr. SPEAKER.
allow BLM to assess the leasing monies needed for the cleanup. This was further complicated by the question of just who the proper authorizing committee was. The transfer came about through the defense authorization of 1998, and the Committee on Armed Services bill. The House Committee on Resources is the normal authorizing committee for the BLM, but the Committee on Appropriations, the Subcommittee on the Interior, sometimes handled such matters in the past, under BLM’s state leases. The bill before us, a Committee on Resources bill, would supply BLM with the authorization it needs to undertake the cleanup at Anvil Point and begin to realize the program first adopted in 1998. The authorization would be for 5 years, meaning the cleanup should be completed within that time.

If it were completed earlier, the two secretaries could certify as much and the distribution of revenues could begin.

About a year ago, we were talking to Colorado BLM director Ann Morgan about the problems surrounding the transfer. We thought we did this 3 years ago, we said. And she said, welcome to public lands management. Unfortunately, I think she may be right. Mr. Speaker, at this time I will insert for the RECORD documentation in regard to this bill.

H. J. Res. 228. Sponsors: Mr. UNDERWOOD and Mr. UDALL. This legislation transferred two naval oil shale reserves from the Department of Energy to the Bureau of Land Management in 1998. After a 10-year debate on the issue, the Clinton administration came to agree that a cost benefit to the country was little, if any, in using oil shale to fuel battleships and that these two reserves could be more useful to the public as BLM properties managed for multiple use and particularly for oil and gas leasing.

The State agency charged with promoting such development estimated as much as $125 million in oil and gas revenues to be generated by the two sites, to be split equally between Colorado and the Federal Government. The early returns confirm this as the first lease sale in the fall of 1999 generated $7 million, and that amount has since risen to around $8.5 million. At the same time, it was acknowledged that cleanup work needed to be done on the two sites, particularly at Anvil Point. Now it appears that the representatives of the committee are numbered 3, which was the site of a Bureau of Mines experiment years before. It was also acknowledged that a cost estimate for the cleanup could only come with a detailed contamination study. However, whoever held the site seemed to feel it was an environmental hazard to all, while whoever no longer had the site felt it was a matter of minimal danger, perhaps of no danger at all. Because of this, it was agreed that the State Department of Public Health and the Environment could serve as the mediator between the two agencies and that the cleanup would be conducted to State standards.

All of this moved along until late 1999 when the BLM approached my office for help in funding the cleanup. As an interior solicitor had concluded, a specific authorization was needed to
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Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Colorado (Mr. HEFLEY) that the House suspend the rules and pass the bill, H.R. 2107, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

COLD WAR INTERPRETIVE STUDY ACT

Mr. HEFLEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 107) to require that the Secretary of the Interior conduct a study to identify sites and resources, to recommend alternatives for commemorating and interpreting Cold War sites, and for other purposes, as amended.

The Clerk read as follows:

H.R. 107

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. COLD WAR STUDY.

(a) SUBJECT OF STUDY.—The Secretary of the Interior, in consultation with the Secretary of Defense, State historic preservation offices, and other interested organizations and individuals, shall conduct a National Historic Landmark theme study to identify sites and resources in the United States that are significant to the Cold War. In conducting the study, the Secretary shall—

(1) consider the inventory of sites and resources associated with the Cold War completed by the Secretary of Defense pursuant to section 8130(b)(9) of the Department of Defense Appropriations Act, 1991 (Public Law 101–511; 194 Stat. 1996);

(2) consider historical studies and research of Cold War sites and resources such as intercontinental ballistic missiles, flight training centers, manufacturing facilities, communications and command centers (such as Cheyenne Mountain, Colorado), defensive radar networks (such as the Denver Early Warning Line), and strategic and tactical aircraft; and

(3) inventory and consider nonmilitary sites and resources associated with the people, events, and social aspects of the Cold War.

(b) CONTENTS.—The study shall include—

(1) recommendations for commemorating and interpreting sites and resources identified by the study, including—

(A) sites for which studies for potential inclusion in the National Park System should be authorized;

(B) sites for which new national historic landmarks should be nominated;

(C) recommendations on the suitability and feasibility of establishing a national repository for Cold War artifacts and information; and

(D) other appropriate designations;

(2) recommendations for cooperative arrangements with State and local governments, local historical organizations, and other entities; and

(3) cost estimates for carrying out each of those recommendations.

(c) GUIDELINES.—The study shall be—

(1) conducted with public involvement; and

(2) submitted to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate no later than 3 years after the date that funds are made available for the study.

SEC. 2. INTERPRETIVE HANDBOOK ON THE COLD WAR.

Not later than 4 years after funds are made available for that purpose, the Secretary of the Interior shall prepare and publish an interpretive handbook on the Cold War and shall disseminate information gathered through the study through appropriate means in addition to the handbook.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $300,000 to carry out this Act.

The SPEAKER pro tempore. The motion offered by the gentleman from Colorado (Mr. HEFLEY) directs the Secretary of the Interior to conduct a National Historic Landmark theme study to identify sites and resources in the United States that are significant to the Cold War. Generally speaking, the Cold War is considered to be from 1946 to 1989.

H.R. 107 would direct the Secretary to study military and nonmilitary sites and resources associated with the people, events, and social aspects of the Cold War. The study shall include recommendations for commemorating and interpreting the sites identified by the study, including cooperative arrangements with the State and local government and local historical organizations, as well as cost estimates for carrying out each of the recommendations.

The Secretary shall submit the report to the House Committee on Resources and the Senate Committee on Energy and Natural Resources.

The legislation also requires the Secretary to prepare and publish an interpretive handbook on the Cold War and disseminate information gathered through the study.

Mr. HEFLEY. Mr. Speaker, I yield myself such time as I may consume. I will try not to take the full 20 minutes. Mr. Speaker, H.R. 107, which I introduced, would direct the Secretary of the Interior to conduct a National Historic Landmark theme study to identify sites and resources in the United States that are significant to the Cold War. Generally speaking, the Cold War is considered to be from 1946 to 1989.

H.R. 107 would direct the Secretary to study military and nonmilitary sites and resources associated with the people, events, and social aspects of the Cold War. The study shall include recommendations for commemorating and interpreting the sites identified by the study, including cooperative arrangements with the State and local government and local historical organizations, as well as cost estimates for carrying out each of the recommendations. The Secretary shall submit the report to the House Committee on Resources and the Senate Committee on Energy and Natural Resources.

The legislation also requires the Secretary to prepare and publish an interpretive handbook on the Cold War and disseminate information gathered through the study.

Mr. HEFLEY. Mr. Speaker, I yield myself such time as I may consume. I will try not to take the full 20 minutes. Mr. Speaker, H.R. 107, which I introduced, would direct the Secretary of the Interior to conduct a National Historic Landmark theme study to identify sites and resources in the United States that are significant to the Cold War. Generally speaking, the Cold War is considered to be from 1946 to 1989.

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The legislation also requires the Secretary to prepare and publish an interpretive handbook on the Cold War and disseminate information gathered through the study.

Richard J. Guadagno Headquarters and Visitors Center Designation Act

Mr. Gilchrest. Mr. Speaker, I move to amend the bill to designate the Richard J. Guadagno Headquarters and Visitors Center at Humboldt Bay National Wildlife Refuge, California.

The Clerk read as follows:

H.R. 3334

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF RICHARD J. GUADAGNO HEADQUARTERS AND VISITORS CENTER DESIGNATION ACT.

(a) DESIGNATION.—The headquarters and visitors center at Humboldt Bay National Wildlife Refuge, located at 1020 Ranch Road in Loleta, California, is designated as the Richard J. Guadagno Headquarters and Visitors Center.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to such building is deemed to be a reference to the Richard J. Guadagno Headquarters and Visitors Center.

The SPEAKER pro tempore. The motion offered by the gentleman from Maryland (Mr. GILCHREST) and the gentleman from Guam (Mr. UNDERWOOD) would designate the Richard J. Guadagno Headquarters and Visitors Center at Humboldt Bay National Wildlife Refuge, California.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Maryland (Mr. GILCHREST) and the gentleman from Guam (Mr. UNDERWOOD) each will control 20 minutes.
The Chair recognizes the gentleman from Maryland (Mr. GILCHREST).

Mr. GILCHREST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 3334, to name the Humboldt Bay National Wildlife Refuge Visitor’s Center after Mr. Richard J. Guadagno.

Mr. Guadagno was a refuge manager until his life was tragically ended on September 11 by terrorists with the crash of United Airlines Flight 93 in Pennsylvania. Mr. Guadagno was only 38 years old, and spent 17 years working for the Fish and Wildlife Service.

During his distinguished career, he was a biologist, wildlife inspector, refuge employee at five units of the system, and he became the refuge manager for the Humboldt Bay National Wildlife Refuge in March of last year. As a refuge manager, Mr. Guadagno was a dedicated, hard-working, and energetic public servant who made the completion of the visitor’s center one of his highest priorities.

According to his colleagues, it was his vision that the American people should have an enhanced opportunity to enjoy the natural wonders and the wildlife diversity of Humboldt Bay, and gain an appreciation for their beauty and importance. This refuge is home to more than 200 bird species, four endangered species, and hundreds of acres of essential wetland habitat.

This refuge, which is on the northern California coast, is a popular attraction for thousands of visitors each year. It is a fitting tribute to name the visitor’s center for him in recognition of his tireless efforts to make this a place of peace, rest and learning.

Following his untimely death, Secretary of the Interior Gale Norton wrote to Mr. Guadagno’s parents, to tell them that their son was a beloved colleague, a model professional, and one of our Nation’s heroes.

In addition, the acting director of the U.S. Fish and Wildlife Service, Mr. Marshall Jones, wrote a letter to the 8,400 employees of the service in which he said that “Rich was proud to achieve his goal of becoming a project leader of a major refuge. He never lacked the courage to do the right thing.”

Finally, his immediate supervisor, Mr. Underwood, as regional director of the U.S. Fish and Wildlife Service, wrote, “Rich was one of our finest managers in the National Wildlife Refuge System, and he will be sorely missed.”

The Richard J. Guadagno Visitor’s Center will be more than brick and mortar. It will be an ever-regenerative repository of knowledge and hope.

Mr. Speaker, I want to compliment the author of the bill, the gentleman from California (Mr. THOMPSON) for his leadership, and I urge an aye vote on H.R. 3334.

Mr. Speaker, I reserve the balance of my time.

Mr. UNDERWOOD. Mr. Speaker, I yield myself such time as I may consume.

(Mr. UNDERWOOD asked and was given permission to revise and extend his remarks.)

Mr. UNDERWOOD. Mr. Speaker, H.R. 3334 would name the headquarters and the new visitor’s center of the Humboldt Bay National Wildlife Refuge in California, in honor of Mr. Richard J. Guadagno, the refuge manager who lost his life in the crash of Flight 93 on September 11.

Introduced by our colleague, the gentleman from California (Mr. THOMPSON), the bill has 135 cosponsors, including the gentleman from Utah (Chairman HANSEN), the ranking minority member of the Committee on Resources, the gentleman from West Virginia (Mr. RAHALL).

I congratulate the gentleman from California (Mr. THOMPSON) for his efforts on behalf of the public servant whose life sadly ended much too soon. Regrettably, the gentleman from California (Mr. THOMPSON) is unavoidably detained today on important business in his district, and consequently, he is unable to be here this afternoon to speak on his bill. I know that he sincerely appreciates the expedited consideration of this legislation, which would honor a remarkable constituent of his.

Richard Guadagno was a marine biologist, wildlife inspector, refuge employee at five units of the system, and he became the refuge manager for the Humboldt Bay National Wildlife Refuge in March of last year. As a refuge manager, Mr. Guadagno was a dedicated, hard-working, and energetic public servant who made the completion of the visitor’s center one of his highest priorities.

According to his colleagues, it was his vision that the American people should have an enhanced opportunity to enjoy the natural wonders and the wildlife diversity of Humboldt Bay, and gain an appreciation for their beauty and importance. This refuge is home to more than 200 bird species, four endangered species, and hundreds of acres of essential wetland habitat.

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The Richard J. Guadagno Visitor’s Center will be more than brick and mortar. It will be an ever-regenerative repository of knowledge and hope.

Mr. Speaker, I want to compliment the author of the bill, the gentleman from California (Mr. THOMPSON) for his leadership, and I urge an aye vote on H.R. 3334.

Mr. Speaker, I reserve the balance of my time.

Mr. Speaker, I want to thank the gentleman from Guam (Mr. UNDERWOOD), the staff, and the gentleman from California (Mr. THOMPSON) for this legislation. The House salutes Mr. Guadagno and his family in their time of sorrow.

Mr. THOMPSON of California. Mr. Speaker, I rise today in strong support of H.R. 3334, the Richard J. Guadagno Headquarters and Visitors Center Designation Act. First, let me thank the distinguished gentleman from Utah, the Chairman of the Resources Committee, and the distinguished gentleman from West Virginia, the Ranking Member of the Resources Committee, for their efforts in bringing this bill to the floor. I would also like to recognize the distinguished Chairman and Ranking Member of the Fisheries, Conservation, Wildlife, and Oceans Subcommittee for their hard work in moving this important legislation forward.

I introduced this legislation to honor the memory of one of my constituents, Richard J. Guadagno, who perished aboard United Flight 93 on September 11. As a refuge manager for the Humboldt Bay National Wildlife Refuge and devoted his life to the preservation of wildlife. This legislation will designate the Headquarters and Visitors Center of the Humboldt Bay National Wildlife Refuge as the Richard J. Guadagno Headquarters and Visitors Center.

As we know, the passengers aboard Flight 93 undoubtedly saved hundreds, if not thousands, of lives by thwarting the disastrous intent of the terrorists. Rich had a law enforcement background that would have aided him in his convictions and his desire to prevent an even greater tragedy. All Americans, especially those of us who work at the U.S. Capitol, have these brave individuals to thank for preventing terror on September 11th, 2001.

Rich was also a hero to all those who care about wildlife and the environment. Rich began a career in public service as a biologist at the New Jersey Fish and Game Department and the Great Swamp National Wildlife Refuge. Before joining the Humboldt Bay National Wildlife Refuge, he worked at the Prime Hook National Wildlife Refuge, Supawna Meadows National Wildlife Refuge in New Jersey, and the Basket Slough and Ankeny National Wildlife Refuge in Oregon.

Colleagues in the Fish and Wildlife Service consistently commended his courage and dedication to conservation and protecting biological diversity. As refuge manager at the Humboldt Bay National Wildlife Refuge, he led with a vision that his colleagues embraced and admired. He always kept the best interests of the refuge at heart, and he enthusiastically worked to improve the condition of the refuge.

When Rich, 38, boarded Flight 93, he was leaving Newark, New Jersey after visiting his family and his grandmother on her 100th birthday. I urge my colleagues to pass this bill today, so that we may be assured his memory will live on, expressed in the proud hearts and minds of his family and friends. All Americans will join his parents Jerry and Beatrice Guadagno, his sister Lori Guadagno, and his fiancée Diqui LaPenta in remembering Rich as a true hero.

Mr. Speaker, Richard Guadagno worked his entire life to make the word a better place for all of us. He was truly a great American. Please join me in passing this legislation, so
that Rich Guadagno and his tremendous successes in life will always be remembered.

Mr. GILCHREST. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Maryland (Mr. GILCHREST) that the House suspend the rules and pass the bill, H.R. 3334.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GILCHREST. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous matter on the three bills just considered, H.R. 2197, H.R. 107, as amended, and H.R. 3334.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland? There was no objection.

EXPRESSING SENSE OF HOUSE OF REPRESENTATIVES REGARDING ESTABLISHMENT OF A NATIONAL MOTIVATION AND INSPIRATION DAY

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 308) expressing the sense of the House of Representatives regarding the establishment of a National Motivation and Inspiration Day, as amended.

The Clerk read as follows:

H. RES. 308

Whereas prominent citizens of Long Island, New York, are attempting to establish January 2 as National Motivation and Inspiration Day; Now, therefore, be it

Resolved, That the House of Representatives supports the goals of a National Motivation and Inspiration Day.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Virginia (Mrs. JO ANN DAVIS) and the gentleman from Illinois (Mr. DAVIS) each will control 20 minutes. The Chair recognizes the gentlewoman from Virginia (Mrs. JO ANN DAVIS).

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous matter on House Resolution 308, as amended.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Virginia?

There was no objection.

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of House Resolution 308, expressing the sense of the House of Representatives in support of the goals of a National Motivation and Inspiration Day.

Furthermore, I commend my distinguished colleague, the gentleman from New York (Mr. GRUCCI), for introducing this important resolution.

Mr. Speaker, motivation and inspiration have played important roles in the greatest achievements of civilized society and are characteristics common to all great leaders.

Whereas both children and adults need motivation and inspiration in order to achieve success and happiness in their lives; Whereas the inspiration to define goals at school, home, and work and the motivation to achieve those goals is critical to achieving success and happiness; Whereas all children and young adults need mentors to inspire them to achieve their goals, and to motivate them to direct their energies toward positive and constructive activities and goals; Whereas adults who mentor children and young adults become inspired and motivated themselves;

Whereas a renewed focus on motivation and inspiration is particularly important in the wake of the tragedies of September 11, 2001;

Whereas the beginning of the year is often a time of reflection, planning, and goal-setting;

Whereas the establishment of a National Motivation and Inspiration Day would provide an opportunity for the people of the United States to focus on the importance of maintaining motivation and inspiration in their lives; and

Whereas prominent citizens of Long Island, New York, are attempting to establish January 2 as National Motivation and Inspiration Day; Now, therefore, be it

Resolved, That the House of Representatives supports the goals of a National Motivation and Inspiration Day.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Virginia (Mrs. JO ANN DAVIS) and the gentleman from Illinois (Mr. DAVIS) each will control 20 minutes. The Chair recognizes the gentlewoman from Virginia (Mrs. JO ANN DAVIS).

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous matter on House Resolution 308, as amended.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Virginia?

There was no objection.

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of House Resolution 308, expressing the sense of the House of Representatives in support of the goals of a National Motivation and Inspiration Day.

Furthermore, I commend my distinguished colleague, the gentleman from New York (Mr. GRUCCI), for introducing this important resolution.

Mr. Speaker, motivation and inspiration have played important roles in the greatest achievements of civilized society, and are characteristics common to all great leaders.

Both children and adults need motivation and inspiration in order to achieve success and happiness in their lives. Children and young adults need mentors to inspire them to achieve their goals, and to motivate them to direct their energies toward positive and constructive activities and goals. Furthermore, the adults who mentor the children and young adults become inspired and motivated themselves.

Mr. Speaker, renewed focus on motivation and inspiration is particularly important in the wake of September 11 tragedies. The inspiration to define goals at school, home, and work, and the motivation to achieve those goals is critical to achieving success and happiness in our current trying circumstances.

Mr. Speaker, the beginning of the year is often a time of reflection, planning, and goal-setting. For that reason, prominent citizens of Long Island, New York, are attempting to establish January 2 as National Motivation and Inspiration Day. This would set a good example for the rest of our Nation, and provide all with the focus of maintaining motivation and inspiration in their lives.

If successful, their efforts would provide an opportunity for the people of the United States to focus on the importance of maintaining motivation and inspiration in their lives.

Mr. Speaker, I urge all Members to support this important resolution, and I reserve the balance of my time.

Mr. Davis of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is with great pride that I rise to endorse House Resolution 308, a resolution expressing the support of the House of Representatives of the goals of a National Motivation and Inspiration Day.

I commend my colleague, the gentleman from New York (Mr. GRUCCI), for introducing such a resolution, and call upon all Members of the House to begin to focus on the importance of motivation and inspiration, especially as we embark upon a new year, 2002.

After reading House Resolution 308, I was immediately reminded of an important passage in the Bible: First Corinthians, Chapter 13. This passage discusses the love man can have for his fellow man, and how we should not worry about ourselves, but worry about others.

The ideals embodied in the First Corinthians passage not only embrace the message contained in House Resolution 308, they also speak to two legislative proposals we will consider today: H.R. 3072 and H.R. 3379.

H.R. 3072 seeks to honor Mr. Vernon Tarlton, a man of great faith and dedication to his community, by naming a post office after him in his hometown. H.R. 3379 names a post office after New York City Fire Department Chief of Rescue Operations, Mr. Ray Downey. Chief Downey, a former firefighter for 39 years, died in the World Trade Center on September 11, 2001.

These two men are and were great leaders who directed their energies towards positive and constructive activities and goals.

If successful, their efforts would provide an opportunity for the people of the United States to focus on the importance of maintaining motivation and inspiration in their lives.

He truly motivated and inspired and led the way for his team. He did not worry about himself; rather, he directed his efforts to save others.

Mr. Tarlton spent his lifetime working on behalf of others and the community and along the way being recognized for his efforts. In a time of uncertainty in the world and here at home, at a time when we as a Nation are called upon to show greater compassion and appreciation for the diversity of our people and our faiths, we need to take stock and focus on the importance of maintaining motivation and inspiration in our lives.

As part of that, we must open our arms wide and embrace and educate our children and young adults. They too must learn the value of helping others, not for glory, but because it is the right thing to do.
Mr. Speaker, I again commend my colleague for introducing this measure and urge its swift passage.

Mr. Speaker, I reserve the balance of my time.

MRS. JO ANN DAVIS of Virginia. Mr. Speaker, I yield as much time as he may consume to the gentleman from New York (Mr. GRUCCI).

Mr. GRUCCI. Mr. Speaker, I thank the gentlewoman from Virginia (Mrs. JO ANN DAVIS) for yielding me time.

Mr. Speaker. In the wake of the September 11 attacks against our Nation, it is now important than ever to live each day with a sense of renewed spirit. It is for this reason that I stand before you today in support of my bill, H.R. 308, which supports the goals of National Motivation and Inspiration Day.

Throughout history, motivation and inspiration have been vital components of all great movements. They are qualities that have played an invaluable role in the intellectual movements, the civil rights movements, the suffrage movements and many more. All great leaders from Martin Luther King, Jr., and Winston Churchill to Ronald Reagan and Mother Theresa have all shared, among other things, the ability to motivate the masses and inspire them to achieve great goals.

In our daily lives we look to our teachers, parents, coaches, and clergy to do the same, whether it is in the victory at the end of a sporting event, a recovery in the sales department, making the dean’s list, or earning the rank of officer in our fine military forces, progress and betterment for all people is certain to arise from motivation and inspiration.

On September 11 we were all inspired by the hundreds of firefighters, police officers, and rescue workers who ran up and into the Twin Towers to save the lives of the thousands of people while sacrificing their own. The actions of these brave men and women on September 11 have motivated each American to do something to better contribute to the good of our society. Today we need to publicly recognize the importance of motivation and inspiration in our daily lives.

House Resolution 308 supports the goals of celebrating National Motivation and Inspiration Day on January 2 of each year, a time that is traditionally used for reflection, planning, and goal setting. It is a better time to celebrate motivation and inspiration than during the season of New Year’s resolutions, when we are all trying to find ways to maintain our goals throughout the year.

While this resolution does not directly designate this day, it highlights the importance of motivation and inspiration and the valuable role those qualities should play in the education of our children in the United States and around the globe.

I would like to thank the Committee on Government Reform, the gentleman from Illinois (Mr. BURTON), and the majority leader, the gentleman from Texas (Mr. ARMELY), and their staff for helping me bring this measure to the floor. I would also like to thank my constituent and my friend, Kevin McCrudden, whose birthday it is today, for coming up with this idea and for working with me and my staff to see that this comes to fulfillment.

Mr. Speaker, you do not have to be inspired by the greatest things in life. It is some of the smaller things that inspire people to move to greatness. One of the things that has inspired and motivated me is the day that I traveled to New York with the Congressional delegation to visit the infamous Ground Zero. And as I was walking down the streets and getting closer and closer and recognizing the enormity of the damage and the severity of what transpired, the pain in people’s hearts as I moved closer, what inspired me most was the passion in the eyes of the firefighters and the police officers. As you can look down into their eyes and see the look of how inspired them, that is what has been motivating me on the floor to continue that fight and help them to move and to get accomplished the things that they have set out to accomplish.

Mr. Speaker, I ask that my colleagues join me in support of this resolution.

Mr. DAVIS of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I have no further speakers; and as I prepare to close, let me again congratulate the gentleman for his very thoughtful resolution and for it coming at a time of great need. Because even as we stand here today, a great shadow is being cast across America, the shadow of economic crisis, of recession. We are now in our 14th month of decline in industrial production. There are 100,000 workers losing their jobs each week. More than 1.3 million lost their jobs this year. Poverty and homelessness are on the rise. And as usual, the largest group of the poor are the children. Tens of millions of them are without affordable health care.

Suddenly thousands of people cannot pay their mortgages, cannot afford to continue college education. The hopes of millions of Americans who struggle to enter the mainstream of American economic life, to share in the American dream during the past decade, are now being dashed.

The economic crisis has been worsened by the terrorist attacks of September 11. But despite the heartfelt outpouring of support from Americans of every socioeconomic group for the victims of the terrorists, there still remain masses of poor people who are finding it difficult to survive in our country.

So this resolution, this resolution calling for the inspiration and motivation that people need to dream, to believe that their lives can become whatever it is that they would endeavor to make life be, to know that no matter how dark it is at night, that there is sunshine in the morning. And so the idea of hope, of motivation, of inspiration of helping people to know that they can overcome any obstacles, overcome any fears, that they are in control of their own destinies, and they can be better for this country and the world even greater than anything that we have ever experienced.

Again, I commend the gentleman and urge all of my colleagues to support this resolution.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

MRS. JO ANN DAVIS of Virginia. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I wish to thank the chairman of the Subcommittee on Civil Service and Agency Organization, the gentleman from Florida (Mr. WELDON), and the ranking member, the gentleman from Illinois (Mr. DAVIS), along with the chairman of the Committee on Government Reform, and ranking member, the gentleman from California (Mr. WAXMAN), for expediting consideration of this resolution. I commend my colleague, the gentleman from New York (Mr. GRUCCI).

Mr. Speaker, I urge all Members to support House Resolution 308.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution, as amended, was agreed to.

The SPEAKER pro tempore (Mr. CULBERSON). The question is on the motion offered by the gentlewoman from Virginia (Mrs. JO ANN DAVIS) that the House suspend the rules and agree to the resolution, H. Res. 308, as amended. The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution, as amended, was agreed to.

The title of the resolution was amended so as to read: “Resolution calling for the goals of a National Motivation and Inspiration Day”.

A motion to reconsider was laid on the table.

VERNON TARLTON POST OFFICE BUILDING

MRS. JO ANN DAVIS of Virginia. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3072) to designate the facility of the United States Postal Service located at 125 Main Street in Forest City, North Carolina, as the “Vernon Tarlton Post Office Building”.

The Clerk read as follows:

H.R. 3072

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. VERNON TARLTON POST OFFICE BUILDING.

(a) DESIGNATION. The facility of the United States Postal Service located at 125 Main Street in Forest City, North Carolina, shall be known and designated as the “Vernon Tarlton Post Office Building”.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other...
December 18, 2001

CONGRESSIONAL RECORD — HOUSE

H10185

Mr. Speaker, I am pleased to join with my colleague, the gentlewoman from Virginia (Mrs. JO ANN DAVIS), in the House consideration of H.R. 3072, which names the post office in Forest City, North Carolina, after Mr. Vernon Tarlton. This measure was introduced by the gentleman from North Carolina (Mr. TAYLOR) on October 9, 2001. H.R. 3072 has met the committee policy and is supported and cosponsored by the entire North Carolina delegation.

Mr. Tarlton is a lifelong member of the Forest City community. He has spent his time working for the betterment of his neighborhood and of the great State of North Carolina. He is a man of great faith and serves his Presbyterian church as both an elder and trustee. Last year, he was named the 2000 Citizen of the Year by the Kiwanis Club and is a recipient of the North Carolina Governors Award for Outstanding Volunteer.

Mr. Speaker, this is a man who truly cares about his community. So much so, that he has worked tirelessly on the bringing in of a new postal facility to the city. Mr. Tarlton’s efforts have not been in vain. Passage of H.R. 3072 means that the new facility will be named after Mr. Tarlton. I cannot think of a better honor for one who has worked so diligently on behalf of his neighbors, friends, and other residents of his community.

I would urge passage of this postal-naming bill.

Mr. Speaker, I yield back the balance of my time.

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3072, and I commend the distinguished gentleman from North Carolina (Mr. TAYLOR) for introducing this bill. This measure designates the facility of the United States Postal Service located at 125 Main Street in Forest City, North Carolina, as the Vernon Tarlton Post Office Building. H.R. 3072 is supported by all members of the North Carolina delegation.

Mr. Speaker, in all corners of our great Nation, we find many citizens who give so much to their communities. It is true of my own district and of each and every Member of Congress. Vernon Tarlton is one of these individuals.

A lifelong champion of Forest City in Rutherford County, North Carolina, Vernon Tarlton’s list of accomplishments is long, varied, and distinguished. He served on the Forest City Board of Commissioners and was named one of the Outstanding City Councilmen in North Carolina.

He has received several awards to honor his community service. He was named the Rutherford County Volunteer of the Year in 2000, he was honored by the Kiwanis Club as its Citizen of the Year. Furthermore, Vernon Tarlton received the North Carolina Governors Award for Outstanding Volunteer. Mr. Tarlton continues to take an active part in the Presbyterian church, serving as an elder and a trustee.

Finally, although in poor health, Vernon Tarlton worked tirelessly with property owners and postal officials to locate the site on which the new postal facility is to be built.

Mr. Speaker, it is fitting that we honor the many contributions of Vernon Tarlton by naming the post office after him in Forest City, North Carolina, for him.

Mr. Speaker, I urge all Members to support this important legislation.

Mr. Speaker, I reserve the balance of my time.

Mrs. JO ANN DAVIS of Illinois. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, I am pleased to join with my colleague, the gentlewoman from Virginia (Mrs. JO ANN DAVIS), in the House consideration of H.R. 3072, which names the post office in Forest City, North Carolina, after Mr. Vernon Tarlton. This measure was introduced by the gentleman from North Carolina (Mr. TAYLOR) on October 9, 2001. H.R. 3072 has met the committee policy and is supported and cosponsored by the entire North Carolina delegation.

Mr. Tarlton is a lifelong member of the Forest City community. He has spent his time working for the betterment of his neighborhood and of the great State of North Carolina. He is a man of great faith and serves his Presbyterian church as both an elder and trustee. Last year, he was named the 2000 Citizen of the Year by the Kiwanis Club and is a recipient of the North Carolina Governors Award for Outstanding Volunteer.

Mr. Speaker, this is a man who truly cares about his community. So much so, that he has worked tirelessly on the bringing in of a new postal facility to the city. Mr. Tarlton’s efforts have not been in vain. Passage of H.R. 3072 means that the new facility will be named after Mr. Tarlton. I cannot think of a better honor for one who has worked so diligently on behalf of his neighbors, friends, and other residents of his community.

I would urge passage of this postal-naming bill.

Mr. Speaker, I yield back the balance of my time.

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3072, and I commend the distinguished gentleman from North Carolina (Mr. TAYLOR) for introducing this bill. This measure designates the facility of the United States Postal Service located at 125 Main Street in Forest City, North Carolina, as the Vernon Tarlton Post Office Building. H.R. 3072 is supported by all members of the North Carolina delegation.

Mr. Speaker, in all corners of our great Nation, we find many citizens who give so much to their communities. It is true of my own district and of each and every Member of Congress. Vernon Tarlton is one of these individuals.

A lifelong champion of Forest City in Rutherford County, North Carolina, Vernon Tarlton’s list of accomplishments is long, varied, and distinguished. He served on the Forest City Board of Commissioners and was named one of the Outstanding City Councilmen in North Carolina.

He has received several awards to honor his community service. He was named the Rutherford County Volunteer of the Year in 2000, he was honored by the Kiwanis Club as its Citizen of the Year. Furthermore, Vernon Tarlton received the North Carolina Governors Award for Outstanding Volunteer. Mr. Tarlton continues to take an active part in the Presbyterian church, serving as an elder and a trustee.

Finally, although in poor health, Vernon Tarlton worked tirelessly with property owners and postal officials to locate the site on which the new postal facility is to be built.

Mr. Speaker, it is fitting that we honor the many contributions of Vernon Tarlton by naming the post office after him in Forest City, North Carolina, for him.

Mr. Speaker, I urge all Members to support this important legislation.

Mr. Speaker, I reserve the balance of my time.

Mrs. JO ANN DAVIS of Illinois. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, I am pleased to join with my colleague, the gentlewoman from Virginia (Mrs. JO ANN DAVIS), in the House consideration of H.R. 3072, which names the post office in Forest City, North Carolina, after Mr. Vernon Tarlton. This measure was introduced by the gentleman from North Carolina (Mr. TAYLOR) on October 9, 2001. H.R. 3072 has met the committee policy and is supported and cosponsored by the entire North Carolina delegation.

Mr. Tarlton is a lifelong member of the Forest City community. He has spent his time working for the betterment of his neighborhood and of the great State of North Carolina. He is a man of great faith and serves his Presbyterian church as both an elder and trustee. Last year, he was named the 2000 Citizen of the Year by the Kiwanis Club and is a recipient of the North Carolina Governors Award for Outstanding Volunteer.

Mr. Speaker, this is a man who truly cares about his community. So much so, that he has worked tirelessly on the bringing in of a new postal facility to the city. Mr. Tarlton’s efforts have not been in vain. Passage of H.R. 3072 means that the new facility will be named after Mr. Tarlton. I cannot think of a better honor for one who has worked so diligently on behalf of his neighbors, friends, and other residents of his community.

I would urge passage of this postal-naming bill.

Mr. Speaker, I yield back the balance of my time.

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3379 introduced, by my distinguished colleague, the gentleman from New York (Mr. ISRAEL), is an important piece of legislation that designates the facility of the United States Postal Service located at 375 Carlls Path in Deer Park, New York, as the Raymond M. Downey Post Office Building. It carries the support of the entire New York congressional delegation.

Mr. Speaker, we lost many heroes in New York on September 11, but the loss of Chief Downey was an especially difficult one. A New York firefighter for 35 years, Raymond Downey’s long and distinguished career is worth noting. He served with ladder and engine companies and with rescue squad companies.

He commanded Rescue Company 2 for 14 years. Chief Downey became a battalion chief in August 1994. Most recently, Chief Downey led the Special Operations Command, whose duties include rescue work, marine operations and the handling of dangerous materials.

He was one of the Nation’s leading experts on rescue operations at destroyed buildings.

Furthermore, Raymond Downey led a New York Fire Department special unit to assist in recovery efforts at the
Ray Downey gave his life side-by-side hundreds of New York rescue workers, thousands of New Yorkers. Almost everyone in my district knows someone who did not make it out of the World Trade Center that day. We are all profoundly grateful that we made it out and not others. It is a question different people with different faiths will answer in different ways, but in the case of Chief Downey, we know why: It was because while everyone was running away from danger, Ray Downey was rushing towards danger. He had been going in that direction for 39 years as firefighter.

While everyone was running down the stairs of the Towers, Ray Downey was going into those buildings, going up the stairs, an act of heroism that allowed thousands of innocent men and women to return home to their families that night. He was an inspiration to all who saw him that morning. He made all of us in this hall be in awe of what will be known throughout history. In the words of Reverend Billy Graham, "courage is contagious. When a brave man takes a stand, the spine of others is stiffened."

On September 11, Ray Downey took a noble stand. There were over 300 firefighters who lost their lives running up the stairs, running into the very face of danger on September 11. I have been to countless memorials where almost 100 people in my district who have been lost. This weekend, I went to Ray Downey's. The turnout was immense, huge, commensurate to his standing in his community and his country. He was a man of strength to his fellow firefighters, to the people of New York, and his community of Deer Park. We have come to know a lot of heroes in New York since September. Even among heroes, Ray Downey was something special, truly extraordinary. His colleagues knew that. They called him God. He was not God. He was not immortal. And the risks he took running into a dangerous building were just as great as they were for anyone else. To save others, that is what made him a hero.

When Ray Downey and his 300 men raced up the staircases of the World Trade Center, they surely knew what the likely outcome would be. Yet they chose others' lives over their own. They chose professionalism over self-interest. They looked directly into the face of death and made us all brave. They were frightened in those last moments, of course, but they kept moving up to death, guiding people down to life. In the words of the poet, "courage is not the absence of fear, it is the conquest of it."

Ray Downey. We will not see his likes again in our lifetime, and that is why the naming of the Deer Park Post Office as the Raymond Downey Post Office is so appropriate a tribute.

Mr. Speaker, I reserve the balance of my time.

Mr. KING. Mr. Speaker, I thank the gentlewoman for yielding me this time, and I am proud to join with my colleague, the gentleman from New York (Mr. ISRAEL) this afternoon.

Ray Downey was a legend in the New York City Fire Department. He and I grew up in the same department in Queens. He is a man who dedicated his life to saving other lives. And as the gentleman from New York (Mr. ISRAEL) said, when 25,000 people were coming down the stairs, Ray Downey, at the age of 63, when he could have been sitting behind a desk, was going into a building to rescue thousands of people, and he certainly deserves whatever accolades we can give him. But more important than that, he has the accolades of all those who knew and loved him.

Mr. ISRAEL. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, at Raymond Downey's memorial service, his daughter Kathy recited a poem I would like to share. It is entitled Our Angel.

"On that dreadful day we huddled in pain, hearts joined in sorrow, pain difficult to bear. Our angels climbed up, as they helped others down. The Towers may have fallen, but our bravest never touched the ground. They kept soaring up to that heavenly cloud, shining strength down on us, we are grateful and proud. So please say a prayer as a tribute to those whose love never faltered and eternally grows."

Mr. Speaker, I yield back the balance of my time.

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I yield myself the balance of my time. I commend the distinguished gentleman from New York (Mr. ISRAEL) for introducing this legislation and working so hard to ensure its passage.

I again urge all Members to support this important resolution and to reflect upon this great American, Raymond Downey, for the tremendous devotion that he gave to all New Yorkers during his tenure with the New York Fire Department.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the prior announcement of the Chair, the question is on the motion offered by the gentlewoman from Virginia (Mrs. JO ANN DAVIS) that the House suspend the rules and pass the bill, H.R. 3379. The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. ISRAEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

WATER INFRASTRUCTURE SECURITY AND RESEARCH DEVELOPMENT ACT

Mr. BOEHLERT. Mr. Speaker, I move to suspend the rules and pass the bill
(H.R. 3178) to authorize the Environmental Protection Agency to provide funding to support research, development, and demonstration projects for the security of water infrastructure, as amended.

The Clerk read as follows:

H.R. 3178

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE. This Act may be cited as the “Water Infrastructure Security and Research Development Act”.

SEC. 2. DEFINITIONS. For purposes of this Act—

(1) the term “Administrator” means the Administrator of the Environmental Protection Agency;

(2) the term “research organization” means a public or private institution or entity, including a national laboratory, State or local agency, university, or association of water management professionals, or a consortium of such institutions or entities, that has the expertise to conduct research to improve the security of water supply systems; and

(3) the term “water supply system” means a public water system, as defined in section 1411(4) of the Safe Drinking Water Act (42 U.S.C. 300f(4)), and a treatment works, as defined in section 212 of the Federal Water Pollution Control Act (33 U.S.C. 1292), that is publicly owned or principally treating municipal water or domestic sewage.

SEC. 3. WATER SUPPLY SYSTEM SECURITY RESEARCH ASSISTANCE.

(a) In General.—The Administrator, in consultation and coordination with other relevant Federal agencies, shall establish a program of research and development activities to achieve short-term and long-term improvements to technologies and related processes for the security of water supply systems. In carrying out the program, the Administrator shall make grants to or enter into cooperative agreements, interagency agreements, or contracts with research organizations.

(b) Projects.—Awards provided under this section shall be used by a research organization to—

(1) conduct research related to or develop vulnerability assessment technologies and related processes for water supply systems to assess physical vulnerabilities (including biological, chemical, and radiological contamination) and information systems vulnerabilities;

(2) conduct research related to or develop technologies and related processes for protecting the physical assets and information systems of water supply systems from threats;

(3) develop programs for appropriately disseminating results of research and development activities to the public to increase awareness of the nature and extent of threats to water supply systems, and to managers of water supply systems to increase the use of technologies and related processes for responding to those threats;

(4) develop scientific protocols for physical and information systems security at water supply systems;

(5) conduct research related to or develop real-time monitoring systems to protect against chemical, biological, and radiological attacks;

(6) conduct research related to or develop technologies and related processes for mitigation and recovery from biological, chemical, and radiological contamination of water supply systems; or

(7) carry out other research and development activities the Administrator considers appropriate to improve the security of water supply systems.

(c) GUIDELINES, PROCEDURES, AND CRITERIA.—

(1) REQUIREMENT.—The Administrator shall, in consultation with representatives of relevant Federal agencies, water supply systems, and other appropriate public and private entities, develop and issue guidelines, procedures, and criteria for awarding funds under this section.

(2) REPORT TO CONGRESS.—Not later than 90 days before publication under paragraph (1), the Administrator shall transmit to Congress the guidelines, procedures, and criteria proposed to be published under paragraph (1).

(3) DIVERSITY OF AWARDS.—The Administrator shall ensure that, to the maximum extent practicable, awards under this section are made for a wide variety of projects described in subsection (b) to meet the needs of water supply systems of various sizes and are provided to geographically, socially, and economically diverse recipients.

(4) SECURITY.—The Administrator shall include as a condition for receiving an award under this section requirements to ensure that the recipient has in place appropriate security measures regarding the entities and individuals who carry out research and development activities under the award.

(5) DISSEMINATION.—The Administrator shall include as a condition for receiving an award under this section requirements to ensure the appropriate dissemination of the results of activities carried out under the award.

SEC. 4. EFFECT ON OTHER AUTHORIZED. Nothing in this Act limits or preempts authorities of the Administrator under other provisions of law (including the Safe Drinking Water Act and the Federal Water Pollution Control Act) to enter into interagency agreements, cooperative agreements, or contracts for the types of projects and activities described in this Act.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

(a) In General.—There are authorized to be appropriated to the Administrator to carry out this Act $12,000,000 for each of the fiscal years 2002, 2003, 2004, 2005, and 2006.

(b) Availability.—Awards provided under subsection (a) shall remain available until expended.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. BOEHLERT) and the gentleman from New York (Mr. BAIRD) will each control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. BOEHLERT).

Mr. BOEHLERT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material in the RECORD on H.R. 3178.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOEHLERT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3178, the Water Infrastructure Security and Research Development Act, or WISARD, as we call it, authorizes the Environmental Protection Agency to provide assistance for research and development of antiterrorism tools for water infrastructure protection. The Committee on Science has worked hard to bring forth to this House a bipartisan broadly supported bill that responds to the growing threats facing our country's drinking water and wastewater systems.

Mr. Speaker, fences, guards dogs, and backed water are not a sustainable approach to water infrastructure security. That is why my colleagues and I, with the help and support of water management agencies, State and local financial engineers, and experts in the scientific community introduced and advanced the legislation before us today. H.R. 3178 is an important first step in ensuring that we have the research and development our country needs to combat biological, chemical, physical, and cyberterrorist threats today, tomorrow, and into the future. It focuses on not just short-term research needs, but also intermediate and, importantly, long-term needs.

Just as it took the greatest scientific minds and technological advances to win World War II and the Cold War, the success of America's new war will be measured not only on the battlefield, but also in the laboratory. H.R. 3178 will be the first step down that path.

The WISARD bill will help us identify and assess vulnerabilities, enhance our prevention and response measures, and ensure long-term security.

The testimony we received from experts in national security, water management, and scientific research confirmed the compelling need for this bill. While there are certain immediate actions we can take to increase the security of our water supplies, we cannot lose sight of the longer-term questions and opportunities involving technologies. H.R. 3178 responds with a focused research and development program to help answer the necessary questions and develop the technological solutions we need to work with EPA's public and private partners.

Mr. Speaker, this bill is just one example of the Committee on Science's efforts regarding terrorism since September 11, 2001. We have held hearings and moved bills relating to cyberterrorism and information technology. We have had detailed hearings on bioterrorism, exploring issues of anthrax decontamination, how clean is clean and how coordinated is coordinated in terms of the Federal response. We have also looked at cybersecurity issues and the interdependence of water systems and other critical infrastructures, such as telecommunications, energy and transportation. H.R. 3178 builds upon this record.

I should also explain that the text of this bill is essentially the text of H.R. 3178 as approved by the Committee on Science on November 15, 2001. We made additional clarifications and revisions after consultation with committees expressing a jurisdictional interest in the bill.

Finally, Mr. Speaker, I want to particularly thank the gentleman from
Washington (Mr. BAIRD) for his leadership, and the 46 other cosponsors who have helped shape and advance this legislation. My colleagues on the Committee on Science, including the ranking minority member the gentleman from Texas (Mr. HALL), and the chairmen and ranking minority members of the Subcommittee on Environment, Technology, the gentleman from Michigan (Mr. EHlers) and the gentleman from Michigan (Mr. BARTCA) respectively, approved H.R. 3178 unanimously.

I also want to thank the chairman of the Committee on Transportation and Infrastructure, the gentleman from Alaska (Mr. YOUNG); chairman of the Committee on Energy and Commerce, the gentleman from Utah (Mr. HANSEN); and the chairman of the Committee on Resources, the gentleman from Utah (Mr. HANSEN), for their suggestions and cooperation in clarifying some of the bill’s provisions.

Mr. Speaker, at this point, I enter into the RECORD background materials on H.R. 3178, including the exchange of correspondence between the Committee on Science and the Committee on Energy and Commerce, and the Committee on Transportation and Infrastructure.

PURPOSE OF THE BILL

The purpose of H.R. 3178 is to authorize the Environmental Protection Agency (EPA) to provide assistance for research and development of water-related technologies to strengthen the security of water infrastructure systems.

BACKGROUND AND NEED FOR THE LEGISLATION

Federal, state and local governments have spent tens of billions of dollars to build the nation’s drinking water and wastewater treatment infrastructure. In the coming decades, tens of billions more will be required to maintain that infrastructure and meet the needs of a growing population. What has become clear in recent years and, even more so after the September 11, 2001 attacks, is that while our infrastructure provides safe and plentiful water to more than 250 million Americans, the system was not built with security from terrorism in mind.

How do we respond successfully to this new and daunting challenge? Success will depend on, among other things, focused and sustained research to: (1) Assess potential physical, chemical and cyber vulnerabilities of the system, (2) develop techniques for real-time monitoring to detect threats, (3) conduct research on mitigation, and (4) develop methods to (5) develop mechanisms for widely disseminating and sharing information. H.R. 3178 directly addresses these needs by specifically authorizing water system infrastructure research and development projects and by authorizing funding to carry out this important work.

WATER INFRASTRUCTURE

Approximately 170,000 “public water systems” provide water for more than 250 million people in the United States. The Safe Drinking Water Act defines public water systems as “a system for the provision to the public of water for human consumption through pipes or other constructed conveyance, if such system has at least 15 service connections or regularly serves at least 25 individuals . . . and includes collection, treatment, storage, and distribution facilities used primarily in connection with the system.” Environmental Protection Agency (EPA) regulations recognize two primary types of such systems: (1) “Community Water Systems” that serve more than 15 people year-round; and (2) “non-community water systems,” which serve people on a less than year round basis at such places as schools, factories or gas stations.

There are approximately 16,000 municipal sewage treatment works, servicing 73 percent of the U.S. population, and 50,000 industrial facilities, serving an additional 27 percent of the population. The Federal government estimates that the nation’s sewage treatment works, servicing 73 percent of the U.S. population, and 50,000 industrial facilities, serving an additional 27 percent of the population, are responsible for the discharge of more than 14 billion gallons of treated wastewater per day into waterways across the United States.

There has been increasing, though still limited, attention to infrastructure security in recent years. In response to a 1995 Congressional directive, President Clinton established a Commission on Critical Infrastructure Protection, which issued an October 1997 report, “Critical Foundations, Protecting America’s Infrastructures.” The report addressed various infrastructure sectors and recommended greater cooperation and communication between government and the private sector.

In June 2001, the Department of Energy issued President Decision Document 63 (PDD-63), which included the goal of protecting the nation’s critical infrastructure from intentional attacks by 2003. Plans by key federal agencies to meet this goal were to be in place by late 1998. The report identified water supply as one of eight critical infrastructure systems requiring attention, specifically focusing on the 330 largest community water systems that each serve 10,000 or more persons. EPA was designated as the lead federal agency for interacting with the water supply sector.

EPA responded in late 1998 with a “Plan to Develop the National Assessors Plan: Water Supply Sector” to address infrastructure security. In June 2001, EPA’s Inspector General issued a report that critiqued EPA with accepting only low priority projects on its threat list and stated: “EPA continues to be criticized the agency for focusing on important many important milestones it had set for developing critical infrastructure protection strategies and the recommendations for the September 11 attacks, the pace of EPA’s efforts has accelerated.

To date, EPA has entered into a partnership with the Association of Metropolitan Water Agencies (AMWA) and the American Waters Works Association (AWWA) to reduce the vulnerability of water systems. AMWA’s Research Foundation has contracted with the Department of Energy’s Sandia National Laboratories to develop vulnerability assessment tools for water systems. EPA has also entered into a partnership with Cities Green Lightning (GY 01) for projects with Sandia to pilot test physical vulnerability assessment tools and develop a cyber vulnerability assessment tool. Additional efforts include (security technologies and developing real-time monitoring technologies) on a variety of important security related issues have yet to be completed.

DD-63 also called for the Federal Bureau of Investigation (FBI) to establish a National Infrastructure Protection Center to provide information sharing and analysis and to coordinate with and encourage private sector entities to establish Information Sharing and Analysis Centers (ISACs). AMWA volunteered to be the Water ISAC coordinator. The purpose of the Water ISAC is to provide to water managers early warnings and alerts about threats to the integrity and operation of water supply and wastewater systems.

While various federal agencies are conducting research on water-related security issues, the January 2001 report of the President’s Critical Infrastructure Protection characterized ongoing water sector research efforts as relatively small with a number of gaps and shortfalls. Four major areas for further research are identified: (1) Threat/vulnerability risk assessments; (2) identification and characterization of biological and chemical agents; (3) establishment of secure and reliable information sharing with communities in conducting vulnerability and risk assessments; and (4) application of information assurance techniques to computerized systems used by water utilities.

Various drinking water system managers and researchers have identified priority areas for research, including: (1) Assessment of vulnerabilities and the disruption of flow through contamination by chemical, biological, or radiological agents; (2) cyber vulnerabilities including process control equipment; (3) use of information technologies to protect physical assets and information and process control systems; training, education, and awareness programs; information sharing and analysis; real-time monitoring and detection systems; and response and recovery plans.
Together, the various studies, plans and recommendations highlight significant gaps in research and development projects and shortfalls for such related activities. More importantly, they provide a roadmap for actions in the short, medium and long term. H.R. 3178 directly addressed by providing a broad framework for water system infrastructure research and development projects and by authorizing funding to meet such needs.

SUMMARY

The Committee held a hearing on “H.R. 3178 and Developing Anti-Terrorism Tools for Water Infrastructure” on November 14, 2001. Four witnesses presented testimony: Mr. James Kallstrom, Director of the Office of Public Security, and a former official with the Federal Bureau of Investigation, described some of his experiences with terrorism and the importance of water infrastructure security. He testified on New York State’s strong support for H.R. 3178 and reinforced the importance of building the technological prowess needed to anticipate, prevent, and respond to terrorist attacks.

Mr. Richard Lathy, Professor of Civil Engineering, Stanford University and Chair, Water Infrastructure Technical Committee, National Research Council, provided an overview of vulnerabilities facing water systems and areas for further research and development. He highlighted the need to test small communities with historical records of contamination, stressing that dams, aqueducts and pumping stations are especially vulnerable to attack, including cyber attacks. He emphasized that while the Water Infrastructure Technical Committee has proposed strategies to improve physical security of water systems from chemical or biological contamination, there are also important psychological and economic consequences from perceived or minor contamination. He recommended that steps be taken to enable early detection of threats or contamination, and to explore opportunities for inter-connectedness or redundancies in and among water systems to address a falling in one part of the system.

Mr. Jeffrey Danneels, Department Manager, Security Systems and Technology Center at Sandia National Laboratories, also provided an overview of water system vulnerabilities and described current and proposed technologies to improve the security of water systems. He highlighted that a key development is the rapid response to water system vulnerabilities, with interagency agreements including grants, cooperative agreements, cooperative research and development projects and contracts. The Committee’s draft requirements include: a requirement for vulnerability assessment efforts; a requirement for information sharing; a requirement for research and development activities; and a requirement that EPA consult with other agencies when proposing federal policies, research and development projects and activities.

The Committee favorably reported the bill on November 14, 2001, the Science Committee held a hearing on the bill.

On November 15, 2001, the Science Committee considered the bill. Chairman Boehlert offered an en bloc amendment, which was adopted by voice vote. The amendment made the following changes: (1) Clarified that eligible research organizations include states, territories, and other entities that have expertise to conduct water security research; (2) broadened the definition of water supply systems to include source waters such as streams and aqueducts and other facilities to convey water from the source; (3) clarified that funding arrangements include grants, cooperative agreements, interagency agreements, and contracts; (4) clarified that vulnerability assessment efforts included research, development, and demonstration; (5) specified and clarified that the extent practicable, research projects should meet the needs of water systems of various sizes and that award recipients should be geographically, socially, and economically diverse; (6) clarified that dissemination of information and the results of research under the Act are to be on an appropriate basis, considering the sensitive nature or potentially sensitive nature of such information and research results; and (7) added a savings clause that nothing in the Act limits or preempts EPA authorities of the Administrator under other provisions of law including the Safe Drinking Water Act and the Federal Water Pollution Control Act) to award grants or to enter into interagency agreements, cooperative research and development projects and contracts for the types of projects and activities described in the Act.

SECTION 4

“Effect on Other Authorities”—provides that nothing in the Act limits or preempts authorities of the Administrator under other provisions of law including the Safe Drinking Water Act and the Federal Water Pollution Control Act) to award grants or to enter into interagency agreements, cooperative research and development projects and contracts for the types of projects and activities described in the Act.

SECTION 5

“Authorization of Appropriations”—authorizes $12 million for each of fiscal years 2002 through 2006 for EPA to carry out the Act and requires that such funds remain available until expended.

ADDITIONAL COMMENTS

The Committee encourages the Administrator to make full use of scientific peer review procedures, the Science Advisory Board, and other appropriate entities, to help ensure the wisest, most cost-effective and appropriate use of federal and non-federal funds. The Committee also recommends that EPA be required to establish procedures for the timely and complete review and consideration of all applications submitted for funding under the Act.
research projects, as described in subsection (b)(4), relating to the development of scientific protocols. The purpose of subsection (b)(4) is to foster the development of scientific protocols for security-related technologies; nothing in the paragraph should be construed to affect or relate to EPA’s regulatory programs. Awards under subsection (b)(7) include the provision of financial and technical assistance for dissemination of research results.

The Committee directs the Administrator to ensure an appropriate balance among short-, medium-, and long-term research and development activities. Throughout the Committee’s deliberations on H.R. 3178, Witnesses and Members consistently emphasized the importance of looking at more than just immediate-term needs. Therefore, the legislation emphasizes and lays the foundation for a longer-term, focused program of research that can provide answers to the most basic questions in water security.

The Administrator should ensure that awards are made for a wide variety of projects to meet the needs of large, medium, and small water supply systems. Awards should also be provided to recipients from different geographic areas and with different social, ethnic, and cultural backgrounds. For example, where appropriate, the Administrator should consider research organizations that are headquartered at colleges and universities, institutions that serve Hispanic and other minority populations, and institutions that serve rural communities.

Water supply systems vary widely in the differing regions of the United States in how they obtain, store and deliver water. In testimony before the Committee on November 14, 2001, Dr. Richard Lathy highlighted how unique water resources and facilities (such as impoundments or dams, aqueducts, rivers, groundwater, etc.) require different protocols to protect them. It is the intent of the Committee that funds provided in this bill should be made available to researchers familiar with the challenges posed by the unique circumstances of differing regions. EPA should give serious consideration providing funds under this Act to the numerous science and research centers of excellence for water research.

The Committee believes that dissemination of research results and related information to affected others and other communities, including the public, should be only on an “as appropriate” basis. EPA should determine the appropriateness of such dissemination, in consultation with the FBI and other agencies with expertise in national security matters. The Committee recognizes there is a difficult, but important, balance between distributing information concerning the regulation, design, implementation of water management infrastructure changes to the public, and withholding sensitive or classified information to ensure an appropriate balance among short-, medium-, and long-term research and development activities concerning the regulation, design, implementation of water management infrastructure changes to the public, and withholding sensitive or classified information, in close consultation with the FBI and other agencies with expertise in national security matters. The Committee on Energy and Commerce jurisdiction over public health and quarantine. Under this authority, the Committee on Energy and Commerce has jurisdiction over the Safe Drinking Water Act (SDWA) and the construction, operation, and maintenance of “public water systems”, as defined in the Act.

H.R. 3178 would authorize the appropriation of $60 million over the 2002–2006 period for the Environmental Protection Agency (EPA) to provide new grants to research organizations and other agencies, such as universities and businesses, to undertake activities aimed at improving the protection and security of water supply systems, such as protection from biological and chemical contaminants.

H.R. 3178 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, and tribal governments. The bill would benefit state and local governments by establishing a grant program for research institutions to develop innovative technologies capable of reducing reliance upon the centralized purification of water away from the place of consumption. The Committee directs the Administrator to ensure that significant amounts of alternative materials, processes, and technologies for reducing the quality of toxic or hazardous materials maintained on site at facilities for use in the treatment of water and wastewater.

H.R. 3178—The Water Infrastructure Security and Research Development Act (WISARD)

Supporters Include the Following: American Council of Engineering Companies; American Society of Civil Engineers; American Water Works Association; Canadian Water and Wastewater Research Foundation; Association of California Water Agencies; Association of Metropolitan Sewage Agencies; Association of Metropolitan Water Districts of California; National Association of Water Companies; National Society of Professional Engineers; and the Water Environment Federation, State of New York.


Hon. SHERWOOD L. BOEHLELT, Chairman, Committee on Science, House of Representatives, Washington, DC.

DEAR MR. CONGRESSMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3178, the Water Infrastructure Security and Research Development Act. If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Susanne S. Mehlman (for federal costs), who can be reached at 226–2960, and Elysse Goldman (for the state and local impact), who can be reached at 225–3220.

Sincerely,

STEVEN M. LIEBERMAN
(Ford D. Crippen, Director).

ENCLOSURE


H.R. 3178: WATER INFRASTRUCTURE SECURITY AND RESEARCH DEVELOPMENT ACT

As ordered reported by the House Committee on Science on November 15, 2001.

H.R. 3178 would authorize the appropriation of $60 million over the 2002–2006 period for the Environmental Protection Agency (EPA) to provide new grants to research organizations and other agencies, such as universities and businesses, to undertake activities aimed at improving the protection and security of water supply systems, such as protection from biological and chemical contaminants. As ordered reported, H.R. 3178 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

H.R. 3178 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, and tribal governments. The bill would impose no costs on state, local, and tribal governments. The bill would benefit state and local governments by establishing a grant program for research institutions to develop innovative technologies capable of reducing reliance upon the centralized purification of water away from the place of consumption. The Committee directs the Administrator to ensure that significant amounts of alternative materials, processes, and technologies for reducing the quality of toxic or hazardous materials maintained on site at facilities for use in the treatment of water and wastewater.

H.R. 3178 would increase spending subject to appropriation of $60 million over the 2002–2006 period.

DEAR CHAIRMAN BOEHLELT: I am writing with regard to H.R. 3178, the Water Infrastructure Security and Research Development Act.

As you know, Rule X of the Rules of the House does not authorize the Committee on Energy and Commerce to evaluate intergovernmental or private-sector mandates unless they relate to an existing statutory mandate under the Energy and Commerce Committee. As ordered reported, H.R. 3178 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, and tribal governments. The Committee on Energy and Commerce Committee does not have jurisdiction over the Energy and Commerce Committee. The Committee on Energy and Commerce does not have jurisdiction over the Energy and Commerce Committee.

Any costs associated with the grant program would be considered a condition of aid.

Previous CBO Estimate

On November 16, 2001, CBO transmitted a cost estimate for S. 1593, the Water Infrastructure Security and Research Development Act, as ordered reported by the Senate Committee on Environment and Public Works on November 8, 2001. The bills are similar but our cost estimate of S. 1593 reflects additional spending provisions in that bill.


Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.


Hon. SHERWOOD L. BOEHLELT, Chairman, Committee on Science, Rayburn House Office Building, Washington, DC.

DEAR CHAIRMAN BOEHLELT: I am writing with regard to the bill, H.R. 3178 as ordered reported that may lessen, change, or waive its jurisdiction on the basis of the House-Senate conference that may be convened on this or similar legislation. I ask for your
commitment to support any request by the Energy and Commerce Committee for conferences on H.R. 3178 or similar legislation. I request that you include this letter as part of the House floor consideration of the legislation on the House floor. Thank you for your attention to these matters.

Sincerely,

W.J. "Billy" Tauzin,
Chairman.


Hon. W.J. "Billy" Tauzin,
Chairman, Committee on Commerce, Rayburn House Office Building, Washington, DC.

Dear Chairman Tauzin: Thank you for your letter of December 14, 2001, regarding the Commerce Committee’s jurisdictional interest in H.R. 3178, the “Water Infrastructure Security and Research Development Act,” with amendments.

The Science Committee appreciates you not seeking a referral of H.R. 3178 and appreciates your cooperation in moving the bill to the House floor expeditiously. I concur that your decision to forego action on the bill will not prejudice the Commerce Committee with respect to its jurisdictional prerogatives on H.R. 3178 or related legislation. Additionally, I recognize your right to request conferences on H.R. 3178 or similar legislation for those provisions that fall within the purview of the Committee on Energy and Commerce. I will include a copy of your letter and this response in the Congressional Record when the House considers the legislation.

Once again, thank you for your cooperation in this matter.

Sincerely,

Sherwood L. Boehlert,
Chairman.

House of Representatives, Committee on Transportation and Infrastructure, Washington, DC, December 17, 2001.

Hon. Sherwood L. Boehlert,
Chairman, Committee on Science, Rayburn House Office Building, Washington, DC.

Dear Mr. Chairman: Thank you for the opportunity to respond on behalf of the Committee on Transportation and Infrastructure before the filing of the report by the Committee on Science.

The Committee on Transportation and Infrastructure has a valid claim to jurisdiction over H.R. 3178, both as introduced and as amended, because the legislation authorizes the Administrator of the Environmental Protection Agency (EPA) to award grants for the development of technologies, processes, protocols, and monitoring systems for the security for treatment works, as defined in section 212 of the Federal Water Pollution Control Act. Security measures are component of operation and maintenance. The Committee on Transportation and Infrastructure has jurisdiction over the operation and maintenance, as well as construction, of treatment works. Accordingly, the Committee on Transportation and Infrastructure has jurisdiction over EPA grants awarded to develop security measures for treatment works. As you know, this topic was addressed on October 29, 2001, in a hearing held by the Water Resources and Environment Subcommittee on “Terrorism, Are America’s Water Resources and Environment at Risk?”

The Committee on Transportation and Infrastructure recognizes the importance of this legislation. In view of your desire to move this legislation in an expeditious fashion, I do not intend to seek a sequential referral of H.R. 3178. However, this should in no way be viewed as a waiver of jurisdiction and the Transportation on Transportation and Infrastructure reserves the right to seek conferences in the event that this legislation is considered in the House floor conference. I look forward to working with you on this bill.

Sincerely,

Don Young,
Chairman.

House of Representatives, Committee on Transportation and Infrastructure, Washington, DC, December 17, 2001.

Hon. Don Young,
Chairman, Committee on Transportation and Infrastructure, House of Representatives, Washington, DC.

Dear Chairman Young: Thank you for your letter of December 17, 2001, regarding the Transportation and Infrastructure Committee’s jurisdictional interest in H.R. 3178, the “Water Infrastructure Security and Research Development Act,” with amendments.

The House Committee appreciates you not seeking a referral of H.R. 3178 and your cooperation in moving the bill to the House floor expeditiously. I concur that your decision to forego action on the bill will not prejudice the Committee on Transportation and Infrastructure with respect to its jurisdictional prerogatives on H.R. 3178 or similar or related legislation. Additionally, I recognize your right to request conferences on H.R. 3178 or similar or related legislation for those provisions that fall within the purview of the Committee on Transportation and Infrastructure. I will include a copy of your letter and this response in the Congressional Record when the House considers the legislation.

Once again, thank you for your cooperation in this matter.

Sincerely,

Sherwood L. Boehlert,
Chairman.

Mr. Speaker, I reserve the balance of my time.

Mr. BAIRD. Mr. Speaker, I yield myself such time as I may consume.

I want to begin by complimenting the gentleman from New York (Mr. Boehlert). He has shown his commitment to our Nation’s security and to a bipartisan manner of governing this construction, of treatment works. Accordingly, the Committee on Transportation and Infrastructure recognizes the importance of this legislation. In view of your desire to move this legislation in an expeditious fashion, I do not intend to seek a sequential referral of H.R. 3178. However, this should in no way be viewed as a waiver of jurisdiction and the Transportation on Transportation and Infrastructure reserves the right to seek conferences in the event that this legislation is considered in the House floor conference. I look forward to working with you on this bill.

Sincerely,

Don Young,
Chairman.

House of Representatives, Committee on Transportation and Infrastructure, Washington, DC, December 17, 2001.

Hon. Don Young,
Chairman, Committee on Transportation and Infrastructure, House of Representatives, Washington, DC.

Dear Chairman Young: Thank you for your letter of December 17, 2001, regarding the Transportation and Infrastructure Committee’s jurisdictional interest in H.R. 3178, the “Water Infrastructure Security and Research Development Act,” with amendments.

The House Committee appreciates you not seeking a referral of H.R. 3178 and your cooperation in moving the bill to the House floor expeditiously. I concur that your decision to forego action on the bill will not prejudice the Committee on Transportation and Infrastructure with respect to its jurisdictional prerogatives on H.R. 3178 or similar or related legislation. Additionally, I recognize your right to request conferences on H.R. 3178 or similar or related legislation for those provisions that fall within the purview of the Committee on Transportation and Infrastructure. I will include a copy of your letter and this response in the Congressional Record when the House considers the legislation.

Once again, thank you for your cooperation in this matter.

Sincerely,

Sherwood L. Boehlert,
Chairman.

Mr. Speaker, I reserve the balance of my time.

Mr. BAIRD. Mr. Speaker, I yield myself such time as I may consume.

I want to begin by complimenting the gentleman from New York (Mr. Boehlert). He has shown his commitment to our Nation’s security and to a bipartisan manner of governing this legislation. In the coming decades, tens of billions more will be required to maintain that infrastructure and meet the needs of a growing population. What has become clear after the September 11, 2001, attacks, is that the nation’s water infrastructure system was not built with security in mind. Physical threats to water infrastructure systems include chemical, biological, and radiological contaminants and disruption of flow through explosions or other deleterious actions.

The Water Infrastructure Security and Research Development Act directly addresses the need to protect our nation’s water supply systems. The legislation authorizes $12 million per year for the Environmental Protection Agency (EPA) from fiscal year 2002 through 2007. The money would be used to provide grants to public and private non-profit entities to conduct research, development and demonstration projects. Projects could include efforts to prevent, detect or respond to physical disruptions and arsenic standards.
several years. Sandia-developed technologies could make it possible to have real-time moni-
toring of water systems for chemical or biologi-
cal contaminants within 3 to 5 years. We need to step up the pace and use the work devel-
oped in New Mexico to protect the 170,000 "public water systems" across the country.

Mr. FORBES. Mr. Speaker, as a member of the House Science Committee and an original co-
sponsor of this bill, I rise in strong support of H.R. 3178, the Water Infrastructure Secu-
ritv and Research Development Act.

In Congress, as the Anthrax scare was at its zenith, I held two town hall meetings in my dis-
trict. The first question at each one re-
vealed the serious concerns of my constitu-
tents about the safety of their water. They wanted to know if the water that they use every day to cook, to bathe, and to clean would be protected from being used to deliver chemical or biological weapons.

Each one of us relies upon the cleanliness and purity of our water supplies and upon the appropriateness of the treatment before the Senate, and since September 11th, we’ve become acutely aware that the things we take for granted could easily be threatened by terrorists who want to do us harm. Our water supplies, sim-
ply because they reach every one of us every day, take that list.

Last month, a Richmond, Virginia newspa-
paper did a security check of its own at three area drinking water plants. What they found gave great reason for concern to Richmond City residents. A reporter and photographer were able to walk right through the front gate of the City’s facility, wander around for about an hour each day for a week, and have ac-
cess to the water supply. Similar surprise in-
spections at neighboring county facilities, Mr. Speaker, were not too alarming.

The legislation we consider today will help the people of Richmond and elsewhere to en-
sure the long-term safety of our water. It pro-
vides $60 million in grants over the next five years to identify threats and respond to them. Similar inspections and techniques are under way in other districts. The Authority is particularly sensitive to the threat of electrical power outage by potential terrorist attack. For instance, the failure of electrical power for a period of even three hours would render the public water supply for the 1.2-million users in the Fairfax County Water Authority service region virtually use-
less.

The Authority is currently studying the feasibility of constructing an on-site state-of-the-art power generation complex capable of making the Authority self-
sustaining, even during periods of reduced power or blackouts.

The Authority has a long and solid record of responding to a wide variety of oper-
ating conditions in the treatment and distribu-
tion system. These actions, however, have been in response to slowly evolving external pressures or isolated component failures. To improve staff skills in thinking through its re-
sponse plan, and identifying communications, command, control and information issues dur-
ing a period of sudden attack (or perceived at-
tack) on a water system, the Authority is also developing a holistic crisis, rapid response training workshop.

Both the study and the workshop could be used as tools for water providers throughout the nation.

It is my fervent hope that when deciding water infrastructure security awards, the Ad-
ministrator of the Environmental Protection Agency will take into account the region or service area’s vulnerability or potential for forced interruption of service. Indeed, I believe that no one would disagree with the notion that the Administrator should consider a water system’s importance to national security and the operation of government.

This is especially true in my district. The Fairfax County Water Authority’s service area covers many critical federal facilities. Some of the largest of these facilities include: Ft. Belvoir U.S. Army Reservation, Ft. Belvoir Prov-


ing Grounds; Dulles International Airport; facili-
ties of the Central Intelligence Agency; U.S. Fish and Wildlife Service (Harry Diamond Lab-
oratories); Dulles Mail Distribution Center; U.S. Navy Family Housing; U.S. Coast Guard In-
formation Systems Center, training facilities, and the largest of these facilities of the General Services Ad-
ministration; Facilities of the U.S. Department of State; and, Office space and warehouses for the U.S. Securities Exchange Commission.
 Decimal 18, 2001

CONGRESSIONAL RECORD—HOUSE

H10193

It is my fervent hope that this bill will help ensure funding for the Fairfax County Water Authority next year.

Mr. BAIRD. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BOEHLERT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SIMPSON). The question is on the motion offered by the gentleman from New York (Mr. BOEHLERT) that the House suspend its rules and pass the bill, H.R. 3178, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: “A bill to authorize the Environmental Protection Agency to provide funding to support research and development projects for the security of water infrastructure.”.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed with an amendment in which the concurrence of the House is requested, a concurrent resolution of the House of the following title:


The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1) “An Act to close the achievement gap with accountability, flexibility, and choice, so that no child is left behind.”.

TRUE AMERICAN HEROES ACT

Mr. KING. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3054) to award congressional gold medals on behalf of the officers, emergency workers, and other employees of the Federal Government and any State or local government, including any interstate governmental entity, who responded to the attacks on the World Trade Center in New York City and perished in the tragic events of September 11, 2001, as amended.

The Clerk read as follows:

H.R. 3054

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. SHORT TITLE.

This Act may be cited as the “True American Heroes Act”.

SEC. 2. CONGRESSIONAL GOLD MEDALS FOR SOMELOTIONS RESPONDING TO THE ATTACKS ON THE WORLD TRADE CENTER AND PERISHING.

(a) PRESENTATION AUTHORIZED.—In recognition of the bravery and self-sacrifice of officers, emergency workers, and other employees of State and local government agencies, including the Port Authority of New York and New Jersey, and of the United States Government, in response to the tragic attacks on the World Trade Center in New York City, and perished in the tragic events of September 11, 2001, the President is authorized to present, on behalf of the Congress, a gold medal of appropriate design for each such officer, employee, or other employee to the next of kin or other representative of each such officer, employee, or employee.

(b) DESIGN AND STRIKING.—For purposes of the presentation referred to in subsection (a), the Secretary of the Treasury shall strike gold medals of appropriate design, suitable emblems, devices, and inscriptions to be determined by the Secretary to be emblematic of the valor and heroism of the men and women honored.

(c) DETERMINATION OF RECIPIENTS.—The Secretary of the Treasury shall determine the number of medals to be presented under this section and the appropriate recipients of the medals after consultation with appropriate representatives of Federal, State, and local officials and agencies and the Port Authority of New York City, the Mayor of the City of New York, the Chair of the Board of Directors of the Port Authority of New York and New Jersey.

(d) PRESENTATION CEREMONY.—The President shall consult with the Speaker of the House of Representatives, the President Pro Tempore of the Senate, the majority leader and the minority leader of the House of Representatives, and the majority leader and the minority leader of the Senate with regard to the ceremony for presenting the gold medals under subsection (a).

(e) DUPLICATE GOLD MEDALS FOR DEPARTMENTS AND AGENCIES.—(1) IN GENERAL.—The Secretary of the Treasury shall strike duplicates in gold of the gold medals struck pursuant to subsection (a) for presentation to each of the following:

(A) The Governor of the State of New York.

(B) The Mayor of the City of New York.

(C) The Commissioner of the New York Police Department, the Commissioner of the New York Fire Department, the head of the emergency management office of the City of New York, and the Chairman of the Board of Directors of the Port Authority of New York and New Jersey.

(D) Each makeshift house, fire house, emergency response station, or other duty station or place of employment to which each person referred to in subsection (a) was assigned on September 11, 2001, in such a place in a manner befitting the memory of such persons.

(f) DETERMINATION OF RECIPIENTS.—The Secretary of the Treasury shall determine the number of medals to be presented under subsection (e) and the appropriate recipients of the medals after consulting with appropriate representatives of Federal, State, and local officials and agencies and the Port Authority of New York and New Jersey.

(g) DUPLICATE MEDALS.—The Secretary of the Treasury may strike and sell duplicates in bronze of the gold medal struck pursuant to subsection (a) under such regulations as the Secretary may prescribe, at a price of $50 per medal.

(h) PROCEEDS OF SALE.—Amounts received from the sales of duplicate bronze medals under subsection (g) shall be deposited in a fund to be used to erect a memorial for the fallen emergency responders.

(i) USE OF BRONZE MINTS.—(1) USE OF BRONZE MINTS AT WEST POINT, NEW YORK.—It is the sense of the Congress that the medals authorized under this section should be designed, and presented not more than 90 days after the date of the enactment of this Act; and

(2) be struck at the United States Mint at West Point, New York, to the greatest extent possible.

SEC. 3. CONGRESSIONAL GOLD MEDALS FOR PEOPLE WHOSE AIRPLANE FLIGHT 93 WHO HELPED RESIST THE HIJACKERS AND CAUSED THE PLANE TO CRASH.

(a) CONGRESSIONAL FINDINGS.—The Congress finds as follows:

(1) On September 11, 2001, United Airlines Flight 93, piloted by Captain James Dahi, departed from Newark International Airport at 8:01 a.m. on its scheduled route to San Francisco, California, with 8 crew members and 36 passengers on board.

(2) Shortly after departure, United Airlines Flight 93 was hijacked by terrorists.

(3) At 10:03 a.m. United Airlines Flight 93 crashed near Shanksville, Pennsylvania.

(4) Evidence indicates that people aboard United Airlines Flight 93 learned that other hijacked planes had been used to attack the World Trade Center in New York City and resisted the actions of the hijackers on board.

(5) The effort to resist the hijackers aboard United Airlines Flight 93 appears to have caused the plane to crash prematurely, potentially saving hundreds or thousands of lives and preventing the destruction of the White House, the Capitol, or another important symbol of freedom and democracy.

(6) The leaders of the resistance aboard United Airlines Flight 93 demonstrated exceptional bravery, valor, and patriotism, and are worthy of the appreciation of the people of the United States.

(b) PRESENTATION OF CONGRESSIONAL GOLD MEDALS AUTHORIZED.—The President is authorized to award posthumously, on behalf of Congress and in recognition of heroic service to the Nation, gold medals of appropriate design to any passengers or crew members on board United Airlines Flight 93 who are identified by the Attorney General as having aided in the effort to resist the hijackers on board.

(c) DESIGN AND STRIKING.—For the purpose of the presentation referred to in subsection (b), the Secretary of the Treasury shall strike gold medals of a single design with suitable emblems, devices, and inscriptions, to be determined by the Secretary.

(d) DUPLICATE MEDALS.—The Secretary of the Treasury may strike and sell duplicates in bronze of the gold medals struck under subsection (b) at a price sufficient to cover the cost of the bronze medals (including labor, materials, dies, use of machinery, and overhead expenses) and the cost of the gold medals.

SEC. 4. NATIONAL MEDALS.

The medals struck under this Act are national medals for purposes of chapter 51 of title 31, United States Code.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. KING) and the gentleman from New York (Mrs. MALONEY) each has control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. KING).

Mr. KING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to provide remarks in connection with the consideration of H.R. 3054, and to include extraneous material on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York (Mr. KING)?

There was no objection.

Mr. KING. Mr. Speaker, I yield myself such time as I may consume.
Mr. Speaker, today's legislation will award the Congressional Gold Medal to the brave heroes of September 11, 2001. These are the brave men and women who entered the World Trade Center in New York, and also those brave people on United Airlines Flight 93 who brought down the plane and saved countless lives.

Mr. Speaker, let me commend the gentlewoman from New York (Mrs. MALONEY), the ranking member, for the tremendous hard work in drafting this legislation and the support of the leadership of this body.

Personal friends, Michael Boyle and David Arce, worked on my political campaigns. They were good friends, and they also went into that building. They were friends together, and they died together.

Another neighbor, John Perry, a New York City police officer, who actually went into the ground zero site was not impacted by the death of one of those brave people. I must say on a note of bipartisanship, just as Michael Boyle and David Arce worked for my campaigns, John Perry's mother and father were active members of the Democratic Party; and one of the most encouraging notes I have seen is that John's mother, Pat Perry, who is a Democratic Party leader in my area, is once again calling my office to tell me when she thinks I voted wrong. To me, that is what democracy is all about.

Mr. Speaker, I rise with strong support for the legislation. I also want to emphasize that while we may not die in the line of duty, we do the credit to these people that they deserve, but this is one thing we can do. I strongly support this legislation, and I also want to emphasize that while we are singling out the uniformed services, for every person that died in the World Trade Center, their families consider them to be heroes, and there are many acts of heroism that have not been recorded. I think it is important to note, Mr. Speaker, that our country has responded very dramatically to the events of September 11. I firmly believe that one of the reasons why the country has responded the way it has is because of the example that was set on September 11 when the eyes of the Nation and the eyes of the world saw those people running in to save lives, saw them meeting their death. They saw nobody wavered in the face of those fires and those falling buildings. They just did what they were trained to do and what it takes incredible courage to do.

To those with hearts of gold, we award medals of gold. They are true American heroes. The Congressional Gold Medal honors contributions to America by outstanding individuals and groups. What could anyone do that is more outstanding than saving the lives of innocent people who merely showed up for work. The True American Heroes Act will award Congressional Gold Medals to families and next of kin to these brave rescuers who perished in the attack. What better way to pay tribute than to award these families the most distinguished honor bestowed by Congress?

This legislation also designates that the individual station houses and fire houses that lost people in the attack will receive copies of the gold medal. One example in the district that I represent is the Roosevelt Island-based Special-ops unit of the New York Fire Department, which lost 10 people. The loss was so great because at this particular facility there was a duty change in progress. Men who would have gone home, grabbed their equipment and headed to the scene. As a result, the loss was twice as high as it might otherwise have been.
As we pass the fire houses and pre-cinct houses where flowers fill the side-walks in New York City, the emotion of the tragedy is still overpowering. This legislation will ensure that we will forever have public displays around the country that preserve the memory of these rescuers who made the ultimate sacrifice.

The offices of the Mayor and the Governor of New York and the head of the Port Authority will also be awarded copies as we all know, but the head of the Port Authority, my friend, Neil Levin, was lost in the attack. Neil was serving as the executive director of the Port Authority, the agency that ran the World Trade Center for the past 28 years. He was last seen helping people get out of the building. Neil died in the brave tradition of the captain going down with the ship. It is fitting that a copy of the gold medal will be given to the Port Authority.

Mayor Giuliani himself rushed to the scene of the attack so quickly, that for a time his own safety was at risk. The copies of the medals given to the Port Authority, Mayor, and Governor are a highly appropriate honor for leaders who responded so quickly. In addition to the gold medals, the United States Mint will make bronze reproductions of the medals available to the general public. The proceeds from these sales will go toward building a memorial at Ground Zero that will serve as a lasting tribute to the fallen heroes and heroines. All around America, our citizens can purchase these medals and demonstrate their solidarity with the fallen heroes and heroines of New York.

Finally, the bill awards medals to the exceptional brave passengers who battled the hijackers of Flight 93.

They saved an untold number of lives and quite possibly the very building in which we are standing.

Man George William Curtis, the noted intellectual, stated, "A man's country is not a certain area of land, of mountains, rivers and woods, but it is a principle; and patriotism is loyalty to that principle." I repeat his words today because it is clear that all those individuals aboard United Flight 93 who resisted the hijackers and foiled their attempts at further destruction. Unfortunately, there is no medal or plaque that can truly convey our appreciation for the heroism demonstrated by so many on September 11, but it is important for Congress to show to the rest of this country and the world how we value their bravery. George William Curtis, the noted 19th century intellectual, stated, "A man's country is not a certain area of land, of mountains, rivers and woods, but it is a principle; and patriotism is loyalty to that principle." I repeat his words today because it is clear that all those individuals aboard United Flight 93 who resisted the hijackers and foiled their attempts at further destruction.

Unfortunately, there is no medal or plaque that can truly convey our appreciation for the heroism demonstrated by so many on September 11, but it is important for Congress to show to the rest of this country and the world how we value their bravery.

I salute their valor and the courage of all who lost their lives, and I urge my colleagues to support this bill.

Also, Mr. Speaker, I would just like to conclude in following up on what the gentlewoman from New York said about the leadership that has been shown on this issue really throughout the chain of command, from President George W. Bush, to the last member of Congress, in New York to Governor Pataki, Mayor Giuliani, Police Commissioner Kerik, Emergency Services Commissioner Richie Scheider, and also the late Neil Levin, who was the chairman of the Port Authority and was killed on that day.

They provided the leadership, the men and women on the ground provided the courage and the dedication which brought about, again, the rescue of 25,000 people. To think of it is really still mind-boggling to realize the effort that went into that. That is the type of courage and they are the type of people that we are honoring with this legislation today.

I would also like to say to my friend Jimmy Boyle who is watching this and whose son Michael died on September 11, I promised Jimmy I would get the bill through. We are going to get it through.

CONGRESSIONAL RECORD—HOUSE

Mr. Speaker, I rise in strong support of H.R. 3054, legislation that would authorize Congressional Gold Medals be struck for those government workers who perished in the September 11 attacks at the Pentagon and World Trade Center, and also for the brave passengers on United Flight 93. This is an appropriately honor and entirely deserving of our support.

This legislation says that in recognition of the bravery and self-sacrifice of officers, emergency workers, and other employees of State and local government agencies, including the Port Authority of New York and New Jersey, and of the United States Government, who responded to the attacks on the World Trade Center in New York City, and perished in the tragic events of September 11, 2001, the President is authorized to present, on behalf of Congress, a gold medal to each officer, employee, or employee of each such officer, emergency worker, or employee. The bill also makes this honor available to the passengers of Flight 93.

Earlier in the year, I joined with Representative Tangred and others in introducing a similar bill to authorize a Congressional Gold Medal for the brave passengers of United Flight 93, who perished fighting the terrorists and denying them their mission.

There were so many who died on September 11. I am particularly pleased to honor Todd Beamer, the New Jerseyan who gave his life on hijacked United Airlines Flight 93 fighting the hijackers. All Americans mourn the loss of Todd Beamer and the others on that flight. Our hearts and prayers go out to Lisa Beamer, their children, and to all the other families of the people on that plane.

So many Americans perished on that day. Many central New Yorkers were working in the World Trade Center on September 11th when it was attacked by terrorists. Others were on board the hijacked airplanes. Since then, numerous fire, rescue, EMT and medical personnel from our area have been on the scene in New York, caring for victims and their
families. I have personally toured the sites of the attacks in New York and in Washington, and words cannot adequately capture the horror of those scenes. This is an appropriate honor for a number of very brave Americans. I urge my colleagues to join with me in voting for this bill.

Mr. PAUL. Mr. Speaker, I rise today in opposition to H.R. 3054. At the same time, I rise in great respect for the courage and compassion shown by those who gave their lives attempting to rescue their fellow citizens in the aftermath of the World Trade Center attacks. I also rise in admiration and gratitude to the passengers of Flight 93 who knowingly sacrificed their lives to prevent another terrorist attack. However, I do not believe that an unconstitutional authorization for Congressional Gold Medals is in the true spirit of these American heroes. After all, this legislation purports to honor personal sacrifices and acts of heroism by forcing others to pay for these gold medals.

Mr. Speaker, money appropriated for gold medals for constitutional purposes, is, in the words of Davy Crockett, "Not Yours to Give." It is my pleasure to attach a copy of Davy Crockett's "Not Yours to Give" speech for the record. I hope my colleagues will carefully consider its message before voting to take money from American workers and families to fund unconstitutional programs and projects.

Instead of abusing the taxing and spending power, I urge my colleagues to undertake to raise the money for these medals among ourselves. I would gladly donate to a Congressional Gold Medal fund whose proceeds would be used to purchase and award gold medals to those selected by Congress for this honor. Congress should also reduce the federal tax burdened on the families of those who lost their lives helping their fellow citizens on September 11. Mr. Speaker, reducing the tax burden on these Americans would be a real sacrifice for many in Washington since any reduction in taxes represents a loss of real and potential power for the federal government.

H.R. 3054 violates fundamental principles of fiscal responsibility by giving the Secretary of the Treasury almost unquestioned authority to determine who can and cannot receive a gold medal. Official estimates are that implementation of this bill will cost approximately 3.9 million dollars; however, the terms of the bill suggest that the costs incurred by the United States taxpayer could be much higher. Furthermore, unlike previous legislation authorizing gold medals, H.R. 3054 does not instruct the Secretary of the Treasury to use profits generated by marketing bronze duplicates of the medal to support the taxpayers for costs of producing the medal. Unfortunately, because this bill was moved to the suspension calendar without hearings or a mark-up there was no opportunity for members of the Financial Services Committee such as myself to examine these questions.

Because of my continuing and uncompromising opposition to appropriations not authorized within the enumerated powers of the Constitution, I must remain consistent in my defense of a limited government whose powers are explicitly delineated under the enumerated powers of the Constitution—a Constitution which each Member of Congress swore to uphold. Therefore, Mr. Speaker, I must oppose this legislation and respectfully suggest that perhaps we should begin a debate among us on more appropriate processes by which we spend other people's money. Honorary medals and commemorative coins, under the current process, come from other people's money. It is, of course, easier to be generous with other people's money, but using our own funds to purchase these gold medal is true to the spirit of the heroes of September 11.

Mr. GILMAN. Mr. Speaker, I rise in strong support of H.R. 3054, the True American Heroes Act, authorizing the President, on behalf of the Congress, to present Congressional Gold Medals to emergency workers, and other employees of federal, state, and local governments, who lost their lives in responding to the attacks on the World Trade Center in New York City on September 11, 2001.

This measure also authorizes the President to award medals to those people on board United Airlines Flight 93 who resisted their hijackers and caused the plane to crash, preventing an additional tragedy in Washington.

On that horrible day in September, our nation witnessed the worst of humanity. The despicable and cowardly terrorist acts were valiantly countered with the incredible heroism and courage of our firefighters, law enforcement officers, emergency personnel, and our fellow citizens.

Accordingly, it is incumbent upon our nation to honor those selflessly gave their lives in saving others. Bestowing the Congressional Gold Medal on those deserving men and women will be a fitting tribute to their memory and their contribution to our nation's freedom. Accordingly, I urge my fellow colleagues to support this measure.

Mr. OXLEY. Mr. Speaker, I rise today in support of H.R. 3054, the True American Heroes Act and want to thank the gentleman from New York (Mr. King), the gentlelady from New York (Mrs. Maloney), and the gentleman from Colorado (Mr. Tancredo) for their efforts in bringing this important legislation to the floor today.

Because there was no report filed by the Committee on Financial Services on this bill, I am including for the RECORD the CBO estimate for the legislation.

I urge my colleagues to support this important legislation.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,

Hon. Michael G. Oxley, Chair, Committee on Financial Services, U.S. House of Representatives, Washington, DC.

Dear Mr. Chairman, the Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3054, the True American Heroes Act. If you wish to review the details on this estimate, we will be pleased to provide them.
The CBO staff contact is Matthew Pickford.
Sincerely,

BARRY B. ANDERSON
(For Dan L. Crennen, Director).
Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE
H.R. 3054—True American Heroes Act

H.R. 3054 would authorize the President to present a Congressional gold medal to the families of public safety officers, emergency workers, and other employees of state and local governments who perished while responding to the attacks on September 11, 2001, at the World Trade Center.

The bill also would authorize duplicate medals to be presented to various officials of New York, as well as each precinct house, fire station, or other duty station that had a member perish in those attacks. H.R. 3054 would authorize the U.S. Mint to sell bronze duplicates of the medal, and allow the proceeds from those sales to be used to erect a federal memorial to emergency workers who responded to the attacks.

CBO estimates that enacting H.R. 3054 would cost approximately $3.8 million in 2001, mostly for the cost of gold and around $500 to design, engrave, and manufacture the medal. Funds collected from the sale of bronze duplicate medals would be available for the cost of a memorial to emergency workers killed in the attacks. CBO estimates that $1 million to $2 million would be collected and later spent as a result of such sales. Over a forecast horizon, the net budget impact would be insignificant.

Because the bill would affect direct spending, pay-as-you-go procedures would apply. H.R. 3054 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact is Matthew Pickford. This estimate was approved by Hon. Fontaine, Deputy Assistant Director for Budget Analysis.

Mrs. ROUKEMA. Mr. Speaker, I rise today in strong support of the True American Heroes Act. The men and women who died on September 11th serving our country by saving lives deserve not only our immense gratitude, but also the highest of honors.

Out of tragedy, our nation has emerged stronger and prouder than ever. Our spirit is inspired by the stories of brave men and women from that day—true American heroes. In our darkest hours on September 11, the heroes of our midst shined brighter than ever. We know some heroic endeavors that were undertaken from stories about cell phone calls and from eyewitness accounts.

On United Airlines Flight #93 passengers called loved ones alerting them that their plane had been hijacked. One of my constituents, Jeremy Glick, called his wife Lynzeth from that flight. Jeremy was part of the fearless effort to stop the terrorists from taking the plane into the heart of Washington, D.C.

From his cell phone conversation, we know that Jeremy along with other passengers and crew chose to fight the terrorists who had commandeered the plane, At 10:37 a.m., United Flight #93 crashed in Pennsylvania, just minutes after the White House and the Capitol Building had been evacuated. Always a hero to his family and his friends, Jeremy Glick became a hero to the nation on September 11th, 2001.

Mr. Speaker, days after the September 11 attacks, I introduced H.R. 2921 to authorize the President to award posthumously the Congressional Gold Medal for his bravery, courage and service to his nation. We must honor all the heroes of the United Flight 93. Today, this House formally recognizes his contribution and all the heroes of that fateful day.

So, too, do we recognize the bravery of many Americans who died in Lower Manhattan.

Some were our neighbors.
Dana Hannon of Wyckoff, New Jersey was a 29-year old, newly-engaged member of the New York City Engine Company #28, who responded to the reports of a plane crash at the north and south towers of the World Trade Center. Paul Laszczynski of Paramus was a Port Authority police officer who was honored for his action during the first attack on the World Trade Center. He and a colleague carried a wheelchair-bound victim down 77 floors to safety after the bombing in 1993.

Joe Navas of Paramus was a 44-year old Port Authority police officer. In his hometown of Paramus he volunteered as a Little League Coach for his two boys. His wife and family had to learn about his earlier heroic exploits by reading it in the Bergen Record.

On September 11, many Americans heeded the call to action. On a beautiful morning, ordinary people awakened to start the day, to go about their normal routines with smiles, frowns, traffic, and cups of coffee. The Pentagon was still an impenetrable fortress and the skyline of New York was still intact; the morning proceeded as usual. In the moments to follow, shocked and horrified, firefighters, police officers, and women, and everyday people sprang into situations that were simply incomprehensible; they fought to save lives. They saved lives and returned to save more, and in an instant, the courageous fire that burned in their hearts was extinguished.

Above the mayhem, Flight 93 swam the skies to reach the West Coast. Aboard this flight the passengers eagerly awaited landing, waiting to meet their loved ones miles away. Nonetheless, with angry shouts the silence was broken and the passengers realized that the terror’s arm had reached yet another flight. The terrorists made their move and fought to carry out this horrible act. They were headed to Washington, DC to destroy the very symbol that shine as beacons for freedom throughout the world. The terrorists were trained and prepared to destroy lives and break the spirit of America. However, they were never trained to defeat the spirit of heroism.

The passengers of Flight 93, after talking to their families, provided a best defense that heroism and spirit will prevail. As President Reagan said in his inaugural Address, “we must realize that no arsenal, or no weapon in the arsenals of the world, is so formidable as the will and moral courage of free men and women. It is a weapon we as Americans do have.”

On behalf of Congress, let us now recognize the men and women who served us in our most horrific hours by awarding these heroes the Congressional Gold Medal. I urge my colleagues to support this legislation.

This action today is another way of saying God Bless America. Truly we are “one Nation under God.”

Ms. SCHAKOWSKY. Mr. Speaker, I rise in support of H.R. 3505, a bill to award the Congressional Gold Medal to the heroes of September 11. I hope that this small token of appreciation will symbolize America’s appreciation for the endless bravery that was shown on that day.

There is some, for whom there is no sacrifice too great when the call to duty sounds. There are some, in a world wrapped in a shroud of self-promotion, who see beyond the “me”, the “my”, the “mine” and the “I”. There are some that so regard their brothers and sisters that they disregard their own safety, their own well being, and even their own lives, to lend a hand. there are some, which in a split second make a decision to forget themselves and do what it takes to save others; they are heroes.

For heroes, there is no room to think or to rationalize. It is never practical to endanger ones existence in the hope of promoting the survival of others, but they do. It goes beyond what is logical. The hero possesses an innate and instinctive ability to respond to extreme situations with others in mind. By nature, the hero defies the basic human impulse for self-preservation. The hero is selfless.

On September 11, many Americans heeded the call to action. On a beautiful morning, ordinary people awakened to start the day, to go about their normal routines with smiles, frowns, traffic, and cups of coffee. The Pentagon was still an impenetrable fortress and the skyline of New York was still intact; the morning proceeded as usual. In the moments to follow, shocked and horrified, firefighters, police officers, and women, and everyday people sprang into situations that were simply incomprehensible; they fought to save lives. They saved lives and returned to save more, and in an instant, the courageous fire that burned in their hearts was extinguished.

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On behalf of Congress, let us now recognize the men and women who served us in our most horrific hours by awarding these heroes the Congressional Gold Medal. I urge my colleagues to support this legislation.

This action today is another way of saying God Bless America. Truly we are “one Nation under God.”

Mr. SHIMKUS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3343) to amend title X of the Energy Policy Act of 1992, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3343

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REAUTHORIZATION OF THORIUM REIMBURSEMENT.

(a) PAYMENTS TO LICENSEES.—Section 1001(b)(2)(C) of the Energy Policy Act of 1992 (42 U.S.C. 2296a(b)(2)(C)) is amended—

(1) by striking—

(i) $715,000,000 in fiscal year 2004;

(ii) $55,000,000 in fiscal year 2003;

(iii) $20,000,000 in fiscal year 2002; and

(iv) $20,000,000 in fiscal year 2001;

and inserting—

(vi) $20,000,000 in fiscal year 2007.

(ii) $55,000,000 in fiscal year 2003.

(iii) $20,000,000 in fiscal year 2004.

(iv) $20,000,000 in fiscal year 2005.

(v) $20,000,000 in fiscal year 2006.

(vi) $20,000,000 in fiscal year 2007.

(b) AUTHORIZATION.—Section 1003(a) of such Act (42 U.S.C. 2296a-2(a)) is amended by striking—

(i) $490,000,000 and inserting “$715,000,000”;

and inserting “$715,000,000”;

and inserting “$715,000,000”;

and inserting “$715,000,000”;

(c) DEPOSIT.—Section 1802(a) of the Atomic Energy Act of 1954 (42 U.S.C. 2297a-1(a)) is amended by striking “$489,333,333” and inserting “$715,000,000” and by inserting after “inflation” the phrase ‘‘beginning on the date of the enactment of the Energy Policy Act of 1992’’.
Mr. Speaker, first let me pay tribute to the full committee ranking member the gentleman from Michigan (Mr. DINNICH), the chairman of the full committee the gentleman from Louisiana (Mr. TAUZIN) for crafting this compromise language in a truly bipartisan manner. I also want to commend the outstanding efforts of the gentleman from Ohio (Mr. STRICKLAND), the gentleman from Kentucky (Mr. WHITFIELD) and the bill’s sponsor the gentleman from Illinois (Mr. SHIMKUS) for their fine work in arriving at the product that we are considering today. As always, I would like to thank the Chairman of the Subcommittee on Energy and Air Quality, the gentleman from Texas (Mr. BARTON) for his outstanding assistance in processing this measure.

I will take just a moment, Mr. Speaker, to point out the five main provisions of the compromise embodied in the bill now before the House.

First, it accomplishes the original objective of the bill, to increase the total thorium reimbursement authorization from $140 million to $365 million and increase the total authorization for appropriations for title X programs from $490 million to $715 million.
Secondly, it stipulates annual amounts to be authorized for thorium activities in each of the fiscal years 2002 through 2007. The amounts for each year are sufficient to cover the likely receipts from thorium cleanup and structured in such a way that it aims to assure that the contracts within the cleanups at the Ohio, Kentucky and Tennessee facilities.

Third, the compromise language increases by $37.5 million the total amount currently required by law to be deposited in the uranium enrichment decontamination and decommissioning fund each year. This provision increases the size of the fund by at least the additional amount of money that will be authorized for thorium cleanup in order to hold harmless the cleanups at the Ohio, Kentucky and Tennessee facilities and at the 13 uranium mine sites.

Fourth, the substitute authorizes the Secretary of Energy to expend funds to keep the Portsmouth, Ohio uranium enrichment facility in cold standby mode. Maintaining the Portsmouth facility in this mode is wise because it allows to be used again if needed to protect the continuity of domestic supply or to meet DOE's contract demands.

I want to be sure to note that this authorization neither expands nor contracts the current universe of activities that can be paid for with monies from the Uranium Enrichment Decontamination and Decommissioning Fund. In fact, the cold-standby authorization was drafted to amend chapter 19 of the Atomic Energy Act, rather than chapter 28, in order to help make clear that Congress expects the Department to use money other than that deposited in the Decontamination Fund for the very worthwhile purpose of keeping the Portsmouth facility in cold-standby mode.

Finally, Mr. Speaker, H.R. 3343 requires the General Accounting Office to audit the Uranium Enrichment Decontamination and Decommissioning Fund and the cleanups authorized to receive appropriations from the fund and report to us by March 1, 2003. The audit has two general purposes: first, to ensure that the fund is and will be sufficient to cover the costs of all the activities authorized, and, if not, to make legislative recommendations to maintain the adequacy of the fund; secondly, to look at the current and likely costs of cleanup activities at each site in order to project the total needs of the fund, identify the factors resulting in increased cleanup costs, and to identify potential sources of savings.

Mr. Speaker, I support this legislation. I encourage the Members to approve it.

I want to commend all of the Members who worked to craft this compromise, which is meritorious and deserves the support of the House.

Mr. Speaker, I reserve the balance of my time.

Mr. SHIMKUS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I already mentioned the gentleman from Illinois (Speaker HASTERT) and his work, but I would also be remiss if I did not mention the staff on both our side and the minority side who are working hand in hand to overcome the difficulties and differences. Because of their efforts, we are able to be here on the suspension calendar and pass this bill.

I want to mention my colleagues who were personally engaged in this. One is going to speak on the floor in a minute, the gentleman from Ohio (Mr. STRICKLAND), who is a fervent supporter of many issues, and this is one of them. I appreciate his help and friendship.

I also want to recognize the gentleman from Kentucky (Mr. WHITFIELD), who also had some vested interests involved in this, the gentlewoman from New Mexico (Mrs. WILARGENT), who all took an active role in working with us to craft legislation that would be acceptable to the whole body.

This is a good product, and I urge its passage.

Mr. Speaker, I reserve the balance of my time.

Mr. BOUCHER. Mr. Speaker, I am pleased to yield the gentleman from Ohio (Mr. STRICKLAND), a valuable member of the Committee on Energy and Commerce.

(Mr. STRICKLAND asked and was given permission to revise and extend his remarks.)

Mr. STRICKLAND. Mr. Speaker, first I would like to thank the chairman and the ranking member of the Committee on Energy and Commerce and especially my friend, the gentleman from Illinois (Mr. SHIMKUS), the sponsor of this bill. I would like to thank the gentleman from Oklahoma (Mr. LARGENT), who all took an active role in working with us to craft legislation that would be acceptable to the whole body.

This is a good product, and I urge its passage.

Mr. Speaker, I reserve the balance of my time.

Mr. BOUCHER. Mr. Speaker, I am pleased to yield the gentleman from Ohio (Mr. STRICKLAND) and his staff for their work on the bill.

I am pleased that the substitute offered in committee helps to ensure that cleanup activities at the three uranium enrichment sites in our country do not suffer a setback as we increase funding available for the thorium processing site under title X of the Energy Policy Act of 1992. There is no doubt that all of these sites need to be cleaned up and these activities do not come cheaply. It is important that we clean up the thorium processing site in West Chicago, Illinois; and I completely understand the Speaker's desire to ensure Federal funds are available to do so. However, because the funds to clean up the thorium site come from the Uranium Decontamination and Decommissioning Fund, it is important to me and my friends from Kentucky and Tennessee that the reimbursement for cleaning the Illinois site does not shift funds from the cleanup activities at the three uranium enrichment sites.

It is also important that the burden for cleaning up the thorium site does not fall on nuclear-powered ratepayers.

I know the intent of this bill is to address both of those issues by holding harmless the uranium enrichment sites' cleanup schedule and protecting our nuclear ratepayers from shouldering the additional costs involved in completing the cleanup on the site in West Chicago, Illinois.

I would like to say a special thanks to the Speaker, to the gentleman from Louisiana (Chairman TAUZIN), to the ranking member, the gentleman from Michigan (Mr. DINGELL) and to the gentleman from Illinois (Mr. SHIMKUS) for their help to include a provision in the bill that authorizes the Department of Energy to carry out necessary activities at the Portsmouth, Ohio, enrichment plant so that we can maintain our country's uranium enrichment capability.

I have talked about our domestic uranium enrichment industry on numerous occasions before this Chamber, and am pleased to see this bill includes a cold-standby provision for the Portsmouth site.

I would also like to make clear that this cold-standby authority for the Department is not intended to compete for funds from the Department's cleanup Uranium Enrichment D&D Fund. Instead, this important energy security objective should be met by expending funds from the USEC Privatization Fund or from other discretionary funds.

Mr. Speaker, I support this bill; and I urge my colleagues to support it as well.

Mr. SHIMKUS. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I want to follow up on my colleagues' thank-you's to thank the chairman, the gentleman from Louisiana (Chairman TAUZIN); the ranking member, the gentleman from Michigan (Mr. DINGELL); the subcommittee chairman, the gentleman from Texas (Mr. BARTON); and, of course, managing on the minority side, the gentleman from Virginia (Mr. BOUCHER), for their great work in helping us move this bill expeditiously.

Mr. DINGELL. Mr. Speaker, I rise in strong support of H.R. 3343. H.R. 3343 would amend Title X of the Energy Policy Act of 1992 (EPACT) and Chapter 28 of the Atomic Energy Act to increase the authorization ceiling on the Federal share of cleanup costs at a thorium site in West Chicago, Illinois.

The Committee on Energy and Commerce reported this bill unanimously last week. The reason for that was the development of compromise language that avoids competition for money between Peter and Paul. By establishing annual amounts to be authorized for thorium activities in each of the fiscal years 2002-2007, it ensures there will be adequate
funds remaining for cleanups at the Ohio, Kentucky, and Tennessee facilities. The bill also increase the sizes of the Uranium Enrichment Decontamination and Decommissioning Fund in order to hold harmless the cleanups at the other facilities and mine sites, without raising the member-appropriation ratepayer charge. In addition the bill requires the General Accounting Office to audit the Fund to ensure it is, and will be, sufficient to cover the costs of all the activities authorized and to look at the current and likely costs of the cleanup of the various sites.

Last but not least, the bill contains language authored by the gentleman from Ohio, Representate STRICKLAND, that provides specific authorization for the Secretary of Energy to expend funds to keep the Portsmouth, Ohio, uranium enrichment facility in “cold-standby” mode. I believe this to be wise, for it allows the Secretary to use the facility again if needed to protect the continuity of domestic supply or to meet the contract demands of the Department.

I want to again thank my good friend, Chairman TAUNZ, and commend all the Members who worked with us to craft this compromise language, including Representatives STRICKLAND and W HITTFIELD, Chairman B ARTON and Rankings Member BOUCHER. I also want to thank Speaker HASTERT, with whom I have worked many times on legislation to ensure the cleanup of thorium wastes, for his assistance in moving this bill forward with bipartisan support.

H.R. 3343 is good legislation and deserves the support of all Members.

Mr. BOUCHER. Mr. Speaker, I have no further requests for time. I urge support for this measure, and I yield back the balance of my time.

Mr. SHIMKUS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. S IMPSON). The question is on the motion offered by the gentleman from Illinois (Mr. SHIMKUS) that the House suspend the rules and pass the bill, H.R. 3343, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

BEST PHARMACEUTICALS FOR CHILDREN ACT

Mr. TAUNZ. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 139) to amend the Federal Food, Drug, and Cosmetic Act to improve the safety and efficacy of pharmaceuticals for children.

The Clerk read as follows:

S. 1398

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE. — This Act may be cited as the “Best Pharmaceuticals for Children Act”.

SEC. 2. PEDIATRIC STUDIES OF ALREADY-MARKETED DRUGS. — Section 505(a) (1)(A) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(a)) is amended—

(1) by striking subsection (b); and
(2) in subsection (c)—
(A) by inserting after “the Secretary” the following: “determines that information relating to an approved drug in the pediatric population may produce health benefits in that population”; and
(B) by striking “a drug identified — (i) in subsection (a) or (b) of section 505A of the Federal Food, Drug, and Cosmetic Act. Such a written request shall be made in a manner equivalent to the manner in which a written request is made under subsection (a) or (b) of section 505A of the Federal Food, Drug, and Cosmetic Act, including with respect to information provided on the pediatric studies to be conducted pursuant to the request.

(2) REQUESTS FOR CONTRACT PROPOSALS.— If the Commissioner of Food and Drugs shall not receive a response to a written request issued under paragraph (1) within 30 days of the date on which a request was issued, or if a request described in subsection (a)(1)(A)(iv) is made, the Secretary, acting through the Director of the National Institutes of Health and in consultation with the Commissioner of Food and Drugs, shall publish a request for contract proposals to conduct the pediatric studies described in the written request.

(3) DISQUALIFICATION.—A holder that receives a first right of refusal shall not be entitled to respond to a request for contract proposals under paragraph (2).

(4) GUIDANCE.—Not more than 270 days after the date of enactment of this section, the Commissioner of Food and Drugs shall promulgate guidance to establish the process for the submission of written responses to written requests under paragraph (1).

(5) CONTRACTS.—A contract under this section may be awarded only if a proposal for the contract is submitted to the Secretary in such form and manner, and containing such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

(6) REPORTING OF STUDIES.—
(A) IN GENERAL.—On completion of a pediatric study in accordance with a contract awarded under this section, a report concerning the study shall be submitted to the Director of the National Institutes of Health and the Commissioner of Food and Drugs. The report shall include all data generated in connection with the study.

(B) AVAILABLE OF REPORTS.—Each report submitted under paragraph (A) shall be considered to be in the public domain (subject to section 505a(d)(4)(D) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a(d)(4)(D)) and shall be assigned a docket number by the Commissioner of Food and Drugs. An interested person may submit written comments concerning the pediatric studies to the Commissioner of Food and Drugs, and the written comments shall become part of the docket file with respect to each of the drugs.

(C) ACTION BY COMMISSIONER.—The Commissioner of Food and Drugs shall take appropriate action in response to the reports submitted under paragraph (A) in accordance with paragraph (7).

(7) REQUESTS FOR LABELING CHANGE.—During the 180-day period after the date on which a report is submitted under paragraph (6)(A), the Commissioner of Food and Drugs shall—
(A) review the report and such other data as are available concerning the safe and effective use in the pediatric population of the drug studied;
(B) negotiate with the holders of approved applications for the drug to implement any labeling changes that the Commissioner of Food and Drugs determines to be appropriate and requests the holders to make; and
(C) within 90 days of the date of the docket file a copy of the report and of any requested labeling changes; and
(ii) publish in the Federal Register a summary of the report and a copy of any requested labeling changes.

(8) DISPUTE RESOLUTION—

(A) PEDRIATRIC ADVISORY SUBCOMMITTEE OF THE ANTI-INFECTIVE DRUGS ADVISORY COMMITTEE.—If, not later than the end of the 180-day period specified in paragraph (5)(B) of the Anti-Infective Drugs Advisory Committee, if any, the Commissioner determines that there is a continuing need for information relating to the use of the drug in the pediatric population (including neonates, as appropriate), the Secretary shall refer the drug to the Foundation for the Pediatric Advisory Subcommittee of the Anti-Infective Drugs Advisory Committee. The pediatric population, including study reports submitted under this section; and

(ii) review the available information on the safe and effective use of the drug in the pediatric population, including study reports submitted under this section; and

(ii) make a recommendation to the Commissioner concerning appropriate labeling changes, if any.

(9) FDA DETERMINATION.—Not later than 30 days after receiving a referral from the Pediatric Advisory Subcommittee of the Anti-Infective Drugs Advisory Committee under paragraph (8)(B)(ii) with respect to a drug, the Commissioner, if appropriate, may make a request to the holders of approved applications for the drug to make any labeling changes that the Commissioner considers to be appropriate.

(10) FAILURE TO AGREE.—If a holder of an approved application for a drug, within 30 days after receiving a referral under paragraph (9), does not agree to a requested labeling change, the Commissioner may deem the drug to be misbranded under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a) is amended by adding at the end the following:

‘‘(l) LABELING SUPPLEMENTS.—

(i) request and response.—If the Secretary determines that a formulation change is necessary and the Secretary agrees, the Secretary shall send a nonbinding letter of recommendation regarding that change to each holder of an approved application.

(d) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated under public contract, in addition to any other amounts authorized to be appropriated under this section—

(A) $200,000,000 for fiscal year 2002; and

(B) such sums as are necessary for each of the 5 succeeding fiscal years.

(2) AVAILABILITY.—Any amount appropriated under paragraph (1) shall remain available to carry out this section until expended.

SEC. 4. WRITTEN REQUEST TO HOLDERS OF APPROVED APPLICATIONS FOR DRUGS THAT HAVE MARKET EXCLUSIVITY.

Section 505(a)(d) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a(d)) is amended by adding at the end the following:

‘‘(4) WRITTEN REQUEST TO HOLDERS OF APPROVED APPLICATIONS FOR DRUGS THAT HAVE MARKET EXCLUSIVITY.—

(A) REQUEST AND RESPONSE.—If the Secretary determines that a formulation change is necessary and the Secretary agrees, the Secretary shall send a nonbinding letter of recommendation under subsection (c) to the holder of an approved application under section 505(b)(1)(A). If the holder does not agree to any requested labeling change that the Commissioner determines to be appropriate; and

(iii) that the reaching of an agreement between the sponsor of the application and the Commissioner concerning appropriate labeling changes, if any.

(11) NO EFFECT ON AUTHORITY.—Nothing in this subsection limits the authority of the United States to bring an enforcement action under the Federal Food, Drug, and Cosmetic Act when a drug lacks appropriate pediatric labeling.

(12) RECOMMENDATION FOR FORMULATION CHANGES.—If a pediatric study completed under public contract indicates that a formulation change is necessary and the Secretary agrees, the Secretary shall send a nonbinding letter of recommendation regarding that change to each holder of an approved application.

(13) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated under public contract, in addition to any other amounts authorized to be appropriated under this section—

(A) $200,000,000 for fiscal year 2002; and

(B) such sums as are necessary for each of the 5 succeeding fiscal years.

(2) AVAILABILITY.—Any amount appropriated under paragraph (1) shall remain available to carry out this section until expended.

SEC. 5. TIMELY LABELING CHANGES FOR DRUGS GRANTED EXCLUSIVITY; DRUG FEES.

(a) ELIMINATION OF USER FEE WAIVERS FOR PRIORITIZED APPLICATIONS.—Section 736(a)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 379f(a)(1)) is amended by adding at the end the following:

‘‘(kk) ПRIORITY FEE.—The term ‘priority fee’ means a drug application referred to in section 101(4) of the Food and Drug Administration Modernization Act of 1997 (111 Stat. 2298).''

(2) TREATMENT AS PRIORITY SUPPLEMENTS.—

Section 505(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a) is amended by adding at the end the following:

‘‘(1) NO AGREEMENT TO REQUEST.—

(i) REFERRAL.—If the holder does not agree to a requested labeling change that the Commissioner determines to be appropriate; and

(ii) public notice.—The Secretary shall give public notice of the name of the drug, the name of the manufacturer, and the indications to be studied in a referral under clause (i).

(2) LACK OF FUNDS.—On referral of a drug under subparagraph (b)(1), the Foundation shall issue a proposal to award a grant to conduct the requested studies unless the Foundation certifies to the Secretary, within a timeframe determined by the Commissioner as appropriate, that the Foundation does not have funds available under section 499(i)(9)(B)(i) to conduct the requested studies. If the Foundation so certifies, the Secretary shall refer the drug for inclusion on the list established under subsection (b) of the Public Health Service Act for the conduct of the studies.

(3) EFFECT OF SUBSECTION.—Nothing in this subsection (including with respect to referrals from the Secretary to the Foundation) alters or supersedes section 505 of the Public Health Service Act or section 510 of title 21 of United States Code.

(4) NO REQUIREMENT TO REFER.—Nothing in this subsection shall be construed to require that any declined written request shall be referred to the Foundation.

(f) WRITTEN REQUESTS UNDER SUBSECTION (b).—For drugs under subsection (b) for which written requests have not been accepted, if the Secretary determines that there is a continuing need for information relating to the use of the drug in the pediatric population (including neonates, as appropriate), the Secretary shall issue a written request under subsection (c) after the date of approval of the drug.

SEC. 6. OFFICE OF PEDIATRIC THERAPEUTICS.

The Secretary of Health and Human Services shall establish an Office of Pediatric Therapeutics within the Food and Drug Administration.

(1) DIAGNOSIS OF DISEASE.—The Office of Pediatric Therapeutics shall be responsible for coordination and facilitation of all activities of the Food
and Drug Administration that may have any effect on a pediatric population or the practice of pediatrics or may in any other way involve pediatric issues.

(c) Expertise. The directors of the Office of Pediatric Therapeutics shall coordinate with employees of the Department of Health and Human Services who exercise responsibilities relating to pediatric therapeutics and shall include—

(1) 1 or more additional individuals with expertise in pediatrics as may be necessary by the conduct of clinical research in the pediatric population; and

(2) 1 or more additional individuals with expertise in pediatrics as may be necessary to perform the activities described in subsection (b).

SEC. 7. NEONATES.

Section 505A(g) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a(g)) is amended by inserting “(including neonates in appropriate cases)” after “pediatric age groups”.

SEC. 8. SUNSET.

Section 505A of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a) is amended by striking subsection (i) and inserting the following:

(1) SUNSET.—A drug may not receive any 6-month period under subsection (a) or (c) unless:

(1) on or before October 1, 2007, the Secretary makes a written request for pediatric studies of the drug;

(2) on or before October 1, 2007, an application for the drug is accepted for filing under section 505(b); and

(3) all requirements of this section are met.

(2) The Secretary may require that the labeling of the drug omits a pediatric indication or any other aspect of labeling pertaining to pediatric use when the omitted indication or other aspect is protected by patent or by exclusivity under clause (ii) or clause (iv) of section 505(j)(5)(D).

SEC. 9. DISSEMINATION OF PEDIATRIC INFORMATION.

Section 505A of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a) is amended by adding at the end the following:

“(m) DISSEMINATION OF PEDIATRIC INFORMATION.—

(1) IN GENERAL.—Not later than 180 days after the date of submission of a report on a pediatric study under this section, the Commissioner shall make available to the public a summary of the technical and clinical pharmacology reviews of pediatric studies conducted for the supplement, including publication in the Federal Register.

(2) The unique roles and responsibilities of pediatric review boards are as follows:

(a) The expectation of the Secretary to exercise the unique roles and responsibilities of institutional review boards in reviewing research involving human subjects, including the protection of the unique roles and responsibilities of institutional review boards.

(b) The expectation of the Secretary to exercise the unique roles and responsibilities of institutional review boards in reviewing research involving human subjects, including the protection of the unique roles and responsibilities of institutional review boards.

(c) NOTIFICATION AND OTHER PROVISIONS.—This section does not apply—

(A) to a pediatric indication or any other aspect of labeling as described in paragraph (1) included;

(B) to labeling as described in paragraph (1) included;

(C) to labeling as described in paragraph (1) included;

(D) the submission to the Committee on Energy and Commerce of the House of Representatives, not later than 2 years after the date of enactment of this Act, of a report concerning the review conducted under paragraph (1) and make recommendations for the manner in which the unique roles and responsibilities of research committees relating to research involving children.

(b) AREAS OF REVIEW.—In conducting the review under subsection (a)(1), the Institute of Medicine shall consider the following:

(1) The written and oral process of obtaining and defining “assent”, “permission” and “informed consent” with respect to serious medical research participants and the parents, guardians, and the individuals who may serve as the legally authorized representatives of such children (as defined in subpart A of part 46 of title 45, Code of Federal Regulations).

(2) The appropriateness of the regulations applicable to children of differing ages and maturity levels, including regulations relating to legal status.

(3) Whether payment (financial or otherwise) may be provided to a child or his or her parent, guardian, or legally authorized representative for the participation of the child in research, and if so, the amount and type of payment that may be made.

(4) Compliance with the regulations referred to in subsection (a)(1)(A), the monitoring of such compliance, (including the role of institutional review boards), and the enforcement actions taken for violations of such regulations.

(5) The unique roles and responsibilities of institutional review boards in reviewing research involving children, including the composition of membership on institutional review boards.

(c) REQUIREMENTS OF EXPERTISE.—The Institute of Medicine shall conduct the review under subsection (a)(1) and make recommendations for the unique roles and responsibilities of institutional review boards in reviewing research involving children.

SEC. 12. STUDY CONCERNING RESEARCH INVOLVING CHILDREN.

(a) CONTRACT WITH INSTITUTE OF MEDICINE.—The Institute of Medicine shall enter into a contract with the Secretary for the performance of a study on research involving children, the purpose of which is to examine—

(1) the conduct, in accordance with subsection (a) of section 505A of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a) that are approved or pending on the date of enactment of this Act.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) takes effect on the date of enactment of this Act, including with respect to applications for approval of a drug under section 505A of that Act.

(c) CLARIFICATION OF INTRACELLULAR EXCLUSION OF THE ENSUING PERIOD.

Section 505A of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a) is amended by section 9 is amended by adding at the end the following:

 ``(n) CLARIFICATION OF EXCLUSION OF THE ENSUING PERIOD.—This section and Market Exclusivity Awarded to an Applicant for Approval of a Drug Under Section 505(b) of That Act.

(1) Section 505A of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a) is amended by section 9 is amended by adding at the end the following:

(a) CONTRACT WITH INSTITUTE OF MEDICINE.—The Secretary of Health and Human Services shall enter into a contract with the Institute of Medicine for—

(1) the conduct, in accordance with subsection (a) of section 505A of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a) of research involving children;

(b) federal regulations relating to research involving children;

(c) the unique roles and responsibilities of research involving children;

(d) the manner in which the Office of P AEDIATRIC EXCLUSIVITY UNDER SECTION 505A OF THE FEDERAL FOOD, DRUG, AND COSMETIC ACT AND 180-DAY EXCLUSIVITY AWARDED TO AN APPLICANT FOR APPROVAL OF A DRUG UNDER SECTION 505(b) OF THAT ACT.

(1) Nothing in subsection (b) or (c) of section 505A of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a) shall include—

(A) the availability of any other aspect of labeling as described in paragraph (1) included;

(B) the expectation of the Secretary to exercise the unique roles and responsibilities of institutional review boards in reviewing research involving human subjects, including the protection of the unique roles and responsibilities of institutional review boards.

(c) The Secretary of the Department of Health and Human Services (in this section, the “Secretary”) shall consider the following:

(1) The written and oral process of obtaining and defining “assent”, “permission” and “informed consent” with respect to serious medical research participants and the parents, guardians, and the individuals who may serve as the legally authorized representatives of such children (as defined in subpart A of part 46 of title 45, Code of Federal Regulations).

(2) The expectations and comprehension of child research participants and the parents, guardians, or legally authorized representatives of such children, for the direct benefits and risks of the child’s research involvement, particularly in terms of research versus therapeutic treatments.

(3) The definition of “minimal risk” with respect to a healthy child or a child with an illness.

(4) The appropriateness of the regulations applicable to children of differing ages and maturity levels, including regulations relating to legal status.

(5) Whether payment (financial or otherwise) may be provided to a child or his or her parent, guardian, or legally authorized representative for the participation of the child in research, and if so, the amount and type of payment that may be made.

(6) Compliance with the regulations referred to in subsection (a)(1)(A), the monitoring of such compliance, (including the role of institutional review boards), and the enforcement actions taken for violations of such regulations.

(7) The unique roles and responsibilities of institutional review boards in reviewing research involving children, including the composition of membership on institutional review boards.

SEC. 1. FOUNDATION FOR NATIONAL INSTITUTE OF HEALTH.

Section 490 of the Public Health Service Act (42 U.S.C. 290b) is amended by

(1) in subsection (b), by inserting “(including collection of funds for pediatric pharmacologic research)” after “mission”; and

(2) in subsection (c)(1)(A), by redesignating subparagraph (C) as subparagraph (D); and

(b) by inserting after subparagraph (B) the following:

(2) A program to collect funds for pediatric pharmacologic research and studies listed by the Secretary pursuant to section 489(a)(1)(A) of this Act and referred under section 505A(d)(4)(C) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a(d)(4)(C));

(3) in subsection (d)—

(A) in paragraph (1) in clause (i), by striking “and” at the end;

(B) in clause (ii), by striking “and” at the end; and

(c) in subsection (e)—

(1) by striking paragraph (1) and inserting “(iv) the Commissioner of Food and Drugs; and

(2) by striking paragraph (C) and inserting the following:
that the Commissioner determines to be ap-

Drugs shall take appropriate action in re-

In accordance with paragraphs (7) through

mittee on pediatric pharmacology (referred

ate represented, and the need for additional treatments of specific pe-

and Human Services shall, under section 222

(A) by striking ‘‘The Foundation’’ and in-
serting the following:

(A) in General.—The Foundation’’; and
(B) by striking at the end the following:

other gifts, grants, and donations received by the Foundation and not described in clause (i) may also be used to support such pediatric research and studies’’.

(iii) REPORT.—The recipient of a grant for research and studies shall agree to provide the Director of the National Institutes of Health and the Commissioner of Food and Drugs, at the conclusion of the research and studies—

(ii) in subsection (c)(1)(C), by striking ‘‘(C) A PPLICABILITY. ’’

(iii) in paragraph (1) and (2) of subsection

(iv) representatives of the general public,

(iii) At least 2 representatives of the pedi-

(ii) representatives of experts in pediatric

(iv) representatives of experts in pediatric

(i) representatives of the general bio-

(iii) representatives of the general bio-

(iv) representatives of the general public, which may include representatives of af-

(A) in subparagraph (B), by striking ‘‘(i)’’ and

(b) ACTION BY THE COMMISSIONER OF FOOD AND DRUGS.—The Commissioner of Food and Drugs shall take appropriate action in response to a report received under clause (iii) in accordance with paragraphs (7) through (12) of section 505(i)(1) of the Food, Drug, and Cosmetic Act (21 U.S.C. 355(i)(1)) is amended—

(b) in section (c)(1)(C), by striking ‘‘(C) ’’;

(2) Matters included.—The matters re-

(a) CLARIFICATION OF AUTHORITIES.—

(b) in paragraph (B), by striking ‘‘and’’; and

(c) in paragraphs (1) and (2) of subsection

(a) in General.—The Secretary of Health and Human Services shall, under section 222 (as added by this Act) in ensuring that medicines used by children are tested and properly labeled, including

(b) in paragraphs (1) and (2) of subsection

(a) in General.—The Secretary of Health and Human Services shall, under section 222 (as added by this Act) in ensuring that medicines used by children are tested and properly labeled, including

(b) by striking ‘‘in the trial, and a description of wheth-

(a) in General.—The advisory committee shall advise and make recommendations to the Secretary, through the Commissioner of Food and Drugs and in consultation with the Director of the National Institutes of Health, on matters relating to pediatric pharmacology.

(b) by striking ‘‘in the trial, and a description of wheth-

(c) Clarification of Availability of Investigational New Drugs for Pediatric Study and Use.—


(c) Clarification of Availability of Investigational New Drugs for Pediatric Study and Use.—


(a) in General.—The advisory committee shall advise and make recommendations to the Secretary, through the Commissioner of Food and Drugs and in consultation with the Director of the National Institutes of Health, on matters relating to pediatric pharmacology.
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section 505A of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a) and section 409I of the Public Health Service Act (as added by this Act), including an estimate of—
(A) the costs to taxpayers in the form of higher expenditures by Medicare and other Government programs;
(B) sales for each drug during the 6-month period for which exclusivity is granted, as attributable to such exclusivity;
(C) costs to consumers and private insurers as a result of any delay in the availability of lower cost generic equivalents of drugs tested and granted exclusivity under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.), and loss of revenue by the generic drug industry and retail pharmacies as a result of any such delay; and
(D) the benefits to the government, to private insurers, and to consumers resulting from decreased health care costs, including—
(i) decreased hospitalizations and fewer medical prescriptions due to the more appropriate and more effective use of medications in children as a result of testing and relabeling because of the amendments made by this Act;
(ii) direct and indirect benefits associated with fewer physician visits not related to hospitalization;
(iii) benefits to children from missing less time at school and being less affected by chronic illnesses, thereby allowing a better quality of life;
(iv) benefits to consumers from lower health insurance premiums due to lower treatment costs and hospitalization rates; and
(v) benefits to employers from reduced need for employees to care for family members.

(3) The nature and type of studies in children for each drug granted exclusivity under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.), including—
(A) a description of the complexity of the studies;
(B) the number of study sites necessary to obtain appropriate data;
(C) the numbers of children involved in any clinical studies; and
(D) the estimated cost of each of the studies.

(4) Any recommendations for modifications to the programs established under section 505A of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a) and section 409I of the Public Health Service Act (as added by section 3) that the Secretary determines to be appropriate, including a detailed rationale for each recommendation.

(5) The increased private and Government-funded pediatric research capability associated with this Act and the amendments made by this Act.

(6) The number of written requests and additional letters of recommendation that the Secretary of Health and Human Services shall promulgate a final rule requiring that the labeling of each drug for which an application is approved under section 505A of the Federal Food, Drug, and Cosmetic Act (regardless of the date on which approved) include the toll-free number maintained by the Secretary for the purpose of receiving reports of adverse events regarding drugs and a statement that such number is to be used for reporting purposes only, not to receive medical advice. With respect to the final rule:

(1) The rule shall provide for the implementation of such labeling requirement in a manner that the Secretary considers to be most likely to reach the broadest consumer audience.

(2) In promulgating the rule, the Secretary shall seek to minimize the cost of the rule on the pharmacy profession.

(3) The rule shall take effect not later than 60 days after the date on which the rule is promulgated.

(4) DRUGS WITH PEDIATRIC MARKET EXCLUSIVITY.

(A) IN GENERAL.—During the one-year beginning on the date on which a drug receives a period of market exclusivity under section 505A of the Federal Food, Drug, and Cosmetic Act, any report of an adverse event regarding the drug that the Secretary of Health and Human Services receives shall be referred to the Office of Pediatric Therapeutics established under section 6 of this Act. In considering the report, the Director of such Office shall provide for the review of the report by the Pediatric Advisory Subcommittee of the Anti-Infective Drugs Advisory Committee. After determining that the activities described in such paragraph regarding a drug after the one-year period described in such paragraph regarding the drug has expired.

(B) Rule of Construction.—Paragraph (1) may not be construed as restricting the authority of the Secretary of Health and Human Services to carry out the activities described in such paragraph regarding a drug after the one-year period described in such paragraph regarding the drug has expired.

SEC. 18. MINORITY CHILDREN AND PEDIATRIC EXCLUSIVITY PROGRAM.

(a) PROTOCOLS FOR PEDIATRIC STUDIES.—Section 505A of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a) is amended in subsection (d)(2) by inserting after the first sentence the following: “In reaching an agreement regarding written protocols, the Secretary shall take into account adequate representation of children of ethnic and racial minorities.”

(b) STUDY BY GENERAL ACCOUNTING OFFICE.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct a study for the purpose of determining the following:

(A) The extent to which children of ethnic and racial minorities are adequately represented in studies under section 505A of the Federal Food, Drug, and Cosmetic Act, and to the extent ethnic and racial minorities are not adequately represented, the reasons for such under representation and recommendations to increase such representation.

(B) Whether the Food and Drug Administration has appropriate management systems in place to ensure the conduct of appropriate studies in neopolitans by companies with products that have sufficient safety and other information to make the conduct of studies ethical and safe.

(2) DATE CERTAIN FOR COMPLETING STUDY.—Not later than January 10, 2003, the Comptroller General shall complete the study required by subsection (a) and submit to the Congress a report describing the findings of the study.

SEC. 19. TECHNICAL AND CONFORMING AMENDMENTS.

Section 505A of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a) is amended—

(1) by striking “(j)(4)(D)” each place it appears and inserting “(j)(5)(D)”;

(2) by redesignating subsections (a), (g), (h), (i), (k), (l), (m), (n), (o), (p), (q), (r), (s), (t), (u), (v) of section 505(j)(5)(D) as (a), (g), (h), (i), (k), (l), (m), (n), (o), (p), (q), (r), (s), (t), (u), (v) respectively;

(3) by moving the subsections so as to appear in alphabetical order;

(4) in paragraphs (1), (2), and (3) of subsection (d), subsection (e), and subsection (m) as redesignated by paragraph (2), by striking “subsection (a) or (c)” and inserting “subsection (b) or (c)”;

(5) in subsection (g) as redesignated by paragraph (2), by striking “subsection (a) or (b)” and inserting “subsection (a) or (c)”.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Louisiana (Mr. Tauzin) and the gentleman from Ohio (Mr. Brown) each will control 20 minutes. The Chair recognizes the gentleman from Louisiana (Mr. Tauzin).

Mr. TAUZIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on S. 1780.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana? There was no objection.

Mr. TAUZIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in strong support of S. 1780, the Best Pharmaceuticals for Children Act. I wish to commend the hard work of the House sponsors of this legislation, the gentleman from Pennsylvania (Mr. Green-Wood) and the gentlewoman from California (Ms. Eshoo), two extraordinarily valuable members of the Committee on Energy and Commerce and huge swift passage of this bipartisan bill.

The bill before us today represents a product of bipartisan and bicameral negotiation. This is strikingly similar to the legislation that already passed this House on November 15 by a vote of 388 to 86. Because the bill passed by the other body differed slightly from the House-passed bills, the bills had to be reconciled. S. 1789 is a product of those negotiations. The Senate recently approved the bill without a single dissenting vote.

For years, drugs used in children were not tested for children. To address
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H10205

For drugs like Prilosec and Prozac and Zocor and Neurontin, the exclusivity provisions add $50 to $70 for every prescription that every American gets. Again, it is maybe 2 percent industry-wide, as the gentleman from Louisiana mentions, but these provisions, for those drugs, Prilosec, Prozac, Zocor, Neurontin, add $50 to $70 for each prescription. For those of us who have constituents that take Prilosec and Prozac and Zocor and Neurontin, a ‘‘yes’’ vote will mean they will pay, every time, $50 to $70 more for each prescription.

The manufacturer of these drugs will take home an additional $500 million to $1.6 billion for conducting tests that cost about $4 million each, quite a return on their investment, Mr. Speaker.

I hoped committee deliberations on this legislation would have produced some legitimate arguments and reasonable justification for extending this 6-month exclusivity provision, but it did not happen. Proponents argue that we should sustain this program because, they say, it is about 6 months of work. Giving the drug industry the keys to the Federal Treasury would also work. Does that mean it is a good idea? They say pediatric exclusivity is the most successful program ever when it comes to increasing the number of pediatric tests. It is also the only incentive program that Congress has ever tried. Previous attempts relied on subtle persuasion, not rewards, not mandates, not any kinds of big money incentives as this gets.

Proponents say pediatric exclusivity uses marketplace incentives. It is a ‘‘free market’’ solution, they tell us. Pediatric exclusivity is not a free market solution, and it does not use marketplace incentives. In free markets, competition and demand drive behavior. When it comes to pediatric exclusivity, the prospect that the Federal Government will step in and block generic competition is what drives behavior. Monopolies are anathema to free markets.

Proponents say that when we factor in lower children’s health care costs, pediatric exclusivity actually saves money. I wonder if the authors of this research factored in the health care costs they say 6 months of exclusivity would cost an additional 6 months of grossly inflated prices for some of the most widely used prescription drugs on the market.

Five years ago, Mr. Speaker, Congress allowed drug companies offering 6 months of market exclusivity to drug companies if they conduct pediatric tests. Five years later, we know that the cost to consumers of this 6-month provision is astronomical, while the cost of testing is minimal. We could pay drug companies twice the cost of testing, three times the cost of testing, even four times the cost of testing. We would still save a fortune on behalf of consumers.

□ 1545

this situation, the gentleman from Pennsylvania (Mr. GREENWOOD) and the gentleman from California (Mr. WAXMAN) worked together in 1997 to provide manufacturers with an incentive to test these drugs specifically for children. The incentive adopted then was an additional 6 months of exclusivity under the patents added to the existing exclusivity of patent protection for testing these drugs at the request of the FDA.

The incentive has worked extraordinarily well. According to the FDA: ‘‘The pediatric exclusivity provision has done more to generate clinical studies and useful prescribing information for the pediatric population than any other regulatory or legislative process to date.’’ According to the American Academy of Pediatrics, the incentive ‘‘has advanced therapeutics for infants, children and adolescents, in a way that has not been possible in several decades prior to the passage of this law.’’

Every children’s group in America supports this reauthorization. This is why the Committee on Energy and Commerce reported the bill by a strong bipartisan vote of 41 to 6. The difference between the bill that passed the Committee on Energy and Commerce and the bill before us today are minimal. The main difference is that the Greenwood-Eshoo regulation created a new Foundation for Pediatric Research, while S. 1780 subsumes that foundation within the existing NIH Foundation.

A few Members may oppose the reauthorization by saying that pediatric exclusivity has provided a windfall to industry and increased costs to consumers. Well, truth be told, while some companies have indeed benefited financially for testing their drugs in children, the GAO notes that ‘‘while there has been some concern that exclusivity may provide an incentive for companies to target drugs that generate substantial revenue, most of the drugs studied are not top sellers.’’ In fact, 20 of the 37 drugs which have been granted exclusivity fall outside the top 200 in terms of drug-sale revenues. Further, the FDA estimates that the cost of this provision adds about one-half of one percent to the Nation’s pharmaceutical bill.

Importantly, because the FDA has failed to act, this legislation contains a provision which will result in generic drugs being approved when their labeling omits the pediatric indication or other aspect of labeling which is protected by the patent exclusivity.

While one drug has been prominently mentioned in this debate, the FDA has informed the committee that a number of drugs have received 3 years of additional exclusivity for pediatric use under Hatch-Waxman. It is my strong belief that in implementing this provision, the Secretary will apply it consistently and uniformly to all affected drugs; and to ensure that all interested parties have their voices heard, the Secretary should provide for public notice and comment in implementing this important provision.

Pediatric exclusivity has resulted in drugs which are used in children being tested on children and for children; and due to this law, drug labels are being changed to contain pediatric labeling. How else could the gentleman from Pennsylvania (Mr. GREENWOOD) and the gentlewoman from California (Ms. ESHOO), the law will also ensure that generic drugs used in children will also have their labels changed.

The American Academy of Pediatrics, the Coalition for Children’s Health, the National Association of Children’s Hospitals, and the Elizabeth Glaser Pediatric AIDS Foundation are all telling us to pass the Greenwood-Eshoo legislation now. If this program is not reauthorized this year, it expires. Do not be in a position of having to explain to your children’s hospitals or to the Academy of Pediatrics and the Pediatric AIDS Foundation why you killed their top priority.

My recommendation to this House is to vote yes on this worthy bill.

Mr. Speaker, I reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 6 minutes.

Mr. Speaker, unfortunately, the legislation we are considering today, named the Best Pharmaceuticals for Children Act, is not about children; it is about money. It is about the most influential industry on Capitol Hill co-opting an emotional issue to lock in another 5 years of unjustifiable, unearned revenues.

It is about reauthorizing a program that pays drug companies literally tens of billions of dollars, straight out of the pockets of consumers who will pay higher prices, for tests that cost relatively only a few million dollars to conduct. Again, it is about reauthorizing a program that pays drug companies tens of billions of dollars in higher prices for consumers for tests that cost a few million dollars to conduct.

No one disputes the need for pediatric drug testing. In a health care system as advanced as ours, it is unfathomable that our children are still being prescribed medicines on a hit-or-miss basis. But this bill does not ensure that medicines are first tested for the children, or even four times the cost of testing. We could cost about $4 million each. Quite a return on their investment, Mr. Speaker.

I hoped committee deliberations on this legislation would have produced some legitimate arguments and reasonable justification for extending this 6-month exclusivity provision, but it did not happen. Proponents argue that we should sustain this program because, they say, it is about 6 months of work. Giving the drug industry the keys to the Federal Treasury would also work. Does that mean it is a good idea? They say pediatric exclusivity is the most successful program ever when it comes to increasing the number of pediatric tests. It is also the only incentive program that Congress has ever tried. Previous attempts relied on subtle persuasion, not rewards, not mandates, not any kinds of big money incentives as this gets.

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For drugs like Prilosec and Prozac and Zocor and Neurontin, the exclusivity provisions add $50 to $70 for every prescription that every American gets. Again, it is maybe 2 percent industry-wide, as the gentleman from Louisiana mentions, but these provisions, for those drugs, Prilosec, Prozac, Zocor, Neurontin, add $50 to $70 for each prescription. For those of us who have constituents that take Prilosec and Prozac and Zocor and Neurontin, a ‘‘yes’’ vote will mean they will pay, every time, $50 to $70 more for each prescription.

The manufacturer of these drugs will take home an additional $500 million to $1.6 billion for conducting tests that cost about $4 million each, quite a return on their investment, Mr. Speaker.

I hoped committee deliberations on this legislation would have produced some legitimate arguments and reasonable justification for extending this 6-month exclusivity provision, but it did not happen. Proponents argue that we should sustain this program because, they say, it is about 6 months of work. Giving the drug industry the keys to the Federal Treasury would also work. Does that mean it is a good idea? They say pediatric exclusivity is the most successful program ever when it comes to increasing the number of pediatric tests. It is also the only incentive program that Congress has ever tried. Previous attempts relied on subtle persuasion, not rewards, not mandates, not any kinds of big money incentives as this gets.

Proponents say pediatric exclusivity uses marketplace incentives. It is a ‘‘free market’’ solution, they tell us. Pediatric exclusivity is not a free market solution, and it does not use marketplace incentives. In free markets, competition and demand drive behavior. When it comes to pediatric exclusivity, the prospect that the Federal Government will step in and block generic competition is what drives behavior. Monopolies are anathema to free markets.

Proponents say that when we factor in lower children’s health care costs, pediatric exclusivity actually saves money. I wonder if the authors of this research factored in the health care costs they say 6 months of exclusivity would cost an additional 6 months of grossly inflated prices for some of the most widely used prescription drugs on the market.

Five years ago, Mr. Speaker, Congress allowed drug companies offering 6 months of market exclusivity to drug companies if they conduct pediatric tests. Five years later, we know that the cost to consumers of this 6-month provision is astronomical, while the cost of testing is minimal. We could pay drug companies twice the cost of testing, three times the cost of testing, even four times the cost of testing. We would still save a fortune on behalf of consumers.

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Mr. Speaker, uses children as bait to capture another windfall for the drug industry. It uses children as bait to capture another windfall for the drug industry. I oppose this bill because it promotes bad policy and consumers throughout the country will pay for it.

Before closing, Mr. Speaker, I want to speak for a moment about a provision in this legislation that is in the public’s best interests. It is the clarification amendments set forth in section 10, which is intended to make absolutely sure that an important incentive for generic competition is, in fact, preserved. This section clarifies that the grant of pediatric exclusivity does not diminish the generic exclusivity period awarded to the first generic firm to file a paragraph IV certification. Obviously, this clarifying amendment applies to pediatric exclusivity periods that have already been granted as well as those that will be granted in the future. That good language in section 10 is not without its considerations. Mr. Speaker, this is bad legislation. We should vote "no."

Mr. Speaker, I reserve the balance of my time.

Mr. TAUZIN. Mr. Speaker, I am pleased to yield 3½ minutes to the distinguished gentleman from Indiana (Mr. BURTON), the distinguished chairman of the Committee on Government Reform.

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentleman for yielding me this time.

I think this is probably a very good bill and I support it. However, there are a few things I would like to say to the members of the Committee on Energy and Commerce, because I think it is very important, and I have not had an opportunity to do it before.

One of the things that is not widely known is many of the children's vaccinations contain a substance called thimerosal. Thimerosal is an mercury is a toxic substance that is put in there as a preservative when they put many vaccinations in one vial. Thimerosal contains Mercury. Mercury is a toxic substance that should not be put in anybody's body, let alone children. Children get as many as 25 to 30 vaccinations by the time they go to school. Children get sometimes as much as 45 to 50 times the amount of Mercury in their systems that is tolerable in an adult and, as a result, many children suffer mental damage because of this, according to some leading scientists.

The number of children in America that are autistic has gone from 1 in 10,000 to 1 in 500. We have an absolute epidemic of autism in this country. Many scientists around the world believe one of the major contributing factors is these toxic substances that are being used as preservatives in these vaccinations; in particular, mercury.

Now, we have taken mercury out of all topical dressings. One cannot get a topical dressing now that has mercury in it, and yet there are a lot of substances such as eye drops, vaccinations and a whole host of things that contain mercury. I have talked to the FDA. We have had them before my committee many times. Two years ago we talked to them about the DPT shot. We asked them about mercury and we asked them whether they should not have had mercury in them, and they said they were going to try to get that substance out. They have not done so. I think it is, in large part, because many of the pharmaceutical companies want to use this because it does help enhance profits. But mercury should not be injected into any child.

I would like to say to my colleagues who are maybe here in the Chamber or back in their offices, and I hope the chairman will listen to this, because we have been told that we should all get a flu shot because of the anthrax scare. Do Members know that the flu shots that we are getting at the doctor’s office here in the Capitol contain mercury? Many believe that mercury is a contributing factor to Alzheimer's as well as other children's diseases like autism.

So I would just like to say to the chairman, I hope he will hold or allow one or more of his hearings on this, because it is not necessary. If they go to single shot vials, they do not need it in there. But they put 10 shots in one vial, and because they put the needle continually in there, they say they need to have mercury in there as a preservative.

For the sake of our children, 1 in 500, in some parts of the country it is 1 in 180, and autism now, it is an absolute epidemic, I suggest that anything that might be a contributing factor ought to be considered one of these vaccinations, and I hope the gentleman from Louisiana (Mr. TAUZIN) and the gentleman from Pennsylvania (Mr. GREENWOOD) will take a look at this problem.

Mr. TAUZIN. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Louisiana.

Mr. TAUZIN. Mr. Speaker, I certainly want to thank the chairman and ensure him that our committee is anxious to work with his Committee on Government Reform. If he will be kind enough to share the documentation and the results of his hearings with our committee, we will be more than happy to work with him.

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentleman, and we will have it to him right away.

Mr. BROWN of Ohio. Mr. Speaker, I yield my time as I may consume to comment on the comments of the gentleman from Indiana (Mr. BURTON) about mercury and to thank him for raising the call about mercury. It is a substance banned in almost every country in the world and I appreciate the work that he has done in raising the public knowledge of that toxic substance.

Mr. Speaker, I yield 2½ minutes to the gentlewoman from California (Ms. HARMAN), a member of the Committee on Commerce.

Ms. HARMAN. Mr. Speaker, I thank the gentleman for yielding me this time but also see no reason to support this legislation. I very much respect his views and his leadership on competition issues.

Mr. Speaker, I want to alert this body that one of the preconditions of this legislation, the gentlewoman from California (Ms. ESHOO), is on her way in from the airport. Sadly, she may miss this debate. I stand here to salute her leadership on this issue, along with the gentleman from Pennsylvania (Mr. GREENWOOD), and to say that even if she does miss this debate, she will not miss the fact that through her contribution, we today will overwhelmingly, I predict, pass this legislation.

Notwithstanding the importance of competition, Mr. Speaker, this legislation is about harnessing the promise of the most advanced pharmaceuticals for the most vulnerable members of our society: our children. Dr. Jay Lieberman, a pediatric disease specialist from my district, has told me that literally every day he sees children with serious, sometimes life-threatening infections on whom he must use the antibiotics and other drugs that have not been tested to determine how safe they are for kids.

We must do all we can to end this lack of knowledge, and the extension of patent exclusivity for companies that test their pharmaceuticals for children is the proven way to help kids. Over the past 4 years, pharmaceutical companies have dramatically increased the number of pediatric trials for new prescription drugs. More products are being labeled with proper dosage for children and potentially harmful interactions, and more companies are conducting research into special drug formulations for children.

Now, we are doing this today. Mr. Speaker, is not enacting a new law; we are renewing good law that has brought about better treatments for children. We also clarify that drug companies cannot draw more than 6 months exclusivity for conducting pediatric trials. We must do all we can to improve the safety of pharmaceuticals for kids. This bill is the narrowest way to do this, consistent with protecting competition and consistent with assuring that drug companies are already doing this work will continue to do it.

I want to salute the bipartisan sponsorship of the bill, our chairman, the gentleman from Louisiana (Mr. TAUZIN), and Mr. Speaker, is standing here and the gentlewoman from California (Ms. ESHOO), were she here, would be saying the same things. I thank the chairman for his leadership. I urge passage of this bill.

Mr. TAUZIN. Mr. Speaker, I yield myself 30 seconds, first of all, to thank...
the gentlewoman from California (Ms. HARMAN) and particularly the gentlewoman from California (Ms. ESHOO) who could not be here today for her handling of the bill and for her excellent work with the gentleman from Pennsylvania (Mr. GREENWOOD) on this legislation.

Finally, I would mention that while there are some costs to this exclusivity, Tufts University has estimated that while it costs Americans about $700 million for this 6 months of extra exclusivity, that we gain $7 billion of savings each year in medical costs for children. It is a 10 to 1 savings. That is worth doing.

Mr. Speaker, I am pleased to yield 5 minutes to the gentleman from Pennsylvania (Mr. GREENWOOD), the chairman of the Subcommittee on Oversight and Investigations of the Committee on Commerce and the author of the legislation.

Mr. GREENWOOD. Mr. Speaker, I thank the gentleman from Louisiana (Mr. TAUZIN), the chairman of the full committee for yielding me this time and I also thank him for his support throughout this progress on this important piece of legislation.

Mr. Speaker, in section 11 of this bill, as has been mentioned by the chairman, passed just about a month ago by the overwhelming margin of 338 to 86 in this House and, in fact, it passed in the Senate unanimously. So today we pass the Senate again this bill so that we can get it to the President so we can continue to provide these health benefits for children. It passed by that overwhelming majority because there is widespread agreement on just about every facet of this issue. There is universal agreement, no one debates the question, that for decades; in fact, for all of the health history of this country, we have had a serious problem in trying to get pharmaceutical companies to test their products on children so that pediatricians and other doctors and specialists can prescribe these medications in ways that benefit children particularly and take into consideration of the different physiology and the different size and weight of children. Everyone agrees to that.

Everyone agrees that since 1997 when we enacted this Better Pharmaceuticals for Children bill, there has been a dramatic and unanticipated flurry of these studies, about 400 of them, which the pediatric community and all of these organizations, the American Academy of Pediatrics, the National Association of Children’s Hospitals, the Elizabeth Glazier Pediatric AIDS Foundation, the March of Dimes, the American Academy of Child and Adolescent Psychiatry, and on and on, all of these groups universally acknowledge and agree that this has been a saviour in providing good medical information to physicians.

There has been one area of dispute, and that area of dispute is what is the proper incentive to give the pharmaceutical companies in order to get them to provide these studies. What we say in the bill is if the Food and Drug Administration, the FDA, asks a pharmaceutical company, please provide clinical trials for children for your product, and the company does that study, and we have that information available, we have a clear simple, neat incentive, and that is, you will gain 6 months of additional exclusivity; when the 6 months is over, in comes generic competition and the prices go down.

The National Association of Children’s Hospitals has said in its report to Congress, the Better Pharmaceuticals for Children Act has had lent work with the gentleman from Louisiana (Mr. TAUZIN), the chairman of the full committee for yielding me this time and I also thank him for his support throughout this progress on this important piece of legislation.

Mr. Speaker, I am happy that the House is considering S. 1789, the Best Pharmaceuticals for Children Act.

This bill is the essence of bipartisan policy. It originally passed the House by a vote of 338–86 on November 15, and the Senate passed it by unanimous consent yesterday.

Chairman TAUZIN, and Chairman BILIRAKIS, thank you for your leadership and hard work in moving this bill from committee to the floor and for achieving a unified bill with the Senate.

Mr. Speaker, I am also pleased to have worked with Ms. ESHOO and the 16 other members of the minority who have cosponsored this legislation.

Mr. Speaker, this is public policy at its best. Over 400 studies are currently underway to fulfill 200 study requests from FDA. Contrast this with the change that from the prior 6 years, when only 11 studies had been done.

As the Food and Drug Administration itself said in its report to Congress, the Better Pharmaceuticals for Children Act has had “unprecedented success,” and “the pediatric exclusivity provision has done more to generate clinical studies and useful prescribing information than any other regulatory or legislative process to date.”

This Act has helped to get drugs to kids who need them, let us better understand how drugs work in kids, and also know when we should and should not be giving kids certain drugs. Or as Linda Suydam, the FDA representative who testified in front of the Health subcommittee earlier this year pointed out, “The results speak for themselves.”

Let me give you an example of how this has worked.

Take Lodine, which treats Juvenile rheumatoid arthritis. This drug did not have safety and effectiveness in children prior to this program. With the studies, we have determined a new indication for children 6–16 years in age and recommended a higher dosage in younger children.

Contrast this with the traditional mindset of just “taking the pill and breaking it in half” to determine the dosage for children.

This has been a fantastic law. And we can do better.

Six of the 10 most used drugs by children have not been studied because they are off-patent. This bill provide the funds for the studies to be completed on those off-patent drugs used so often to treat these children.

Furthermore, we have developed a foundation to provide resources for the completion of these studies that will have so much value.

Some will argue that this is a Republican bill. Nothing could be further from the truth. This bill, which I am proud to work on with Ms. ESHOO, is the very essence of bipartisanship. It passed out of the Energy and Commerce Committee by a vote of 41–6. And this bill has had more Democrat cosponsors than Republican, including several members of the committee.

Some of my colleagues on the opposite side of the aisle will try to suggest that this bill is both costly and helps blockbuster drugs stay-off competition. This provision is not about blockbuster drugs. Over half of the 38 drugs that have been granted exclusivity do not even make the list of top 200 selling drugs.

Simply put, this bill is good policy. It is sound, it is tested, it is tried. It works. We need to reauthorize pediatric exclusivity.

We need to send the bill to the President for his signature. America’s kids are counting on it.

I urge my colleagues to vote “yes” on S. 1789.

I would like to clarify a point regarding a provision in this legislation. It is my understanding regarding section 15 that the eleven voting members of the pediatric subcommittee of the Oncologic Drugs Advisory Committee, currently section 15(2)(A) shall be drawn from the pediatric oncology specialists listed in (2) of the bill.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I hear the gentleman from Pennsylvania (Mr. GREENWOOD), who does outstanding work on the Subcommittee on Health on a variety of issues, say that opponents to this bill offered a Rube Goldberg collection of responses or fixes, if you will, to this problem that we believe exists, this problem of paying the drug companies in many cases tens, sometimes hundreds of millions, of dollars, and in one case over $1 billion to do a study that costs simply $4 million.

Our proposals to fix this are not at all Rube Goldberg. One was to reduce the 6-month exclusivity to 3 months so a drug company, by investing $4 million, would then only make tens of millions of dollars, or $100 million instead of $1 billion. That is a very simple, straightforward solution.

Another was simply to reimburse the drug company for the study they did. If they paid $4 million for the study, then reimburse them $4 million; or we would have said something to say we will reimburse them $8 million or $12 million. We said, give them 100 percent or 200 percent return on investment, but do not raise the price, as this legislation does, do not raise the price of Prilosec, Prozac, Zocor, and Neurontin $30 to $70 per prescription.

Remember, Mr. Speaker, everyone that votes for this legislation is saying
to her constituents or his constituents, yes, I am signing off on increasing for at least 6 months the price of Prilosec and Prozac and Neurontin $50 to $70 per prescription. It is not the 2 percent that the gentleman from Louisiana (Mr. TAUZIN) talks about insidiously. That may be true; I do not dispute his numbers. But for those four drugs and for some others, the cost of Prilosec will go up $50 to $70 for that 6-months for consumers, for our constituents. So will the cost of Prozac, Zocor, and Neurontin.

In times of recession, when people are losing their jobs, when the economy seems to be going downward, is that what we want to do is say to our constituents it is okay, pay $50 or $60 or $70 per prescription, is it for the good of some other cause?

Mr. Speaker, I reserve the balance of my time.

Mr. TAUZIN. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Maryland (Mrs. MORELLA).

Mrs. MORELLA. Mr. Speaker, I thank the chairman of the Committee on Commerce for yielding time to me, and for his leadership in bringing this bill, which I think is an important one, to the floor.

Mr. Speaker, I am in strong support of S. 1789, the Best Pharmaceuticals for Children Act; and I want to congratulate the sponsor of the bill, the gentleman from Pennsylvania (Mr. GREENWOOD); the gentleman from California (Mr. WAXMAN), the gentleman from Pennsylvania (Mr. GREENWOOD), and the gentleman from California (Ms. ESHOO) for working on crafting this legislation, which is important. It is a much-needed piece of legislation. It creates an incentive for pharmaceutical companies to conduct pediatric studies to increase pediatric information.

Children are subject to many of the same diseases as adults and, by necessity, are often treated with the same drugs prescribed to the American Academy of Pediatrics, only a small fraction of all drugs marketed in the United States has been studied in pedi atric patients; and a majority of marketed drugs are not labeled or are insufficiently labeled for use in pediatric patients.

Safety and effectiveness information for the youngest pediatric age groups is particularly difficult to find in product labeling. The absence of pediatric testing and labeling may also expose pediatric patients to ineffective treatment through underdosing, or may deny pediatric patients the ability to benefit from therapeutic advances because physicians choose to prescribe existing, less-effective medications in the face of insufficient pediatric information about a new medication.

In addition, pharmaceutical companies have little incentive to perform pediatric studies on drugs marketed primarily for adults; and FDA policies to increase pediatric testing and labeling of certain drugs have failed. As a result, the FDA issued a report in January of this year, 2001, that the pediatric exclusivity provision was “highly effective in generating pediatric studies on many drugs, and in providing useful new information in product labeling.”

I urge my colleagues to support this bill, as there is no greater job that Congress can undertake than to improve and enhance the health of children.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, a study from the Department of Health and Human Services, wrote that “the impact of the lack of lower-cost generic drugs on some patients, especially those without health insurance and the elderly, may be significant.”

This government report from the Food and Drug Administration concluded that “the greatest burden of this increase will fall on consumers with no private or public insurance support, which may disproportionately affect lower-income purchasers, and the pediatric exclusivity provision imposes substantial costs on consumers and on taxpayers.”

Mr. Speaker, I sit here amazed that this Congress today is about to pass legislation to increase the cost of drugs, of prescription drugs, to America’s elderly and to consumers of these prescription drugs, when this Congress has done nothing for unemployed workers, has done nothing for health insurance for people unemployed who has done nothing in terms of an economic stimulus package.

We will not pass a stimulus package, we will not do anything for 125,000 laid-off airline workers, we will not do anything for children in a very special way. Yet in the name of a child, we will not do anything for the millions of newly laid-off workers, for the stimulus package, it is not about anything for the millions of newly laid-off workers, it is not about the children.

Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, in the midst of a recession, when people are losing their jobs, when the economy seems to be going downward, is that what we want to do is say to our constituents it is okay, pay $50 or $60 or $70 per prescription, is it for the good of some other cause?

Mr. Speaker, this bill is not about the stimulus package, it is not about the stimulus package, it is not about the stimulus package, it is not about the stimulus package, it is not about the airlines, it is not about drilling in ANWR. It is about children. It is about whether or not we are going to continue a law that is working; not pass a new law, but simply continue a law that is working, and that everyone who has looked at it says it is working not just well, but excellently.

Let me point out a couple of things:

One, the bill does not raise drug costs to anybody. It simply extends pediatric exclusivity, exclusivity of patents, for 6 months. It does not change the drug company wants that. It does it because the FDA decides that a certain drug that is being given to adults may have serious consequences if given to children without a special study done on the effects of the drug on the young mind and body of a young child to make sure in fact that a drug that is very potent and helpful for adults may not have the same effect on children.

The FDA decides to ask the drug company to do special testing for children and then if they find out that this drug has special effects on children, to make sure that the label on the drug indicates that to the doctor before he prescribes it to a child.

Now, I ask Members, does this extra 6 months of patent protection help the drug company? Of course it does. They get 6 more months of protection under their patent if they agree to do this testing that the FDA requests, and if in fact they do it and the tests are run and approved, we will not be getting a half-dose or quarter-dose but maybe an eighth of a dose, and under special kinds of treatments and circumstances, then we end up protecting children in a very special way.

How much so? We are told that this extra 6 months of exclusivity may add about one-half of 1 percent to the drug costs in America during that 6 months of extra exclusivity under the patent. What do we get back for it? According to a study, we save $7 billion a year in health care costs for our children, and so we are not crippling them and hurting them with drugs that could hurt and cripple them instead of helping them.

Seven billion dollars, ten-to-one benefits for the most vulnerable, the most sacred of all the charges that God has ever presented us with on this Earth, the protection of our own children and their health. That is what we are talking about.

It is not about the stimulus plan or drilling in Alaska or airline workers. It is about whether or not we are going to continue a law that is about to expire; that protects children in this country; that works exceptionally well; that was designed by the gentleman from California (Mr. WAXMAN), together with the gentleman from Pennsylvania (Mr. GREENWOOD) in 1997 and has proven itself.

We cast the vote along with the Senate, which did not cast a dissenting vote against this bill. We cast a vote today to continue this good law in effect. Is that worth doing? Yes. And
I hope this House joins me in passing this bill.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I stand in support of the Best Pharmaceuticals for Children Act (S. 1789). Until 1997, American children were at substantial risk due to the lack of instruction on pediatric use in many prescription drug labels on how to use those drugs in children. Since the pediatric exclusivity incentive was enacted in 1997, there have been numerous studies of drugs in children, and drug labels are finally starting to carry this critical pediatric information. That this improved labeling was relied upon by BMS as the basis for the marketing exclusivity their drug was entitled to be the only drug involved (or at least one of the drugs) marketed for Type 2 diabetes. An exclusive marketing period for Glucophage, a pioneer drug approved for pediatric use. But if an applicant agrees to a request by the FDA for pediatric use information in their label, the use becomes subject to the FDA's labeling requirements.

MEMORANDUM TO THE UNITED STATES CONGRESS 
PROPOSED AMENDMENT TO THE HATCH-WAXMAN ACT (H.R. 2887)

Section 11 of H.R. 2887 has the effect of amending the Hatch-Waxman Act to abolish retroactively an existing exclusive marketing period for Glucophage, a pioneer drug manufactured and marketed by Bristol-Myers Squibb (“BMS”) for treatment of Type 2 diabetes. An exclusive marketing period, whether derived from a government grant of a patent or other similar governmental action, is a valuable property. Any legislative effort to terminate such an existing retrenchment raises obvious constitutional problems. In the case of Glucophage, the proposed legislative action is particularly egregious since the FDA already has the discretion under applicable law to terminate such an existing valuable right already granted the drug manufacturer.

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In its mandated 2001 status report to Congress, the FDA reported that pediatric exclusivity has “done more to generate clinical studies and useful prescribing information for the treatment of any disease than any other regulatory or legislative process to date” S. Rep. No. 107-79 (2001).

Linda Suydam, Senior Associate FDA Commissioner, testified at a House hearing that the “purpose of encouraging pediatric studies is to provide needed pediatric efficacy, safety, and dosing information in pediatricians in product labeling”. Food and Drug Administration Modernization: Hearing Before the House Comm. on Energy and Commerce, 107th Cong. (May 3, 2001) (statement of Linda A. Suydam).

At a May 2001 Senate hearing, Senator Chris Dodd wanted that the absence of pediatric information, risks to children, the FDA’s failure to monitor the drug, and the FDA’s refusal to require adequate labeling was causing it to describe as it “playing Russian roulette with their health”. Pediatric Drug Testing: Hearing Before the Senate Comm. on Health, Educ., Labor and Pensions, 107th Cong. (May 8, 2001) (statement of Senator Dodd).

In the context, the FDA, in 1996 and 1999, issued “Written Requests” to Bristol-Myers Squibb (“BMS”) for the performance of extensive pediatric studies on Glucophage, a pioneer drug approved in 1995 for the treatment of type 2 diabetes. At that time, no oral type 2 diabetes treatment had been approved for pediatric use. BMS completed the studies as agreed. In the spring of 2000, BMS submitted an sNDA seeking approval to add pediatric use information to the Glucophage label based on the findings of its studies. As expected, the FDA approved the sNDA, authorized BMS to add pediatric use information to the Glucophage label, and granted three years of Hatch-Waxman labeling exclusivity pursuant to the current Hatch-Waxman Act. See 21 U.S.C. § 355(j)(5)(S)(iv). Under existing law, that grant resulted in total marketing exclusivity with respect to Glucophage for the applicable period because BMS has acquired exclusive rights to the only pediatric use indication applied under the pediatric labeling requirements. See 21 C.F.R. § 201.57(v)(9)(iv).

H.R. 2887 sec. 11, which is apparently widely referred to as the “Anti-Glucophage Bill”, proposes to revise the Hatch-Waxman Act to overrule the requirement that generic versions of pioneer drugs bear labeling for pediatric indications. Accordingly, the proposed legislation would eliminate the market exclusivity that BMS currently enjoys as a result of its exclusive right to the pediatric use labeling for Glucophage.

The retroactive impact of such a government action offends notions of basic fairness and has long been frowned upon by our courts. “[R]etro-spective laws are, indeed, generally repugnant; and as has been forcibly said, neither accord with sound legislation nor with the fundamental principles of the social compact”. Eastern Enter's v. Apfel, 524 U.S. 403 (1998). In 1997, the Senate considered legislation to amend the Constitution (S 1398 (5th ed. 1891)). If H.R. 2887 is signed into law, it would effect an unconstitutional taking, See U.S. Const. amend. V (“the taking of private property [not] to be taken for public use without just compensation”).

BMS, pursuant to Written Requests from the FDA, spent a great length to perform pediatric studies on Glucophage. The fruits of BMS’s research and development effort—including data relating to, among other things, the effectiveness and utility of clinical pharmacology, adverse reactions, and dosage and administration—constitute intellectual property and qualify as trade secrets under state law. See Cal. S. Rev. Stat. § 757 cmt. b (1989) (trade secret may consist of “any formula, pattern, device or compilation of information which is used in one’s business, and which gives him an opportunity to obtain an advantage over competitors who do not know or use it.”), cited with approval United States v. 524 N.E.2d 1007, 1012-13 (N.Y. 1993). Such intangible property is subject to the protections of the Takings Clause of the Constitution. See e.g., Hercules, Inc. v. 586 U.S. 986, 1003-04 (1984) (trade secrets in pesticide testing data); Patlex Corp. v. Mッシnghoff, 758 F.2d 994, 996-97 (Fed. Cir. 1985), modified on other grounds 486 U.S. 485 (Fed. Cir. 1988) (laster technology patents); Tri-Bio Labs., Inc. v. United States, 836 F.2d 135, 142 (Cir. 1987) (trade secrets in animal drug testing data).

Moreover, similar to a patent, the marketing exclusivity that BMS was granted with respect to Glucophage for the applicable period because BMS has acquired exclusive rights to the only pediatric use indication applied under the pediatric labeling requirements. Importantly the bill we will vote on today and the suspesion calendar 338–8.

Importantly the bill we will vote on today and the suspension calendar 338–8. This bill is the conferenced version of legislation that passed the House a month ago on the suspension calendar 338–8. This bill ensures that no company will be able to take advantage of the exclusivity granted by this very important legislation.

This legislation extends the pediatric exclusivity provision, one of the most successful programs created by Congress to inspire medical therapeutic advances for children. Prior to its enactment, 80 percent of all medications had never been tested for use by children, even though most are widely used by pediatricians to treat them.

Many of these drugs carried disclaimers stating that they were not approved for children. Pediatricians cut pills in half or even in fourths for children.

Throughout this period, we were basically experimenting on children, forcing doctors to rely on anecdotal information or guesswork. This was not acceptable for our nation’s children.

In 1997 the Congress passed the pediatric exclusivity provision as part of the FDA Modernization Act, which Congressman BARTON and I sponsored. This provision has made a dramatic change in the way pediatricians are practicing and administering medicine to children. Now, pediatricians have the necessary dosage guidance on drug labels to administer drugs safely to children.

But there are many more drugs that can and should be used in the pediatric population. This bill ensures that those drugs will...
also be studied and information on safe use will be provided to pediatricians.

Because previous attempts to address drug studies for children had failed, this provision was given a four-year lifespan. It expires January 1, 2002, which is why we’re here today. The pediatric exclusivity provision provides pharmaceutical companies with an incentive to study drugs for children. Six months of additional market exclusivity.

This incentive has made a dramatic difference. Since the law has been in place, the FDA has received close to 250 proposed pediatric study requests from pharmaceutical companies and has issued nearly 200 requests to conduct over 400 pediatric studies.

By comparison, in the seven years prior to enactment of this provision, only 11 studies were completed.

The FDA has granted market exclusivity extensions for 33 products. 20 products include new labeling information for pediatricians and parents.

What this means is that doctors are now making better-informed decisions when administering medicine to children.

During our Committee deliberations a number of proposals by my colleagues Representative Pallone and DeGette were adopted and are part of the underlying bill we will vote on today.

The bill before us also makes some significant improvements to the original pediatric exclusivity provisions by creating an off-patent drug fund within NIH and setting up a public-private foundation to support the research necessary for these important drugs.

The bill also addresses some concerns that were raised by both the FDA and GAO with regard to labeling. Our bill enhances the labeling process and provides the FDA Commissioner the authority to misbrand a drug if companies drag their heels.

28 National Children’s health advocacy groups support this bill’s passage. Among them are the American Academy of Pediatrics, the March of Dimes, and the National Association of Children’s Hospitals. They’re requesting that Congress not delay in passing this legislation.

Our colleagues in the Senate have acted last week, the Senate unanimously passed the same bill sponsored by Senators Dole and DeWine.

As I said during the initial House consideration of this bill, many of my colleagues have concerns, valid concerns with the cost of drugs.

I continue to share these concerns, and I shall continue to work for a legislative solution to provide prescription drug coverage for our seniors.

This bill should not have to bear the burden of what Congress has failed to address. The FDA, the GAO, and one of the largest groups of children’s health advocacy groups say this is the best way to provide safe and effective drugs for children.

The benefits of this program are clear and bear repeating—in the seven years prior to enactment of this provision only 11 studies on drugs for children were completed; since its enactment four years ago the FDA has received close to 250 proposed pediatric studies.

Since September 11th the entire Congress has legitimately been addressing national security concerns. Today, we can ensure the health security of our children by passing this bill overwhelming and sending it to the President for his signature.

Mr. TOWNS. Mr. Speaker, I am very pleased that the Congress will act today to further encourage the development of pediatric drugs. I want to congratulate my colleagues, the gentleman from Pennsylvania, Mr. Greenwood, and the gentlelady from California, Ms. Shosh, on their hard work in promoting the reauthorization of this exclusion provision. In the passage of “The Better Pharmaceuticals for Children’s Act in 1997,” many children were denied access to medicines because drugs were not produced in dosable forms that could be used by pediatric patients. It was not very encouraging to be a pediatrician prescribing medicine to children. It was mostly guesswork.

This legislation provided an incentive for research-based pharmaceutical companies to conduct studies on pediatric indications for medicines. The Act included additional market exclusivity for pediatric studies on new and existing pharmaceuticals. The January 2001 Statut Report to Congress from the Food and Drug Administration stated that, “The pediatric exclusivity provision has done more to generate clinical studies and useful prescribing information for the pediatric population than any other recent legislative process to date.”

We should not return to pediatric medicine as it was practiced before 1997. By renewing this law, which will now include a fund to conduct studies on off-patent drugs and reduce the time by which the labeling information reaches consumers, we will ensure that we can continue innovations in the practice of pediatrics and the development of new drug therapies for our children. I know our doctors and their young patients and their parents are pleased that we are moving forward rather than backward in terms of pediatric medications. The March of Dimes, The National Association of Children’s Hospitals and the American Academy of Pediatrics all support this legislation and I would urge my colleagues to join them by voting for S. 1789.

Mr. BURTON of Indiana. Mr. Speaker, today we are voting on the passage of the Best Pharmaceuticals for Children Act. Everyone in Congress wants to see better and safer pharmaceuticals for children.

As Chairman of the Committee on Government Reform, I have made oversight of health care issues a priority. In particular, I have been greatly concerned with the safety and efficacy of children’s vaccines and drugs given to children with cancer. I am greatly concerned that we continue to inject babies and their young patients and their parents are pleased that we are moving forward rather than backward in terms of pediatric medications. The March of Dimes, The National Association of Children’s Hospitals and the American Academy of Pediatrics all support this legislation and I would urge my colleagues to join them by voting for S. 1789.

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accurate and balanced information to the public and allow Americans to make their own medical decisions. Additionally, we need to work to extend access to therapies that are both safe and effective in government-funded programs where feasible.

Mr. FORBES. Mr. Speaker, I rise in support of the Best Pharmaceuticals for Children Act, to ensure that our children get the medicines that are best suited to their growing bodies.

Four years ago, Congress authorized incentives for pharmaceutical manufacturers to do pediatric research for their products and to provide pediatric labeling information. That legislation has been an extraordinary success for our children. In the six years prior to enactment of that change in law, only 11 pediatric studies were conducted by the pharmaceutical industry. But, in the four years since its enactment, the industry has agreed to more than 400 such studies.

Mr. Speaker, children are not simply small adults. They have special needs for nutrition and medical care, and the pharmaceutical products we develop should reflect these needs. The pediatric exclusivity provision Congress passed in 1997 ensures that they do. Today’s legislation simply reauthorizes that expiring provision through Fiscal Year 2007.

I appreciate the bipartisan effort of the Energy and Commerce Committee to move this bill so swiftly through the legislative process, and I encourage my colleagues to support it.

Mr. DINGELL. Mr. Speaker, I rise to oppose passage of S. 1789, a bill that would continue a program that grants drug companies an additional six month period of market exclusivity, if they conduct tests on the use of their drugs for children. This bill is a slight improvement on H.R. 2887 that passed this House last month. We all agree that improved testing and labeling of prescription drugs for use in children is a good thing. The only question for the labelers of prescription drugs for use in children is whether that agreement makes sense. The legislation before us today is virtually identical to H.R. 2887, which passed the House on November 15, 2001 by a 338–86 vote. Moreover, this legislation has recently passed the Senate unanimously.

The legislation reauthorizes the pediatric exclusivity program for an additional six years. It keeps the present incentive in place, and makes important improvements. The legislation ensures that off-patent generic drugs are studied, and tightens the timeline for making labeling changes.

The bill retains the improvements that were in both the Senate and House versions to ensure timely labeling changes occur. First, we make pediatric supplements “priority supplements,” which will dramatically speed up the process for getting new labels. Second, by giving the Secretary authority to deem drugs misbranded we guarantee that label changes will made. We believe, and children’s groups agree, that the changes we make are the right compromises to maintain the incentives and get labels changed.

I would also like to acknowledge the hard work of my colleagues Representatives Jim Greenwood and Anna Eshoo. These two Members have worked tirelessly to bring this process to a conclusion, and it has been a pleasure working with them. I again would also like to thank the staff that worked so long and hard on this legislation, including John Ford, David Nelson, Eric Olson, Brent Del Monte, and Steve Tilson. And yet again a special thanks to Pete Goodloe our legislative counsel. We are so thankful for all of this help.

Mr. Speaker, this is great legislation that the Subcommittee and Full Committee put a lot of time and thought into. We have worries for the children’s health and is widely supported. I urge all Members to support its swift passage.

Mr. BROWN of Ohio. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. TAUSIN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SIMPSON). The question is the passage of the bill, S. 1789.

The question being the passage of the bill, the Chair announces the result.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mrs. JO ANN DAVIS) that the House suspend the rules and pass the bill, H.R. 3379, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 393, nays 0, not voting 40, as follows:

[Roll No. 499]

YEAS—393


RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 4 o’clock and 10 minutes p.m.), the House stood in recess subject to the call of the Chair.
So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed. The result of the vote was announced as above recorded. A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LATOURrette). Pursuant to clause 8 of rule XX, the Chair will reduce to 5 minutes the minimum time for electronic voting on the remaining motion to suspend the rules on which the Chair has postponed proceedings.

TRUE AMERICAN HEROES ACT

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 3054, as amended.

The Clerk read the title of the bill. The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. ETHERIDGE. Mr. Speaker, on that I demand the yeas and nays. The yeas and nays were ordered. The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 392, nays 2, not voting 39, as follows:

[Roll No. 500]
H10214

CONGRESSIONAL RECORD—HOUSE

December 18, 2001

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent that my name shall be considered as read.

The SPEAKER pro tempore. Is there objection to the removal of the name of Member as cosponsor of H.R. 3427?

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which the vote is objected to under clause 6 of rule XX.

Any record votes on postponed questions will be taken tomorrow. ☐ 1915

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: “A bill to award congressional gold medals on behalf of government workers who responded to the attacks on the World Trade Center and perished and on behalf of people aboard United Airlines Flight 93 who helped resist the hijackers and caused the plane to crash.”

A motion to reconsider was laid on the table. ☐ 1912

PERMISSION TO HAVE UNTIL 6 A.M. DECEMBER 19, 2001, TO FILE CONFERENCE REPORT ON H.R. 3061, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2002

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until 6 a.m., December 19, 2001, to file a conference report on the bill (H.R. 3061) making appropriations for the Departments of Labor, Health and Human Services, and Education and related agencies for the fiscal year ending September 30, 2002, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection. ☐ 1915

HOMESTAKE MINE CONVEYANCE ACT OF 2001

Mr. CANNON. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1389) to provide for the conveyance of certain real property in South Dakota to the State of South Dakota with indemnification by the United States Government, and for other purposes, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

TITLE I—CONVEYANCE OF HOMESTAKE MINE

SEC. 101. SHORT TITLE. This title may be cited as the “Homestake Mine Conveyance Act of 2001”.

SEC. 102. FINDINGS.

Congress finds the following:

(1) The United States is among the leading nations in the world in conducting basic scientific research.

(2) That leadership position strengthens the economy and national defense of the United States and provides other important benefits.

(3) The Homestake Mine in Lead, South Dakota, owned by the Homestake Mining Company of California, is approximately 8,000 feet deep and is situated in a unique physical setting that is ideal for carrying out certain types of particle physics and other research.

(4) The Mine has been selected by the National Underground Science Laboratory Committee, an independent panel of distinguished scientists, as the preferred site for the construction of the National Underground Science Laboratory.

(5) Such a laboratory would be used to conduct scientific research that would be funded and recognized as significant by the United States.

The establishment of the laboratory is in the national interest and would substantially improve the capability of the United States to conduct important scientific research.

(7) For economic reasons, Homestake intends to cease operations at the Mine in 2001.

(8) On cessation of operations at the Mine, Homestake intends to implement reclamation actions that would prevent the establishment of a laboratory at the Mine.

(9) Homestake has advised the State that, after cessation of operations at the Mine, in situ conditions at the Mine would enable the Mine to be a suitable site for a laboratory.

(10) Use of the Mine as the site for the laboratory, instead of other locations under consideration, would result in a savings of millions of dollars for the Federal Government.

(11) If the Mine is selected as the site for the laboratory, it is essential that closure of the Mine not preclude the location of the laboratory at the Mine.

(12) Homestake is unwilling to donate, and the State is unwilling to accept, the property at the Mine for the laboratory if Homestake and the State would continue to have potential liability with respect to the transferred property.

(13) To secure the use of the Mine as the location for the laboratory and to realize the benefits of the proposed laboratory it is necessary for the United States to—

(A) acquire a portion of any potential future liability of Homestake concerning the Mine; and

(B) address potential liability associated with the operation of the laboratory.

SEC. 103. DEFINITIONS.

In this title—

(A) ADMINISTRATOR—The term “Administrator” means the Administrator of the Environmental Protection Agency.

(B) AFFILIATE—The term “affiliate” means any corporation or other person that controls, is controlled by, or is under common control with Homestake.

(C) INCLUSION—The term “affiliate” includes a director, officer, employee of an affiliate.

(D) FUND—The term “Funds” means the Environment and Project Trust Fund established under section 106.

(E) INDEPENDENT ENTITY—The term “independent entity” means an independent entity selected jointly by Homestake, the South
December 18, 2001  

CONGRESSIONAL RECORD—HOUSE  

H10215  

Dakota Department of Environment and Natural Resources, and the Administrator—  
(b) REQUIREMENTS FOR CONVEYANCE.—  
(1) IN GENERAL.—The Administrator’s acceptance of the final report or certification of the independent entity under paragraph (4) is a condition precedent to the conveyance and of the assumption of liability by the United States in accordance with this title.  
(2) DUE DILIGENCE INSPECTION.—  
(A) IN GENERAL.—As a condition precedent of conveyance and of Federal participation described in this title, Homestake shall permit the Administrator to conduct a due diligence inspection of the Mine to determine whether any condition of the Mine may present an imminent and substantial endangerment to public health or the environment.  
(B) CONSULTATION.—As a condition precedent of the conduct of a due diligence inspection, the Administrator, in consultation with Homestake, the South Dakota Department of Environment and Natural Resources, and the independent entity, shall define the methodology and standards to be used, and other factors to be considered, by the independent entity in—  
(i) the conduct of the due diligence inspection;  
(ii) the scope of the due diligence inspection; and  
(iii) the time and duration of the due diligence inspection.  
(C) PARTICIPATION BY HOMESTAKE.—Nothing in this paragraph requires Homestake to participate in the conduct of the due diligence inspection.  
(3) REPORT TO THE ADMINISTRATOR.—  
(A) IN GENERAL.—The independent entity shall submit to the Administrator a report that—  
(i) describes the results of the due diligence inspection under paragraph (2); and  
(ii) identifies any condition of the Mine that may present an imminent and substantial endangerment to public health or the environment.  
(B) PROCEDURE.—  
(i) DRAFT REPORT.—Before finalizing the report under this paragraph, the independent entity shall—  
(I) issue a draft report;  
(II) submit to the Administrator, Homestake, and the State a copy of the draft report;  
(III) issue a public notice requesting comments on the draft report that requires all issues to be filed not later than 45 days after issuance of the public notice; and  
(IV) during that 45-day public comment period, conduct at least 1 public hearing in Lead, South Dakota, to receive comments on the draft report.  
(ii) FINAL REPORT.—In the final report submitted to the Administrator under this paragraph, the independent entity shall—  
(I) review the report; and  
(II) notify the State in writing of acceptance or rejection of the final report.  
(4) CONDITIONS FOR REJECTION.—The Administrator may reject the final report if the report discloses 1 or more conditions that—  
(i) as determined by the Administrator, may present an imminent and substantial endangerment to the public health or the environment and require a response action; or  
(ii) otherwise make the conveyance in section 104(a) or certification under section 106 contrary to the public interest.  
(C) RESPONSE ACTIONS AND CERTIFICATION.—  
(i) RESPONSE ACTIONS.—  
(I) IN GENERAL.—If the Administrator rejects the final report, Homestake may carry out or permit the State or another person to carry out or bear the cost of, such response actions as are necessary to correct any condition identified by the Administrator under this paragraph (B)(ii) that may present an imminent and substantial endangerment to public health or the environment.  
(ii) LIMITATION ON USE OF FUNDS.—None of the funds deposited into the Fund under item (aa) shall be expended for any purpose other than the payment of the costs of the long-term response action, or the response action that will be completed only as part of the final closure of the laboratory, it shall be a condition of conveyance that Homestake, the State, or another person deposit into the Fund such amount as is estimated by the independent entity, on a net present value basis and after taking into account estimated interest on that basis to be sufficient to pay the costs of the long-term response action or the response action that will be completed as part of the final closure of the Mine under this title; and  
(aa) transfer to the State all moneys deposited into the Fund under paragraph (b) for purposes of the conveyance, the requirements of section 106 contrary to the public interest.  
(b) FAIR VALUE.—For the purposes of this section, the fair value of the Mine shall be the market value of the Mine as determined by an appraisal in conformance with the Uniform Appraisal Standards for Federal Land Acquisition. To the extent appraised items only have value to the Federal Government for the purpose of constructing the laboratory, the appraiser shall also add to the assessment of fair value the estimated cost of repositioning such items, including, but not limited to, the cost of removing and relocating the core lab, ventilation system and other equipment and improvements at the Mine that are expected to be useful at, or that will be useful to, the laboratory.  
(c) REPORT.—Not later than the date on which each report developed in accordance with paragraph (b) is submitted to the Administrator, the independent entity described in subsection (a) shall submit to the
State a report that identifies the fair value assessed under subsection (a).

SEC. 106. LIABILITY.

(a) ASSUMPTION OF LIABILITY.—

(1) ASSUMPTION.—Subject to paragraph (2), notwithstanding any other provision of law, on completion of the conveyance in accordance with this title, the United States shall assume any and all liability relating to the Mine and laboratory, including liability for—

(A) damages; or

(B) compensation.

(2) USES.—In the case of any claim brought against the United States, the United States shall be liable for—

(A) damages; (B) reclamation; (C) costs of response to any hazardous substance (as defined in section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.)), or other material released, under, or relating to the Mine and laboratory; and

(D) closure of the Mine and laboratory.

(b) CLAIMS AGAINST STATES.—In the case of any claim brought against the United States, the United States shall be liable for—

(A) damages; or

(B) compensation.

(c) ASSUMPTION.—Subject to paragraph (2), notwithstanding any other provision of law, on completion of the conveyance in accordance with this title, the United States shall assume any and all liability relating to the Mine and laboratory, including liability for—

(A) damages; and

(B) compensation.

(d) WAIVER OF SOVEREIGN IMMUNITY.—For purposes of this title, the United States waives its sovereign immunity with respect to any claim of Homestake or the State under this title.

(1) TIMING FOR ASSUMPTION OF LIABILITY.—If the conveyance is effectuated by more than 1 legal transaction, the assumption of liability, liability protection, indemnification, and waiver of sovereign immunity provided for in this subsection shall be indexed to each legal transaction, as of the date on which the transaction is completed and with respect to such portion of the Mine as is conveyed under that transaction.

(2) EXCEPTIONS FOR CERTAIN CLAIMS.—Nothing in this subsection requires the State to assume any and all liability relating to the Mine and laboratory, including liability for—

(A) the Mine ceases to be used as a laboratory; or

(B) sufficient funding ceases to be available for the operation and maintenance of the Mine or laboratory.

(3) ADDITIONAL INSURANCE.—Any insurance obtained by the project sponsor under this section shall—

(A) name the State and the United States as additional insureds; or

(B) otherwise provide that the State and the United States are beneficiaries of the insurance policy having the primary right to enforce all rights under the policy.

(4) STATE INSURANCE.—In general.—The State shall not use funds from the Fund to carry out paragraphs (1) and (2) of section 105.

(c) LIABILITY PROTECTION.—On completion of the conveyance, neither Homestake nor the State shall be liable to any person or the United States for injuries, costs, injunctive relief, reclamation, damages (including damages to natural resources or the environment), or expenses, or liable under any other claim or proceeding for indemnification or contribution, claims by third parties for death, personal injury, illness, or loss of or damage to property, or claims for economic loss, or any violation of a provision of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.); the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.); the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.); or any other applicable Federal environmental law, as determined by the Administrator.

(d) LIABILITY PROTECTION.—On completion of the conveyance, neither Homestake nor the State shall be liable to any person or the United States for injuries, costs, injunctive relief, reclamation, damages (including damages to natural resources or the environment), or expenses, or liable under any other claim or proceeding for indemnification or contribution, claims by third parties for death, personal injury, illness, or loss of or damage to property, or claims for economic loss, or any violation of a provision of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.); the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.); or any other applicable Federal environmental law, as determined by the Administrator.

(e) LIABILITY PROTECTION.—On completion of the conveyance, neither Homestake nor the State shall be liable to any person or the United States for injuries, costs, injunctive relief, reclamation, damages (including damages to natural resources or the environment), or expenses, or liable under any other claim or proceeding for indemnification or contribution, claims by third parties for death, personal injury, illness, or loss of or damage to property, or claims for economic loss, or any violation of a provision of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.); the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.); or any other applicable Federal environmental law, as determined by the Administrator.

(f) LIABILITY PROTECTION.—On completion of the conveyance, neither Homestake nor the State shall be liable to any person or the United States for injuries, costs, injunctive relief, reclamation, damages (including damages to natural resources or the environment), or expenses, or liable under any other claim or proceeding for indemnification or contribution, claims by third parties for death, personal injury, illness, or loss of or damage to property, or claims for economic loss, or any violation of a provision of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.); the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.); or any other applicable Federal environmental law, as determined by the Administrator.

(g) LIABILITY PROTECTION.—On completion of the conveyance, neither Homestake nor the State shall be liable to any person or the United States for injuries, costs, injunctive relief, reclamation, damages (including damages to natural resources or the environment), or expenses, or liable under any other claim or proceeding for indemnification or contribution, claims by third parties for death, personal injury, illness, or loss of or damage to property, or claims for economic loss, or any violation of a provision of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.); the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.); or any other applicable Federal environmental law, as determined by the Administrator.

(h) LIABILITY PROTECTION.—On completion of the conveyance, neither Homestake nor the State shall be liable to any person or the United States for injuries, costs, injunctive relief, reclamation, damages (including damages to natural resources or the environment), or expenses, or liable under any other claim or proceeding for indemnification or contribution, claims by third parties for death, personal injury, illness, or loss of or damage to property, or claims for economic loss, or any violation of a provision of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.); the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.); or any other applicable Federal environmental law, as determined by the Administrator.

(i) LIABILITY PROTECTION.—On completion of the conveyance, neither Homestake nor the State shall be liable to any person or the United States for injuries, costs, injunctive relief, reclamation, damages (including damages to natural resources or the environment), or expenses, or liable under any other claim or proceeding for indemnification or contribution, claims by third parties for death, personal injury, illness, or loss of or damage to property, or claims for economic loss, or any violation of a provision of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.); the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.); or any other applicable Federal environmental law, as determined by the Administrator.

SEC. 107. ENVIRONMENTAL COVERAGE.

(a) PROPERTY AND LIABILITY INSURANCE.—

(1) IN GENERAL.—To the extent property and liability insurance is available and subject to the requirements described in paragraph (2), the State shall purchase property and liability insurance for the Mine and the laboratory to provide coverage against the liability described in subsections (a) and (b) of section 106.

(2) REQUIREMENTS.—The requirements referred to in paragraph (1) are the following:

(A) TERMS OF INSURANCE.—In determining the type, extent of coverage, and policy limits of insurance purchased under this subsection, the Administrator shall—

(i) periodically consult with the Administrator and the Scientific Advisory Board; and

(ii) consider certain factors, including—

(I) the nature of the projects and experiments being conducted in the laboratory;

(II) the availability and cost of commercial insurance; and

(III) the amount of funding available to purchase commercial insurance.

(B) ADDITIONAL TERMS.—The insurance purchased under this subsection may provide coverage that is—

(i) secondary to the insurance purchased by project sponsors; and

(ii) in excess of amounts available in the Fund to pay any claim.

(3) FINANCING OF INSURANCE PURCHASE.—

(A) IN GENERAL.—Subject to section 106, the State may finance the purchase of insurance required under this subsection by using—

(i) funds made available from the Fund; and

(ii) such other funds as are received by the State for the purchase of insurance for the Mine and laboratory.

(B) NO REQUIREMENT TO USE STATE FUNDS.—Nothing in this title requires the State to use State funds to purchase insurance required under this subsection.

(C) ADDITIONAL INSURED.—Any insurance purchased by the State under this subsection shall—

(A) name the United States as an additional insured; or

(B) otherwise provide that the State and the United States are beneficiaries of the insurance policy having the primary right to enforce all rights under the policy.

(4) TERMINATION OF OBLIGATION TO PURCHASE INSURANCE.—The obligation of the State to purchase insurance under this subsection shall terminate on the date on which—

(A) the Mine ceases to be used as a laboratory; or

(B) sufficient funding ceases to be available for the operation and maintenance of the Mine or laboratory.

(5) ADDITIONAL INSURANCE.—Any insurance obtained by the project sponsor under this section shall—

(A) name the State and the United States as additional insureds; or

(B) otherwise provide that the State and the United States are beneficiaries of the insurance policy having the primary right to enforce all rights under the policy.

(6) ADDITIONAL INSURANCE.—Any insurance obtained by the project sponsor under this section shall—

(A) name the State and the United States as additional insureds; or

(B) otherwise provide that the State and the United States are beneficiaries of the insurance policy having the primary right to enforce all rights under the policy.

(7) ADDITIONAL INSURANCE.—Any insurance obtained by the project sponsor under this section shall—

(A) name the State and the United States as additional insureds; or

(B) otherwise provide that the State and the United States are beneficiaries of the insurance policy having the primary right to enforce all rights under the policy.
The SPEAKER pro tempore (Mr. LATOURETTE). Pursuant to the rule, the gentleman from Utah (Mr. CANNON) and the gentleman from West Virginia (Mr. RAHALL) each will control 20 minutes.

The Chair recognizes the gentleman from Utah (Mr. CANNON).

Mr. CANNON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and insert extraneous material on the bill currently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. CANNON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 1389 was passed by the other body on November 16 of this year. This bill will facilitate the conveyance of the Homestake Mine in the Black Hills of South Dakota for eventual use as a National Underground Science Laboratory. The gentleman from South Dakota (Mr. THUNE) has introduced a companion bill, H.R. 3299, and the amendment proposed for S. 1389 reflects his improvements to the original legislation.

Mr. Speaker, I would like to thank the gentleman from Louisiana (Mr. TAUZIN), the gentleman from Alaska (Mr. YOUNG), and the gentleman from California (Mr. THOMAS) for their cooperation in scheduling this bill so expeditiously.

Mr. Speaker, I reserve the balance of my time.

Mr. RAHALL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 1389 was passed by the Senate on November 15. I would also note that virtually identical language is contained in the Senate-passed version of the fiscal year 2002 defense appropriation bill. In both cases, the measures were adopted by the other body without opposition.

With that noted, I would like to take this opportunity to commend the bill sponsors, Senators DASCHLE and JOHNSTON, for their persistence in seeking the enactment of this legislation. It is at their request that those of us on this side of the aisle have agreed to expedite the consideration of S. 1389 this evening. With that noted, we do not object to the passage of this bill by the House.

Mr. Speaker, I reserve the balance of my time.

Mr. CANNON. Mr. Speaker, I yield myself such time as he may consume to the gentleman from South Dakota (Mr. THUNE), the author of the House companion bill.

Mr. THUNE. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, the legislation before us this evening would help address an issue of enormous importance to my State of South Dakota and to the entire country. We have the opportunity to take something that would be considered a liability and convert it into an asset. It all centers around something that up until a year ago I knew very little about, and that is neutrino research.

For the past 125 years, the Black Hills of South Dakota have been home to one of America’s finest gold mining operations, Homestake Gold Mine. It is no longer profitable to mine gold at Homestake, so as of December 31 of this year, the mine will close. Its remaining workforce, which once numbered over 800, will be sent on to other work and the community of Lead and the surrounding area will experience a devastating economic impact. That is, of course, unless another solution can be found.

Mr. Speaker, that solution has appeared in the form of the neutrino. It just so happens that Homestake Gold Mine offers the ideal setting for the physical study of subatomic particles known as neutrinos. A group of scientists from around the Nation is working with the State of South Dakota to create a National Underground Science Laboratory to conduct neutrino research.

Mr. Speaker, the Nation does not currently have a domestic facility with the capabilities needed for significant developments in this important scientific field. A formal proposal was made to the National Science Foundation on June 5 on behalf of Homestake Mine to be the host site for this research laboratory. About a dozen scientists within the National Science Foundation will review it and make a decision as to whether to proceed with the National Underground Science Laboratory. A committee of scientists already has identified Homestake as the preferred location, and final approval from NSF is expected soon.

In order for this project to move forward, Mr. Speaker, Homestake Mine must transfer ownership of its mine and related surface facilities to the State of South Dakota. Such a transfer can only occur if Homestake receives release from the Federal Reclamation continuous ownership responsibilities through special indemnification legislation.

This legislation before us this evening, and now with amendments that will be adopted by the House, set out the conditions under which such a transfer may occur.

Mr. Speaker, I want to thank the Committee on Resources, the Committee on Energy and Commerce, the Committee on Science, the Committee on the Judiciary, the and Committee on Transportation and Infrastructure for their assistance in bringing this legislation to the floor. Making this project a reality will help secure a better future for the people of Lead, South Dakota and for all of South Dakota and in creating national treasures of science and research for all of America.
Mr. Speaker, I thank the gentleman, and I urge my colleagues to adopt this legislation.

Mr. RAHALL. Mr. Speaker, I reserve the balance of my time.

Mr. SUTTON. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. BOEHLERT).

(Mr. BOEHLERT asked and was given permission to revise and extend his remarks.)

Mr. BOEHLERT. Mr. Speaker, I rise in opposition to the bill. I think it is seriously flawed and I have some real concerns about it.

However, one thing I am not concerned about is the professional manner in which the gentleman from South Dakota (Mr. THUNE) has engaged in a serious discussion of my concerns and I wish to compliment him for that. I have to confess that the most damage in that debate was done by the other body, but we are used to that here.

Mr. Speaker, I am afraid I must rise in opposition to this bill, despite the strenuous efforts made to improve it by both Mr. THUNE and the House leadership. As a Member of Congress, I am afraid that this bill could still unnecessarily saddle taxpayers with costly and unprecedented environmental responsibilities. And as Chairman of the House Science Committee, I am concerned that this bill may distort the priorities of the National Science Foundation for years to come.

This bill sets up a dangerous and unprecedented situation in which the federal government will be financially responsible for activities it did not undertake at a piece of property it does not own. It flies in the face of common sense and fiduciary responsibility.

Under this bill, the federal government will be responsible for any environmental liability connected with the Homestake mine that are conveyed to South Dakota—even if they originated while the mine was privately operated. And while the mine will be owned by South Dakota, the state will have no financial responsibility for it; that will rest solely with the federal taxpayer. It’s lucky that South Dakota doesn’t have any bridges to sell us.

In the early stages of the bill, it is hard to imagine how it would get through Congress. The federal government did not even have any real ability to have problems at the mine cleaned up before it was transferred. Thanks to the efforts of Mr. THUNE, that situation has been improved.

I would urge the Environmental Protection Agency (EPA), which will hire a contractor to review the mine, not to accept any contractor with which it is not completely satisfied. The unfortunate fact that the contractor must be selected “jointly” by Homestake, South Dakota and EPA should not be allowed to pressure EPA into hiring a contractor that will not fully protect the federal taxpayer. And the requirement that EPA consult with Homestake and the State over the nature of the contract with the “independent entity” must not be interpreted to give Homestake or the State any veto over the content of the contract.

But EPA should consult with the National Science Foundation (NSF) throughout the environmental review process, as NSF is the federal agency that will have continuing responsibility if a laboratory is established at the mine.

Importantly, the bill now allows the EPA Administrator to reject the final report of the contractor if it identifies conditions that would make the federal assumption of liability “contrary to the public interest.” I believe this allows the federal government to reject the transfer of the mine if it would cost too much or to remedy existing environmental problems. This is vital since Homestake’s contribution to remediation was not a true-transfer. Nor will it turn out to be nothing, given the language in this bill.

The bill says nothing about which federal agency would be responsible for overseeing or financing any pre-transfer remediation. This is a major, conspicuous, and I assume, purposeful gap in the bill.

I certainly would hope that these costs—which should not have been federalized in the first place—are not borne by the National Science Foundation, a small agency with important tasks that do not include environmental remediation.

But this bill raises many other concerns related to the National Science Foundation. All the activities under this bill are contingent on NSF approval of an underground laboratory at the Homestake mine.

While such a laboratory certainly has scientific merit, it may not be a high priority compared to other NSF programs and projects, especially given that construction of new detectors is either under consideration or underway.

This bill must not be used to pressure NSF to change or circumvent its traditional, careful selection procedures. The magnitude of such a commitment would require several years of review. NSF would have to determine its relative priority among other Major Research Equipment proposals. And NSF would have to ensure that proper management is in place. Those procedures must be followed in this case. Indeed, this is even more important in the case of Homestake because any mismanagement could result in both environmental harm and substantial liability for the Federal Government.

I would also urge the National Science Foundation (NSF) not to make a decision on whether to award a grant to the underground laboratory until the report to EPA has been prepared. This is essential even though NSF will have to have an Environmental Impact Statement prepared about the conversion of the mine into a laboratory.

NSF should not be committing federal resources to a project until it knows what it will cost, the federal taxpayer and which agencies will be responsible for shoudering that burden.

The federal assumption of liability will already pose unfortunate costs for NSF. The laboratory is not paid into an Environment, a Student Project Trust Fund, and some if not all of that money will come from NSF.

NSF must be an active participant in determining how much needs to be contributed to the trust fund, especially since it may fund other projects and be the only contributor to that fund. And NSF must have a role in determining the final disposition of the fund. The bill is silent on what is to become of the fund if a laboratory is started and then closed. All that is clear is that the Federal Government gets saddled with the costs of closing the mine. But which agency is responsible for that undertaking? And what will happen to any leftover funds? NSF will have an active role in deciding that.

This bill poses enormous, unnecessary and unprecedented risks for the federal taxpayer. It is, in a phrase, a sweetheart deal for the Canadian company that owns Homestake and the State of South Dakota. It could threaten the stability of the National Science Foundation, a premier science agency whose processes have been viewed as a model of objectivity and careful review.

I should point out that the Federal Government is already paying Homestake $10 million in this fiscal year to keep the mine open because it might become a laboratory. If that continues through the period of NSF decision-making the Federal Government could easily sink as much as $50 million in to a mine that it may never use.

I will work to ensure that NSF is not saddled with those unnecessary costs, which could be spent on worthy grants to researchers.

The Science Committee will be following this matter extremely closely to ensure that the environmental review is thorough and in the public interest. We will watch closely to ensure that the laboratory is being reviewed in the same manner as every other NSF project and does not distort the agency’s processes or priorities or weigh it down with unsustainable costs. The risks of proceeding with this bill are clear; we will work to see that they are never realized.

Mr. Speaker, I am attaching an exchange of letters with the National Science Foundation that will further highlight the risks inherent in proceeding in this unorthodox manner.

DR. RITA COLWELL, Director, National Science Foundation, Arlington, VA.

DEAR DR. COLWELL: AS YOU KNOW, THE Senate recently passed S. 1389, the Homestake Conveyance Act of 2001. “This bill has serious implications for the National Science Foundation (NSF).

With that in mind, we want to be sure that NSF is considering the likely consequences should S. 1389 be enacted. Therefore, I am writing to request that you submit to the House Science Committee the following items by no later than December 15:

1. A plan for how NSF would absolve the expected costs of an underground laboratory at Homestake beginning in Fiscal Year 2003, with special attention to the impact on other projects in the Major Research Equipment account.

2. A plan for how NSF would ensure that the laboratory was properly managed, even if a project were awarded in calendar 2002.

HOUSE OF REPRESENTATIVES, COMMITTEE ON SCIENCE, Washington DC.

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mine is in proper condition for the establishment of a laboratory and to determine amounts NSF grantees would have to pay into the Environment and Project Trust Fund under the bill.

The enactment of S. 1389 could complicate NSF’s situation for years to come, both directly and indirectly in the major Research Equipment account.

NSF has not identified funds to support the conversion of the Homestake mine into an underground laboratory. Unless the President requests and Congress appropriates additional monies for the lab, its establishment would force us to reconsider the priorities within the Research and Related Activities appropriation or reevaluate the funding profiles and timelines of existing MRE projects.

A plan for how NSF would ensure that the laboratory was properly managed, even if a project is not started immediately, to limit any problems that could arise if the mine is later transferred, and the Mine and State to be relieved of all liability, in addition to receiving indemnification against future actions. Originally, the Senate bill also prevented the EPA Administrator from rejecting conveyance of the mine unless and only if an independent entity found that the people of South Dakota have a high tech future that is environmentally friendly.

Earlier this year, the Homestake Mine in Lead, South Dakota announced that it was closing after 125 years of work. Homestake planned to abandon its mine and allow it to fill up with water. Ordinarily, this would have been devastating news to the community, but the gentleman from South Dakota insisted that something could be done with the mine to create jobs and help prevent future damage.

I want to point out a few places that are of great importance to me. The Senate bill set up a few requirements in order for the Mine to be transferred, and the Mine and State to be relieved of all liability, in addition to receiving indemnification against future actions. Originally, the Senate bill also prevented the EPA Administrator from rejecting conveyance of the mine unless and only if an independent entity found that the people of South Dakota have a high tech future that is environmentally friendly.

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On November 15 of this year, the Senate passed legislation to transfer the Homestake Mine to the State of South Dakota for the purposes of constructing a National Underground Laboratory. While well intentioned, that bill, S. 1389, had potentially far-reaching implications for the environment.

We share your concern about the mandatory contribution to the Fund required of each project conducted in the lab. Our review of each proposal for science in the lab would be performed in a careful manner to determine the costs of removing from the mine or laboratory equipment or other materials related to a proposed project, and (2) the project cost of claims that could arise out of in connection with a proposed project. Meaningful analysis of both factors would require close cooperation with the lab’s Scientific Advisory Board, the State of South Dakota, and the EPA. These costs will factor into our evaluation of each proposal.

I appreciate the opportunity to work with you in assessing the possible impact of this legislation on the National Science Foundation.
Whereas the Abu Sayyaf group has historical ties to Osama bin Laden and the al-Qaeda network, and has engaged in hundreds of acts of terrorism in the Philippines, including beheadings and kidnappings; Whereas in May 2001, Abu Sayyaf kidnapped United States citizens Martin Burnham, Gracia Burnham, and Guillermo Sobero, Sr., with Filipino hostages; Whereas Abu Sayyaf killed Mr. Sobero and continues to detain Martin Burnham and Gracia Burnham; and Whereas the United States and the Philippines are committed to each other’s security pursuant to the Mutual Defense Treaty: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring). That Congress—

(1) expresses its deepest gratitude to the Government and people of the Philippines for their sympathy and support since the September 11, 2001, terrorist attacks on the United States; and

(2) expresses its sympathy to the current and recent Filipino victims of terrorism and their families; and

(3) affirms the commitment of the United States to the Republic of the Philippines pursuant to the 1951 Mutual Defense Treaty; and

(4) supports the Government of the Philippines in its efforts to prevent and suppress terrorism; and

(5) acknowledges the economic and military needs of the Philippines and pledges to continue to assist in addressing those needs.

The Speaker pro tempore. Pursuant to the rule, the gentleman from California (Mr. Rohrabacher) and the gentleman from California (Mr. Lantos) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. Roahrabacher).

Mr. RoHRABACHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, there is an ongoing, joint operation in the Philippines to rescue American citizens being held by the brutal terrorists who have been trained and supported by Osama bin Laden, and are still being held hostage there in the Philippines. Although the operation to rescue them has received little publicity in the American media, this resolution supports that operation.

After the terrorist attack on September 11, Philippine President Arroyo was the first international leader to offer facilities and troops to assist the United States in the campaign against Osama bin Laden and his terrorist network. President Arroyo described the campaign as “the start of a just offensive.”

In addition, President Arroyo demonstrated political courage, and it took political courage for her to do this, to invite U.S. soldiers to help Filipino forces conduct a joint operation to free the American hostages that are being held in the Philippines by the Abu Sayyaf terrorists, those Abu Sayyaf terrorists, of course, trained by bin Laden.

This year marks the 50th anniversary of the United States-Philippines Mutual Defense Treaty. This treaty takes on significance in light of the enhanced partnership between America and the Philippines, our democratic partner in Southeast Asia, and in the international war against terrorism. President Arroyo, whose father was President of the Philippines at the time of the signing of the 1951 Mutual Defense Treaty, understands this new global war because terrorist groups inside the Philippines, supported by bin Laden and other terrorists, have committed hundreds of acts of violence and kidnapping against the Filipinos over these last few years.

This legislation has nothing to do with partisan politics. It does express bipartisan support for the efforts to rescue American citizens being held by the bin Laden-backed Abu Sayyaf terrorist group.

Mr. Speaker, H. Con. Res. 273, co-sponsored by 32 bipartisan Members of the Congress, expresses, number 1, gratitude to President Arroyo and the people of the Philippines for their sympathy and support since the September 11 terrorist attack. Number 2, it affirms the commitment of the United States to the 1951 Mutual Defense Treaty. Number 3, it supports the efforts of the Philippine government to prevent and suppress terrorism; and finally, it supports the promise recently made by President Bush to address the economic and military needs of the Philippines in order to defeat the internal terrorism that threatens that country.

Mr. Speaker, we should stand together, as we have done before, and let the world know that we are going to rescue those Americans held hostage in the Philippines and, number 2, that we stand in solidarity with the people of the Philippines in their struggle of having democratic government threatened from the outside and inside.

The people of the Philippines now deserve our help. They are stepping forward again to be America’s best friends, and we should extend our hand in friendship as well. It is what is right for America and right for the Philippines and right for the cause of freedom and justice.

Mr. Speaker, I reserve the balance of my time.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume, and I rise in support of the resolution. Mr. Speaker, let me first congratulate the gentleman from California (Mr. Rohrabacher), my friend and colleague, on his resolution. I wholeheartedly support closer ties between the United States and the Philippines, and this resolution will make a positive contribution in this regard.

I wish, Mr. Speaker, that I could spend the balance of my time outlining the virtues of this resolution, but circumstances prevent me from doing so.

Mr. Speaker, the House Committee on International Relations has prided itself since the first day of this session on its singularly bipartisan approach to all issues under its jurisdiction. The only thing this legislation deals with is to help victims of land mines: little boys and little girls and men and women whose lives have been destroyed by the millions of land mines across the globe.

There is no justification, moral, legal, or otherwise, to keep this legislation of this floor. When it comes to thanking the gentleman from Illinois (Mr. Hyde), my friend and colleague, for his enormous contributions for making the work of our committee bipartisan.

I cannot say the same thing for the Republican leadership which schedules suspension bills, Mr. Speaker. Under the jurisdiction of the Committee on International Relations, 46 bills have been considered, 34 of them under Republican sponsorship, 12 of them under democratic sponsorship. One of these is a bill I would like to say a few words about.

Six weeks ago, the House Committee on International Relations unanimously passed H.R. 3169, the Land Mine Victims Assistance Act. There is no more bipartisan, noble, humanitarian bill to come before this body this year, Mr. Speaker. The gentleman from Illinois (Mr. Hyde) is in full support of this legislation. The vice chairman of our committee, the gentleman from New Jersey (Mr. Smith) is in full support.

The chair emeritus on the Republican side, the gentleman from New York (Mr. Gilman), is in full support. The gentleman from California (Mr. Rohrabacher), my friend and colleague, is in strong support of this legislation.

Mr. Speaker, this bill came through the Committee on International Relations with a unanimous vote 6 weeks ago. The fine piece of legislation by the gentleman from California (Mr. Rohrabacher) was passed just last week, but it was scheduled by the leadership for today.

For 6 weeks, day after day, we have been pleading with the leadership to put this measure on our suspension calendar. The President of the United States and the administration have no objections to it; far from it. Secretary of State Colin Powell in the State Department dining room had a major event honoring organizations that help land mine victims.

This is one of the most tragic human problems on the face of this planet. From Afghanistan to Cambodia, hundreds of thousands of children and adults lost a leg or two or an arm or both because of land mine tragedies.

Today’s New York Times has a major story with horrifying pictures of the Afghan ramifications of this nightmare. One of our own Marines was severely injured just a couple of days ago in Afghanistan as a result of a land mine explosion.

Mr. Speaker, there is a controversial issue with respect to the treaty as they relate to land mines. My legislation specifically excludes that issue. The only thing this legislation deals with is to help victims of land mines: little boys and little girls and men and women whose lives have been destroyed by the millions of land mines across the globe.

There is no justification, moral, legal, or otherwise, to keep this legislation off the floor. When it comes to
the floor, it will pass with an overwhelming vote.

Mr. Speaker, I have been here long enough to realize that partisan legislation is often bottled up. This is a non-partisan piece of legislation. Republican colleagues on the committee unanimously supported it, as will the full membership of this body.

I am calling on the Republican leadership, after waiting patiently for 6 long weeks, after the most thickening discriminatory treatment of having legislation come before us which was passed by the Committee on International Relations just this past week, to put, without any further delay, the Land Mine Victims Assistance Act forward so that our Republican and Democratic colleagues can vote on it.

Mr. Speaker, I reserve the balance of my time.

Mr. ROHRABACHER. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. SMITH), a man who has spent more time championing the cause of human rights than anyone else I have worked with here in the Congress. He is just a man of good heart who I deeply respect, and I am proud to have him as a cosponsor of this bill.

Mr. SMITH of New Jersey. Mr. Speaker, I thank the gentleman for yielding time to me. I thank him for his leadership on issues relating to human rights, especially in the Philippines and Afghanistan and so many other places where he has made a difference.

This resolution, House Concurrent Resolution 273, underscores a very important aspect of our relationship to another country, the Philippines. The Philippines and the U.S. have had a long-standing, deep, and very strong relationship; so it was not surprising to me that President Arroyo was first out of the blocks to support the United States campaign to defeat Al Qaeda. That is what we expect from an ally. We do not always get that from other allies, but we got it in a very real way from our good friends in the Philippines.

As Members know, and this was pointed out by the gentleman from California (Mr. ROHRABACHER) a moment ago, this year marks the 50th anniversary of the Philippines-U.S. Mutual Defense Pact, which has helped to preserve and protect the peace after the Philippines went through a horrific ordeal, an ordeal that was ended by many of our own U.S. soldiers, the Bataan Death March, for example, during World War II; and the large numbers of threats that followed: the Communist threats, the corruption threats that followed World War II.

I would note parenthetically, Mr. Speaker, that my father, after fighting very terrible battles in New Guinea and many other battles against the Japanese, was part of the force that liberated the Philippines from the Japanese. He always spoke to my brothers and I of the good people of the Philippines. He always spoke of them in glowing and affectionate terms, a feeling that was shared by so many of our GIs when they spent time there fighting alongside the Filipino scouts, who were tenacious fighters in their own right.

As chairman of the Committee on Veterans' Affairs, we continue to provide significant health and other benefits to the Filipino veterans, and that again underscores the relationship of our two nations.

Finally, just let me note that the Philippines have been somewhat unique in protecting and helping refugees themselves. When other nations were in the process of closing what was known as the Comprehensive Plan of Action, the rescue that was provided internationally to the boat people, there were about 2,000 boat people in the Philippines. Other nations were forgoing, allowing, to use a more political term, the horror.

President Ramos, when he saw what was happening, what did he do? He said, Not our Nation. We are going to maintain a welcome mat to these people, about 2,000 strong. I think that is an example of the good-heartedness of those people in the Philippines.

Finally, the Philippine Government and the nation is also a major platform for the Voice of America and the broadcasting that emanates from that. We are hoping very soon that Radio Free Asia will also have a platform there, as well.

This is a great resolution. Again, I want to thank the gentleman from California (Mr. ROHRABACHER) for his leadership. As usual, he is in the forefront of a very good cause.

Mr. LANTOS. Mr. Speaker, I am delighted to yield 3 minutes to my friend and distinguished colleague, the gentlewoman from Minnesota (Ms. McCOLLUM).

Ms. McCOLLUM. Mr. Speaker, I thank the gentleman for yielding time to me. I also want to state my support for our strong relationship with the Philippines.

However, Mr. Speaker, my statement here today is to signal to the leadership that we need to provide additional assistance to land mine victims. I am here today as a cosponsor of the International Disability and Victims Land Mine Act of 2001. I thank the distinguished gentleman from California for his efforts in behalf of this legislation.

Land mine victims, and the longer we wait for assistance to regain their lives. Every year, thousands of people are killed or maimed as a result of land mine explosions. Those who survive these disastrous experiences will forever suffer devastating injuries: a farmer who was plowing his field loses his legs and will no longer be able to provide food for his community; a mother who has lost her arms will no longer be able to carry water to her children and help them to wash, and the carefree days of playing with friends are stolen from the child who is a victim of a land mine explosion.

People in Afghanistan, Kosovo, Thailand, Angola, and numerous other countries throughout the world have had their lives destroyed as a result of land mines. Afghanistan is one of the most heavily land-mined countries in the world. Millions of Afghan people are traveling through unfamiliar lands. The number of land mine injuries are expected to rise, just as our servicemen are experiencing tragedies from land mines.

Mr. Speaker, H.R. 3168 illustrates to the people of Afghanistan that we will not abandon them following the war. During this holiday season, we must not pass up an opportunity to bestow a priceless gift to land mine victims throughout the world. This bill would show compassion to the innocent people who will suffer long after the war has passed. We must bring this bill to the floor for a vote. We must give a voice to the victims of land mines.

Mr. ROHRABACHER. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from New York (Mr. GILMAN), a man who has provided such leadership to this House since I have known him, the former chairman of the Committee on International Relations, and a man of such strong principle and ethical guidance that he has really meant a lot in my life.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding time to me, and I thank our good sponsor of the measure for his kind words.

I want to thank the gentleman from Illinois (Chairman HYDE) for expediting consideration of this measure. I commend our colleague, the gentleman from California (Mr. ROHRABACHER), for crafting this important resolution. He has certainly been a staunch advocate for the Pacific Rim communities and especially for the Philippines and Afghanistan.

I am pleased to join him, too, our ranking minority member, the gentleman from California (Mr. LANTOS), for his support of this measure. This measure reaffirms our special relationship between our Nation and the Republic of the Philippines.

This resolution notes that special relationship of mutual benefit which goes back for more than 100 years, this year marking the 50th anniversary of the 1951 U.S.-Philippine Mutual Defense Treaty. Throughout these years and many wars, this treaty has beneficially served both of our nations.

Once again, the relationship showed its great value soon after the terrorist brutal attack on our Nation on September 11, when Philippine friends were steadfast in their support, making all of their military installations available to the United States Armed Forces for transit, for refueling, for resupply, and for staging operations.

Moreover, in World War II, Philippine soldiers and scouts served courageously side by side with our Nation's
Mr. Speaker, the Philippines faces a serious challenge today from the Communist Party of the Philippines and a challenge to its territorial integrity from the People’s Republic of China, which has been claiming the Spratley Islands and other Philippine coastal areas.

Accordingly, I urge my colleagues to fully support House Concurrent Resolution 273 so we can send a strong signal to those who are threatening our democracy and the Philippines through their terrorism and regional hegemony.

Mr. LANTOS. Mr. Speaker, I am pleased to yield 4 minutes to our distinguished colleague, the gentleman from California (Mr. FILNER), for yielding me time, and I thank him for his always eloquent support for human rights around the world, and in this case tonight, for the victims of land mines. I thank him again for calling on this legislation. This legislation must reach the floor. We support the gentleman in that.

Mr. Speaker, when bipartisanship reigns in this body, we do good things. We can bring the bill of the gentleman from California (Mr. LANTOS) to the floor. We have brought the motion of the gentleman from California (Mr. ROHRABACHER) to the floor reaffirming our friendship with the Philippines. I thank the gentleman for doing that. He and I were the first Congresspeople, in fact, to go to the Philippines to greet the new President when she took over last February, and we gave the greetings of this whole Congress and our support for her. We support that support in this resolution today.

Mr. Speaker, I would like to ask this body, however, to take one concrete move towards reaffirming that relationship that goes beyond this resolution. This resolution is wonderful, and we will get support for it. But the gentleman from California (Mr. GILMAN) and I, supported by the gentleman from California (Mr. ROHRABACHER) and others in this body, have tried to get on the floor of this House the Filipino Veterans Equity Act, a bill which would truly reaffirm our friendship with the Philippines.

More than 50 years ago, which this resolution talks about, 55 years ago Filipino soldiers were drafted into the United States Army by the President, President Roosevelt. They served well. In fact, we were able to hold up the Japanese advance through the efforts of the Philippine Army under the direction of Douglas MacArthur.

1945

We were able to hold up the Japanese advance, throw off their time table and that helped us win the war in the Pacific. But how does this Congress react to thank the Filipino soldiers? We passed a law in 1946 to withdraw all the benefits that they were entitled to as veterans of the United States Army.

Mr. Speaker, they were drafted into the Army. They fought honorably. They died in great numbers. They were with us through the whole war, the Bataan Death March, the Battle of Corregidor, and yet what did we do? We withdrew their benefits.

It is 55 years later. Many of these brave soldiers are in their late 70’s and early 80’s. They are not going to be with us much longer. The best way we can reaffirm that the Filipinos is to pass the equity act that has been sponsored by the gentleman from New York (Mr. GILMAN). This would say to the Filipino veterans, you were veterans, you have the honor and dignity that helped us win the war, and we truly reaffirm our friendship and pass the Filipino Veterans Equity Act.

I do thank the gentleman for his motion. The Burnhams are being held. We have to get them released. We have to help President Arroyo in her efforts to stamp out terrorism in her nation.

Salamat, my colleague. And I say to our friendship, mabuhay.

Mr. ROHRABACHER. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. ROHRABACHER), which re reaffirms the close relationship between the United States and the Republic of the Philippines.

Our two nations share a rich history and a bright future based on the commonwealth banner and we need to resolve the issues that still bother us in terms of giving full credit and recognition to the Philippine veterans. But even following their independence from the United States in 1946, Filipinos have fought alongside U.S. soldiers in both the Korean and Vietnam conflicts. They have been shoulder to shoulder with our forces and have long been a strategic ally in the Southeast Asia region.

Last month, Philippine President Gloria Macapagal-Arroyo made a trip to Washington to reaffirm the Philippines’ strong alliance with President
Bush. Following the September 11 attack on our Nation, the Philippines has proven again to be amongst our most steadfast allies in the war against terrorism. Along with our nation, Filipinos mourn victims of the terrorist attacks. They joined the lives of many Filipino citizens who worked in the World Trade Center.

Even before President Arroyo announced her 14 pillars of policy in action against terrorism on September 26, 2001, the Government of the Philippines had granted overflights of U.S. aircraft, refueling tankers, combat and cargo planes in the Philippines. President Arroyo has made the strong and unwavering loyalty of her country very clear, and in the other hand, the Government has made all of its military installations available for transit, refueling, and restocking and staging operations to our U.S. forces.

Also as a host nation of the former U.S. bases, the Philippines remains one of our most valuable allies in Asia and the Pacific. During my trip earlier to the Philippines in May, I had the opportunity to visit some of these bases and to commend President Arroyo for her work for an independent nongovernmental study on the effects of contamination on those bases.

This proposal for the bilateral cleanup was also included by Senator D'Antonio and me in our national support of my colleagues and urge final passage.

The 50th anniversary of the U.S.-Philippine relations is one of the most significant events of the year. It is also a milestone in the history of the United States and the Philippines. It is a milestone in the history of the Philippines, and a testament to the friendship and cooperation that have been established between our two countries.

The Philippines are great friends of ours. Their struggle against terrorism is our struggle. Their future in Asia guarantees that stability and prosperity; but most importantly, democracy will prevail in an important Asian country. And I strongly urge all of my colleagues to support the legislation.

Before yielding back my time, I would like to put a face on land mine victims. This young man is Bjarke H. Hamid. He is now 9 years old. And every 6 months he requires a prosthesis refitting. He is representative of the tens of thousands of children and adults who are desperately hoping that we will be able to participate in a global effort to give our fellow human beings who have lost a leg or an arm or two legs or two arms an opportunity to put their lives back together again.

I call on the Republican leadership of the United States House of Representatives to schedule for debate and vote the Land Mine Victims Assistance Act, passed unanimously by the House Committee on International Relations and enjoying the support of all Republicans and all Democrats on that committee; and when the legislation comes before this body, I am sure of every single Member of this House.

Mr. Speaker, I yield back the balance of my time.

Mr. ROHRABACHER. Mr. Speaker, I yield myself such time as I may consume. I thank the gentleman from California (Mr. LANTOS) and I understand his frustration. I have had legislation that I wanted to bring to the floor that was very valuable, that I know that as a bill that which I backed in committee, I understand the value of that legislation and I have gone on record suggesting that it should be brought to the floor. So I understand his frustration.

Mr. LANTOS. Mr. Speaker, will the gentleman from California yield to me?

Mr. ROHRABACHER. I yield to the gentleman from California.

Mr. LANTOS. Mr. Speaker, it is the pain and suffering of innocent people all over the world who are trying to capture a huge hunk of the world and dominate it under its own terrorist grip, and at that time, when the Nazis on one side of the world...
and the Japanese militarists on the other side of the world threatened any democracy and threatened the people of the world, in Asia it was the people of the Philippines who, more than anyone else, stood with us and bore the brunt of that fight and of the despotism and brutality of Japanese occupation.

We must remember, that the fight in the Philippines, the Bataan Death March that we talk about, there were not just Americans in that fight, but there were Filipinos standing beside each and every American, and we must never forget that, and as a member of my family who is a survivor of the Bataan Death March has told me, that as these prisoners were walked, as they were shackled and walked on this death march for day after day without food and water in the sweltering heat, with Japanese guards there with their bayonets and with their samurai swords and the Filipino people would come out of their homes and throw food and water at these prisoners, knowing that the Japanese guards would shoot them if they saw them doing this. Ordinary Filipino citizens risking their lives for our people, as well as their own soldiers.

We can never forget that type of heartfelt commitment, and that is at the basis of the relationship between the United States and the Philippines. It is a commitment to those values of democracy, peace, understanding and the freedom and liberty and justice that unites us, and the Philippines have gone through many travails since those days.

Let me add that one of those travails was the liberation which also took many Filipino lives and the Filipinos were fighting with us. My father fought in the Philippines to help liberate that country, and he always, as I say, spoke very highly of the people of the Philippines. Fighting today in Iraq, I am authoring this legislation, to honor him and to honor all of these veterans, both the Filipinos and the American veterans, not only just the ones who fought in the Death March, but the ones who liberated the Philippines, for the great job that they did for our country and the cause of freedom.

Nothing we could do would honor them more than the bill we pass today. Yes, we can recognize the Filipino veterans here and abroad, and we can do that is by providing Filipino veterans of World War II the benefits available to the U.S. veterans of that conflict. Last year, we made the first major stride in that direction, by providing Filipino veterans who fought with the U.S. military during the war health care. But we have a long way to go to ensure full benefit equity for these veterans. Time is running out.

One of my top priorities since coming to Congress has been to provide Filipino veterans the benefits they are due for their sacrifice, and I will continue that fight until the job is done. This resolution, which enjoys the overwhelming, bipartisan support of the House, urges continued U.S. assistance for the economic and military needs of the Philippines, and fully endorses that we would be sending a very mixed message if we were to provide that assistance while continuing to ignore the real health care needs of Filipino veterans who served with U.S. forces. History has shown that we pay a heavy price when we enlist the support of allies when we need them, but ignore their needs and challenges in the aftermath. I call on my colleagues to pass this resolution and to expedite passage of legislation authorizing full veterans' benefit equity for Filipino veterans of World War II.

Mr. MALONEY of New York. Mr. Speaker, I rise to express my support for H. Con. Res. 273.

Each of these bills sends a strong message. H. Con. Res. 273 appropriately thanks the Philippines our strong ally, for their unwavering support in the current war on international terrorism.

And H.R. 3169, the International Disability and Victims of Landmines, Cibîle Strife and Warfare Act of 2001 sends a message to the people of the world that the United States cares about the people of Afghanistan and want to help in rebuilding their lives.

Landmines have killed more people than nuclear, chemical and biological weapons combined. Today, innocent civilians are threatened by up to 80 million landmines buried in over 80 countries. More than 100,000 Americans have been killed or maimed by these inhumane weapons. The majority of landmine survivors are civilians, often women and children.

In Afghanistan, there are 4–8 million landmines buried throughout the country. Sadly, last Sunday, three U.S. Marines learned about the danger of landmines first hand. They were all wounded when one of them stepped on a mine.

Last September, I, along with 50 of my colleagues, sent a letter to Chairman Regula urging him to restore the $5 million in funding for the landmine victim assistance partnership between the landmine Survivors network and the Centers for Disease Control and Prevention. I was happy to learn that $12 million has been restored and this program will now be able to reach the 26,000 casualties that will happen in just this year alone.

Innocent civilians are threatened by landmines each day. While our Government has answered the call of duty, fighting side by side with U.S. troops in our hour of need. Many Filipino citizens have since joined the ranks of our military, and served with honor. As we recognize the contributions of the Filipino government today, we must also recall the critical contributions that its people have made to our war on terrorism. One thing we can do is by providing Filipino veterans of World War II the benefits available to the U.S. veterans of that conflict. Last year, we made the first major stride in that direction, by providing Filipino veterans who fought with the U.S. military during the war health care. But we have a long way to go to ensure full benefit equity for these veterans. Time is running out.
worked to help those victims, much more needs to be done.

Mr. FORBES. Mr. Speaker, I rise in strong support of this resolution, H. Con. Res. 273, reaffirming the important relationship that the United States and the Philippines have shared for many years.

The Filipino people have been our friends for many years, and in today’s war against terrorism they are one of our most steadfast allies. The Filipino government immediately voices its support for our efforts in Afghanistan and, more importantly, has allowed our armed forces to use its military installations for transit, refueling, resupply, and staging operations that are vital to our success.

Further more, the Filipino people are keenly aware of the destructive nature of terrorism and the necessity of routing this evil from our world. For years, they have lived with the danger of terrorist threats form many groups, including the Communist Party of the Philippines, the New People’s Army, and the National Democratic Front. But, no threat is as great as that which they face from the radical Abu Sayaff group, which has ties to Osama bin Laden and the al-Qaeda network.

Abu Sayaff has engaged in bombings, arson, kidnapping, and hundreds of other acts of terrorism with increasing frequency. Early this year, in fact, they kidnapped three American citizens along with several Filipinos. They murdered one of those Americans, and the other two remain in captivity to this day. Our Filipino friends have stood by us since the attacks of September 11th, and we should stand by them as they face this same threat.

Mr. Speaker, I am proud to be a friend of the Filipino-American community and I encourage my colleagues to support this resolution.

Mr. ROHRABACHER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LATOURETTE). The question is on the motion offered by the gentleman from California (Mr. ROHRABACHER) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 273.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT OF MEASURES TO BE CONSIDERED UNDER SUSPENSION OF THE RULES ON WEDNESDAY, DECEMBER 19, 2001

Mr. ROYCE. Mr. Speaker, pursuant to the notice requirements of House Resolution 314, I announce that the following measures will be considered under suspension of the rules on Wednesday, December 19, 2001: H.J. Res. 75; H.R. 2739; H.R. 3275; S. 1714; H.R. 2657; H.R. 2199; S. 1762; S. 1783; H. Con. Res. 279; H.R. 3507; and H.R. 1432.

HONORING RICK MORGAN

(Mrs. CAPITO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. CAPITO. Mr. Speaker, I rise today in honor of a constituent of mine, Mr. Rick Morgan. I have the pleasure of knowing Rick personally, and I am proud to recognize him because tonight Rick will be carrying the Olympic torch and lighting the cauldron in Charleston, West Virginia.

In service to his country, Rick Morgan has sacrificed much. While attempting to save the life of a Marine during the Vietnam War, he was caught in a land mine explosion that took his left hand and left leg. After the war, Rick returned to his hometown of Charleston, West Virginia, and has worked for the brokerage firm of Salomon Smith Barney for the past 32 years, very successfully. Today, he is the senior vice president of sales.

Rick is an avid swimmer. He bikes, he sails and he skis. His very active life is proof that Rick has the ability to overcome any challenge and any obstacle with which he is faced.

Rick is a steadfast rock of our community. He goes out of his way to help others, serves as an inspiration to his fellow classmates, and his determined approach to life is impressive and truly embodies the Olympic spirit.

I cannot imagine anyone more deserving of this privilege of carrying the Olympic torch to our home State of West Virginia. I am honored to recommend Rick Morgan and wish him all of the best tonight.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. BROWN of South Carolina). Under the Speaker’s announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. TANCREDO) is recognized for 5 minutes.

(Mr. TANCREDO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

TRIBUTE TO SETON HALL COLLEGE NATIONAL EDUCATION CENTER FOR WOMEN IN BUSINESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. TANCREDO) is recognized for 5 minutes.

(Mr. TANCREDO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mrs. CLAYTON) is recognized for 5 minutes.

(Mrs. CLAYTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from North Carolina (Ms. MILLER-MCDONALD) is recognized for 5 minutes.

(Ms. MILLER-MCDONALD addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

(Ms. JACKSON-LEE addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

(Ms. JACKSON-LEE addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. MILLER-MCDONALD) is recognized for 5 minutes.

(Ms. MILLER-MCDONALD addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON) is recognized for 5 minutes.

(Ms. EDDIE BERNICE JOHNSON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

(Ms. JACKSON-LEE addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)
THE IMPORTANCE OF AN ECONOMIC STIMULUS PACKAGE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from California (Mr. Royce) is recognized for 60 minutes as the designee of the majority leader.

Mr. ROYCE. Mr. Speaker, I will not take 60 minutes in order to lay out my argument for the importance of a stimulus package, but I did want to take a few minutes in order to explain to the Members of this body and to the people of the Nation that the attacks on September 11 were also an attack on our economy. It hit our economy hard.

According to the Bureau of Economic Analysis, they do a report, and they found that the U.S. economy contracted in the third quarter after that attack by 0.4 percent. That is the biggest contraction of economic output in more than a decade. In addition to that, household consumption grew hardly at all and business investment plummeted as a consequence, and most of the data before the September 11 attacks and the fourth quarter could prove to be quite a challenge for the United States unless preventive and decisive action is taken now by this body of Congress.

Congress needs to pass legislation to stimulate the U.S. economy, and it needs to address the issue of providing needed help for those displaced workers who have frankly lost their jobs as a result of this economic contraction. How many Americans have lost their jobs? The latest estimate was 800,000. Eight hundred thousand Americans have lost their jobs since President Bush called for an economic stimulus package, and we needed that call on the House of Representatives side.

We passed an economic stimulus bill quickly over to the Senate in order to promote job creation, in order to help displaced workers, and since that time, the other body has failed to act.

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According to the Council of Economic Advisers, the bipartisan framework that we are trying to push for the stimulus bill would save 300,000 American jobs that otherwise would be lost. For months important legislation, however, over in the Senate has been stalled. It has been delayed. It has been sidelined as holidays are upon us now: time is running out. A majority of the Senate, frankly, is on record saying that they support the President's bipartisan framework for job creation and displaced worker assistance, but it is time for the Senate leadership to act.

There have been some new concessions last week from the White House, and I think that indicates that President Bush is willing to go a long way in compromising with the Senate, and the reason he is willing to do that, I believe, is because he wants to help our economy. In the meantime, what is the Senate leadership doing?

There on the other side of this building we see a push for simply more and more spending. Earlier this week the President proposed to break through the logjam over the economic stimulus bill. Key elements of the bipartisan framework the President proposed to Congress include the following: tax cuts for low- and middle-income workers; providing tax rebate payment of up to $600 to low-income families struggling to make ends meet; lowering the 27 percent tax rate on dividends so that would provide 36 million hard-working American taxpayers with tax relief, and that would create more economic activity.

Lowering the 27 percent tax rate, as a matter of fact, would provide relief to 10 million small business owners, and that would help in business expansion. Allowing all businesses to immediately deduct 30 percent of the cost of new investments for 3 years, in other words, speeding up that depreciation that is not complete by December, if they buy new equipment, well, that significantly reduces the cost of new business investment. It creates a climate where businesses go out and purchase new equipment. So particularly in capital-intensive sectors such as auto, aerospace, and telecommunications, this provision is very important.

So we have in that bill a lot of provisions that would create economic activity, would create jobs. At this time, the bill would also turn over to the States 36 million dollars to be used for state emergency grants. Because they would go through an existing program, these funds would be available immediately to help workers. It would be done in a matter of weeks, if we could get the Senate leadership to move this bill.

Helping unemployed workers keep their health insurance by providing an innovative new tax credit up to $3,500 a year would also be helpful. Workers would be able to keep their health insurance regardless of whether or not they have COBRA under the bill. And the bill would be speeding relief to workers by cutting red tape. Unlike some proposals considered by the Senate, the President's framework does not require State legislation or State matching funds to provide coverage. So as a consequence of that, the assistance gets rapidly to those who need it most. Investment and consumption must be reinvigorated through these types of actions to provide some tax relief; and most importantly, discriminate government spending increases, as some of the Senate leadership have been pushing for, that we will find a way to provide the economic stimulus for the economy.

As President Bush noted, the best way to stimulate demand is to give people some money so they can spend it. So let us start putting more money in the American people's wallets. There is a reason he is willing to do that I believe, and that is because he wants to help our economy. In the meantime, what is the Senate leadership doing?
hours to walk down one row of the toy section. That is what consumers do with their money. They decide what they are going to spend their money on. On the other hand, if you take that money away from a consumer, what you have is 435 Members of Congress. 100 Members of the Senate, decide where they should spend your money. It ends up with a bigger government. Switzerland, France, and Japan have had recessions. In Japan, for example, has had recessionary problems for 12 years. Japan’s approach to the economic stimulus package was expand government, spend more money. Ireland on the other hand, took the opposite approach. They went back to macroeconomics 101 and said wait a minute. We probably do not know how to spend the money of all of the millions of people who live in this great country. It has been put into the private sector, and let them decide where the money can be best spent and the jobs created. As a result, Ireland was in recession the least amount of time of any European country. And today, it has gone from one of the weakest economic countries to one of the strongest.

Meanwhile, Japan 12 years of recession; France, Switzerland, mediocri recoveries, nonexistent recoveries. And yet the Democratic Party wants to follow the model of Japan, putting up the government actually focused on expanding the private sector, rather than expanding the government, the public sector, that in those economies, unlike France where socialism was tried as a way to get the government out of the economic problems, and the unemployment went up, up, up, where the focus is on incentives to encourage investment in the private sector, and the creation of new businesses there, that those economies were making rapidly when they were in economic downturn?

Mr. KINGSTON. Before the gentleman from California yields to the gentleman from New Mexico (Mrs. WILSON), I have an important point to make. When I was in New Mexico, at a luncheon in Santa Fe, there was a gentleman who was the Breaking Green. For those of you who do not know, he owns a green. For those of you who do not know, he owns a green. And when I listen to the gentleman from California, I felt as though there was something I wanted to put on the record.

Mr. ROYCE. Mr. Speaker, I think the gentleman is saying in those economies, unlike France where socialism was tried as a way to get the government out of the economic problems, and the unemployment went up, up, up, where the focus is on incentives to encourage investment in the private sector, and the creation of new businesses there, that those economies were making rapidly when they were in economic downturn?

Mr. KINGSTON. Mr. Speaker, absolutely. History shows this over and over. Government helps the most when the government does not take the tax money, but leaves the money in the hands of the American consumer, for low-income and medium-income families, to take your example, the real jobs are created.

One of the provisions in the House bill that we passed over to the Senate was one that would allow when small businesses entrepreneurs buy new equipment, to take a deduction on their jobs, because we need to expand the capital loss provisions, so that they can write off more of those losses. Right now it is limited to $3,000. It needs to be expanded to $5,000 or $10,000 so that pain of that loss in the stock market can somehow at least be written off a little bit on taxes. There are some very important things in there for individuals, for low-income and medium-income families, to have an immediate stimulative effect on the economy.

Mr. KINGSTON. Mr. Speaker, absolutely. History shows this over and over. Government helps the most when the government does not take the tax money, but leaves the money in the hands of the American consumer, for low-income and medium-income families, to take your example, the real jobs are created.
expensive that, 30 percent in the first year, then you depreciate the rest of it, if you buy equipment in the next 36 months. So it says, get out there and do it now. As a small businessperson, I was in a small business when we bought the whole office one year. That was a big cost.

Mr. KINGSTON. If the gentlewoman will yield, I want to talk about that because I think that really shows the difference between the Republican approach, that puts people first, or the Democrat approach that puts government first. Because what the government program as being pushed by the Senate would do is they would go into that, say, concrete business and say, “We’re going to buy you new trucks.” Well, the owner of that might say, “We don’t need new trucks. We need some new computers. We might need a new office building. We may need some new employees. We may need some of the tools that are related to it. It’s my money. I tell you what, why don’t you stay in Washington and let me decide where to put it. Don’t take my money away from me and then tell me you how to spend my money.”

It is exactly as the gentlewoman said. As a small businessperson, one year you needed computers, but that does not mean you needed them every single year. The next year you probably had another need. But you could only make that decision in New Mexico, not in Washington, D.C. It is just such a fundamental difference between the Republican/Bush package and the liberal pro-government package being advocated by the other side.

Mrs. WILSON. One of the great things about it is if you are a small businessperson and you buy all those new computers, when you do your taxes at the end of the year, you cannot write them all down as an expense. So you end up paying taxes on money you do not have in your bank account because you just bought all those new computers. When I was in small business, you could only say that $10,000 of that was an expense this year when you do your taxes at the end of the year, you cannot write them all down as an expense. If you buy a new piece of equipment for your business, 30 percent of it off the top onto your expense line this year. That will really encourage the investment in small jobs.

CONGRESSIONAL RECORD — HOUSE December 18, 2001

Mr. ROYCE. Reclaiming my time, I yield to the gentleman from Arizona (Mr. HAYWORTH) for his observations on the need to get this economy moving again and what we should do to take decisive action and get it to the President’s desk.

Mr. HAYWORTH. I thank my colleague from California. It is good to be here on the floor of the People’s House with my neighbor from New Mexico and my festively decorated friend from Georgia.

Mindful of the admonition of our good friend from South Carolina, the Speaker pro tem this evening, let me try to set this up perhaps in the abstract. But before I do, let me amplify a point made by my good friend from New Mexico. Let me salute the efforts of the chairman of the Committee on Ways and Means for the very eloquent, passionate peroration of my friend from Arizona. I want to put to try to set this up perhaps in the abstract, when you set up that type of limitation, you set up, in essence, a small group of people who can serve as obstructionists.

The question is this: Are we willing to move forward to help the people always mentioned who are out there hurting, Mr. Speaker? Or will we see the temptation to succumb to machinations and policies supersede the public good? That is the choice every elected official has made and that is the choice the American people must make, Mr. Speaker.

Mr. ROYCE. Reclaiming my time, I yield to the gentleman from Georgia.

Mr. KINGSTON. Reclaiming my time, I yield to the gentleman from Arizona. I want to put the very eloquent, passionate peroration of my friend from Arizona. I want to put this in perspective.

What he is saying, and I know he did not serve in the Arizona legislature, but had he served in the legislature of Arizona and he were a House member and then the Senate of the legislature of Arizona, he is saying what would happen is the House members, say, 60 votes in the conference committee and the Senate would bargain in bad faith, and every time you would go together, there was always this kind of gentlemen’s agreement that you would not need a supermajority, say, 60 votes in the Senate, you would only need 51 if there were 100 members of the Arizona Senate.

So what he is saying is if the Arizona House works real hard and passes a plethora of legislation, such as an energy bill or a health care bill or an economic stimulus bill and then the Senate of Arizona does not pass that, then they get stuck in this session forever.
Mr. ROYCE. Reclaiming my time, there are some additional pieces of legislation that I think all of the Members of this body have an interest in that have passed over to the Senate that we would like to see the Senate take up. We are near the end of the year. I just think besides the stimulus bill, besides the energy bill, I should take a moment and mention the Small Business Paperwork Reduction Act, the Made In America Information Act, the Maritime Commerce Act, the Veterans Hospital Emergency Repair Act. We hope the Senate will take that up soon. The Small Business Interest Checking Act. Many of these bills passed out of the House in March and April of this year. We would like to see the Senate, before adjournment at the end of this year, pass out these bills. The Foster Care Promotion Act. The Small Business Liability Protection Act.

I think I speak for many of us here when we say we think this is very important, especially in this environment we find ourselves in today.

Mr. Speaker, I yield to the gentlewoman from New Mexico.

Mrs. WILSON. Mr. Speaker, I thank the gentleman for yielding.

Of these four of us, I do not think any of us really live here in Washington, DC. We live at home and we commute to Washington, DC. Maybe that is one of the things that is different for us, is that we have friends and neighbors who either lost their jobs or who are worried about losing their jobs.

Our top priority is to make sure that this recession that we are in, this ter-

rorist-induced recession, is as short and as shallow as possible. This means we have to get back to growing jobs.

We have very low-interest rates, but we need to do more. We need to help secure the jobs we have; we need to get back to the growth of jobs and make sure that people who want to go back into the work force, the bill we will pass tomorrow helps people over the hump.

I am very impressed by this potential compromise, really, on health care. I think it is a real pragmatic approach that covers more people than any of the proposals that I have seen thus far. It says if you are from a really big employer, and there are not that many in the State of New Mexico, but if you are covered by what is called COBRA, you can use that credit, it is not even something you have to pay for up front. It is like a voucher, to go for what your employer’s plan was and to cover your health insurance that you had with your former employer. If your former plan was not covered by COBRA but did have a small health insurance plan, you could use it for that. Or you could take that voucher, and it is based on the average amount of the cost of health insurance in your area, you could take it down to Blue Cross and Blue Shield if you thought that you could get a better deal there. Even for people that do not have employer-sponsored health insurance but have been paying it out of their own pocket, who have lost their jobs, it helps them too.

So this idea of making sure families make it over the hump and extending the unemployment insurance, I think this is a really hard bill to explain. Why do we not just pass it and get it to the President’s desk? I think that is what the leadership has decided to do. We are going to pass something that is almost impossible to even say, say, criticize, to give immediate stimulative ef-

cfect to small business to create more jobs, to restore confidence in the mar-

kets and help people over the hump and say we have done the best we can. We have a great bill here. Let us get this to the President to help Americans.

Mr. ROYCE. Reclaiming my time, I would like to yield to the gentleman from Georgia (Mr. KINGSTON) for his observations.

Mr. KINGSTON. I think it is interesting that one of the emerging na-

tional leaders on this is a Senator named ZELL MILLER. I am very proud that we have that kind of leadership from Georgia, because in Georgia you always try to, when I was a member of the legislature, House member, you always tried to get Georgia first, and you believed that the person on the other side of the table, Democrat or Republican, felt the same way; that, yes, you want to get in your partisan licks and make your party look a little better than the other party, but at the end of the day, it was Georgia that mattered.

When I came up here, I was shocked to see that there were people who would actually put party above policy above country. Now, maybe they did not put it that way, but the result is often that way that party gets in the way of what is best for the United States of America.

As the gentlewoman from New Mexico said, because the four of us go back home to New Mexico, Georgia, Arizona and California, we have friends who have been affected by this recession, real people and real families, who do not have a job anymore. To come up here week after week and have a group not want to pass an eco-

nomic recovery jobs creation stimulus package is distressing, because you have to wonder, is it not in the best inter-

test of America? And of debate, but at this point, on this night in December, in the year 2001, as Christmas fast appro-

aches, to know that there are 1 million workers out of their jobs because of an economic slowdown that was exacerbated here, this being attacks on our country, to not move to offer economic security and hope, is to deprive those people of the very com-

passion that so many claim to cham-

pion. It is especially callous at this time of year.

Mr. Speaker, I am fond of the obser-

vation Mark Twain offered. “History,” wrote Twain, “history does not repeat itself, but it rhymes.”

As I read the new biography of Theo-

dore Roosevelt, I am reminded that a century ago a body in this institution, one of the two Houses, Mr. Speaker, I will leave that up to a guess so that I am not admonished, one of the two Houses failed to act. President Theodo-

re Roosevelt called that body, what some refer to as the world’s most exclu-

sive club, back into session.

Mr. Speaker, I would suggest to the President of the United States, if for reason of simple inertia and inaction a certain group on this Hill fails to act, I would hope the President of the United States would call that body into special session the day after Christmas to deal with the slowdown that is hurting American business.

Because now is the time to move past playing politics. It is time to put people ahead of politics.
We are in a war, we are faced with economic slowdown, and now is the time for all Americans, especially those of us vested with the public trust, having sworn to uphold and defend the Constitution of the United States against all enemies, foreign and domestic, and to faithfully execute the Office of the President of the United States against all enemies, foreign and domestic. Mr. Speaker, reclaiming my time, the gentleman talked about acting expeditiously. I would just like to quote President Bush on that issue. He was asked last week, and he said, ‘You know, the terrorists attacked us, but they did not diminish our spirit, nor did they undermine the fundamentals of our economy, and we believe if we act expeditiously, that those fundamentals will kick back in and people will be able to find work again.’

There are focused on tonight is taking action expeditiously, moving quickly. Our hope is as we again bring a stimulus bill tomorrow before this House of Representatives, that the Senate will take action as well.

I am going to yield to the gentleman from California.

Mrs. WILSON. I thank the gentleman from California.

You know, folks who may be watching this tonight probably sense a certain amount of frustration. It is kind of common around here when we work so hard and we get legislation passed, and this government was not set up to be efficient, but in times of national crisis, we have to set some things on the side and find the common ground and move forward on things that make sense and that are pragmatic and that are doable and do it quickly.

So we passed one stimulus bill on October 24, and it was a pretty good bill. But some people wanted to throw arrows at it, and they could not get it through the Senate and so forth.

So we are going to pass another one. It is going to be one that is really hard to criticize in any way. It is going to take care of families who are unemployed, put some money back into the economy through small business, put money in the pockets of consumers, and two-thirds of spending in our economy is consumer spending. The Christmas season is the biggest time for that.

So we are going to do a second bill so that maybe, just by motion, we can get this down to the President of the United States. Last July and August when we passed the last tax relief bill to try to jump-start our economy, we knew we were on the edge of a recession. Everyone was hoping that that recession would have a soft landing. I think those were Greenspan’s words. He talked about a soft landing. But we did not have a landing. What we had was a terrorist attack on our largest city and on our Capital that knocked us off our horses. Now we have to get back up on our horses and provide some confidence to the American people that restoring this economy is a priority of this government, that we are going to do everything we can to make this recession short and shallow and get back on the path to growth.

In some of what we do is sometimes almost more important than the substance of what we do. It is for people to restore confidence in their government that we care about this economy, we care about them, we care about every thing we can, and restore confidence in people and the markets.

Mr. ROYCE. I am going to yield to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. I wanted to just get back to the Japanese experiment, because there seems to be some folks that believe in that government-knows-best socialism that we see all over the globe; and unfortunately, it creeps into many of the philosophies and offices in Washington DC.

In the period from 1981 to 1991, when the Japanese Government had limited its size by limiting its spending, it had some of the greatest growth in the world. At that time, the average growth of the world economy was 3.3 percent. The growth of the United States economy during 1982 to 1991 was 2.9 percent. Japanese led at 4.1 percent. That was in the day everybody was bullish on Japan. But a funny thing happened on the road to success. Throwing all that which made them successful away, the Japanese Government decided that they would increase the size of government spending; and in the period from 1992 to the year 2000, the Japanese growth rate fell from 4.1 percent to 1 percent.

During that period of time, the world’s economy, the economic growth, was about level, 3.4 percent. The United States, which had reduced its government spending, was at 3.8 percent. But Japan, because they had a government that went on a spending binge and a taxing binge, their growth fell.

Yet we have those in Washington, DC, who cannot learn that lesson. They want to go out and create a bigger government as the solution to the recession, and that is not going to help us one bit.

Mr. ROYCE. I am going to yield to the gentleman from Arizona.

Mr. HAYWORTH. I thank my friend from California, and I appreciate the insights of my colleagues here tonight. Mr. Speaker, just another cautionary note. Sometimes we get caught up in the slang of Washington, and we have spoken about this in the inevitable legisl- iative and policy shorthand that somehow tends to lose what this is about when we talk about an economic stimulus plan, but this is some sort of theory that is subjected to a graph and a curve and all of the trappings of theoreticians.

Mr. Speaker, I would suggest nothing could be further from that. We are talking about real people with real families facing real problems. And in the give and take of different ideas, honestly expressed, we are gathered on this floor bringing back to the floor a piece of legislation that straddles many ideas from many different sources in the truest spirit of compromise and consensus in a groundbreaking way, in terms of health care, to expand opportunities for those folks that find themselves without just jobs. Mr. Speaker, what we are talking about is economic security and future opportunity. Mindful that people are hurting, we understand the need to expand unemployment benefits, but as surely as we do that, Mr. Speaker, we also understand this, that I hear in the sixth district of Arizona, and I know my colleagues hear in California and Georgia and New Mexico, that we hear from across the country, where we can make a choice, the American people appreciate the safety net of an unemployment check, but they would much rather have a paycheck. And what the gentleman from Georgia refers to is something we have seen time and again with previous presidents and parties, whether it was John F. Kennedy in the outset of the 1960s or Ronald Wilson Reagan in the outset of the 1980s: when we reduce the tax burden on the American people, whether on Wall Street or on Main Street or on your Your Street, when we open up opportunities to save, spend, and invest, there is growth. There is opportunity. There is hope. And there are paychecks and economic prosperity that comes into being for the American people.

So what we talk about is not some stimulus in almost a Boris Karloff-like laboratory in a black and white film; it is not an abstraction. It is real help for real people and a real opportunity to do better. It is the will to act, to buttress and strangle the process will but step away from the cynical games of Washington and put people in front of politics.

Mr. ROYCE. Mr. Speaker, reclaiming my time, I think we did see that the Kennedy tax reduction spurred an economic growth rate of between 4 and 5 percent. When President Reagan reduced the effective tax rate and when Congress reduced that rate in response along with that, the economic growth rate was over 4 percent a year.

What we are talking about in this bill that the President has put forward is a compromise measure that will provide tax rebate payments of up to $600 to low-income families who are struggling to make ends meet; it would lower the 27 percent tax rate to 25 percent that would affect 36 million hard-working taxpayers and give them relief. This compromise measure would help small business by allowing them to deduct 30 percent of the cost of new investments over the next 3 years. That would put a lot of money into purchasing new equipment in order to
Mr. ROYCE. Mr. Speaker, I yield to the gentlewoman from New Mexico (Mrs. WILSON).

Mrs. WILSON. Mr. Speaker, I thank the gentleman from California for yielding to me.

There are some other good things in this bill that we have not mentioned that I know are important to some businesses. The research and development tax credit will be extended, and that has been very important when we look at creating and investing in new jobs, particularly for the next generation of technological innovation. The work opportunity tax credit, a wonderful way to get people off of welfare and back to work, as well as the welfare to work tax credit. All of those are going to be renewed and extended in the bill we are going to have on the floor tomorrow.

Mr. ROYCE. Mr. Speaker, if I could ask the gentlewoman, how successful have you been in working programs that this Congress passed, how successful have they been?

Mrs. WILSON. Mr. Speaker, I think the gentleman from Arizona is right. Most of the people that I talk to would much rather have a paycheck than an unemployment check or a welfare check. They may need a different approach to help them get back to work in getting the training they need and, as a matter of fact, they are much happier with a job to go to and being role models for their families and for their children.

Mr. ROYCE. Mr. Speaker, if I could reclaim my time for a moment, I think extending those credits and ensuring that there is participation in those programs is so important. We have seen a reduction over the last few years of 40 percent in the welfare caseload. Part of that has been legislation that has ensured welfare to work, and part of this legislation will ensure the cooperation of businesses in assisting in that effort.

Mrs. WILSON. Mr. Speaker, if the gentleman will yield, sometimes it is hard to get one’s arms around how much impact we are really talking about here. But this bill is designed to have an $86 billion impact in the American economy in the first year alone, and $150 billion over 10 years. So over half of the economic impact is up front, at least. But over half of the total impact is in things that are intended to stimulate the economy, and the other part is to help people over the hump. So it gets money in people’s pockets. It is going to help businesses to invest in new equipment and create new jobs, grow new jobs, restore confidence in the American economy, and comes up with two very unique compromises I think with respect to health care and, of course, extending unemployment insurance. It is retroactive to anybody who has lost their job back to March.

I remember just after the attacks in September, going back home to Albuquerque and talking to people there. They were asking now, how are things going, how is business going? They were laying people off at the rental car companies. Tourism and travel has been really decimated by these attacks. It is not just large airlines; it is the hotels and the motels and the rental car companies. All of those folks who lost their jobs already, even back to March when, technically, the recession started.

They are going to be eligible for extended unemployment benefits if they cannot find a job and we are going to have to accept that in this time of a slowdown, it is probably going to be a longer time period between the time one gets laid off and when one starts the new job.

I know the gentleman from Arizona has worked hard on the Committee on Ways and Means, as have other Members of this House. The leadership has really come up with a very good compromise proposal. I think the House just needs to pass it. We need to move on.

Mr. ROYCE. Mr. Speaker, I will yield first to the gentleman from Arizona (Mr. HAYWORTH).

Mr. HAYWORTH. Mr. Speaker, I will just make a quick point. Very quickly, picking up on what the gentlewoman from New Mexico said, this bill incorporates a variety of different opportunities in what we call tax-slaying extensions, tax credits, tax opportunities and credits already existing in terms of research and development. The gentleman mentioned welfare to work and work opportunity tax credit. I would be remiss on behalf of my constituency if I did not mention the extension for the first Americans, for native Americans, who find themselves, as we understand, so often left behind.

Now, as we seek to revitalize tribal economies and economic opportunities there, there are provisions that have been included in this bill that are good for Oklahoma, and the gentleman from Oklahoma (Mr. WATKINS) has been an unfailing champion on this. We are pleased to include that in this bill so that no American is left behind. Opportunities are there for all. I thank the gentleman from California.

Mr. ROYCE. Mr. Speaker, reclaiming my time, I will yield to gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Speaker, I just want to reiterate, the theme here is: would you rather have a paycheck or an unemployment check? Would you rather be independent or dependent? These tax credits allow people to invest, credits create jobs. Yesterday I was with a friend of mine named Kevin Jackson. He owns a company called Envirovac. He has about 400 people on his payroll. They go into factories and do maintenance. He says every factory that they visit right now is flat because they are laying off people in this recession. This jobs creation-economic stimulus package will turn it around. Again, we are talking about real people and real businesses, because we know these folks. They would rather be independent than dependent on an unemployment check. They want a job.

Mr. ROYCE. Mr. Speaker, I yield to the gentlewoman from New Mexico (Mrs. WILSON) for the balance of the time.

Mrs. WILSON. Mr. Speaker, people are hurting in America. We have lost 700,000 jobs in this country since September 11. We need to help people get through the next month to help keep the jobs that we have and to help find new jobs in this economy. The way we are going to do it is by giving small business the tools they need to invest in creating new jobs, restore confidence in capital markets, put money in the pockets of consumers immediately, both low-income and middle income Americans, and we are also going to help people over the hump with health care and unemployment insurance to make sure that those who are hurting can make it. We think——. I think that this recession will be as short and as shallow as we possibly can make it. In the House, we will act.

Mrs. JOHNSON of Connecticut. Mr. Speaker, if the gentleman from California (Mr. ROYCE) will yield, I know the gentleman’s time is about to expire, but I did want to say that it is imperative that this House acts and, hopefully, the Senate follows as well, to make this recession short and shallow, as the gentleman from New Mexico said, but also to help the unemployed.

What is really excellent about this new stimulus bill is that for the first time, it provides assistance in purchasing health insurance for the unemployed. America has never done that before. This is a first. Only this bill offers the same assistance to everyone. If one works for an employer who provided what is called COBRA benefits, one can use their 50 percent benefit, or their 60 percent benefit now, for COBRA benefits. But both people work for small employers and small employers are not covered by COBRA, so if
one works for a small employer and is
laid off, the old bill and the bill of the
other party will not help them. This
will give them a 60 percent premium
subsidy, whether they buy their own
health insurance, whether their em-
ployer is COBRA-covered or not. Ev-
everyone will be treated the same. All
unemployed will get help, with health
insurance benefits as well as extended
unemployment benefits. I thank the
gentleman for yielding his precious
time.
Mr. ROYCE. Mr. Speaker, I want to
thank the gentlewoman from Con-
necticut (Mrs. JOHNSON) for her good
work on this bill, and I thank all of my
colleagues for participating in this
Special Order.

ANNOUNCEMENT BY THE SPEAKER
PRO TEMPORE

The SPEAKER pro tempore (Mr. KENNY). The Speaker, pursuant to the
request of the Majority Leader, would again remind all Members that
it is not in order to characterize Sen-
ate action or inaction, to encourage ac-
tion by the Senate, or refer to indi-
vidual members of the Senate, except
with respect to sponsorship of bills or
amendments.

AMERICA NEEDS BIPARTISAN
STIMULUS PACKAGE

The SPEAKER pro tempore. Under
the Speaker’s announced policy of
January 3, 2001, the gentleman from New
Jersey (Mr. PALLONE) is recognized for
60 minutes as the designee of the mi-
nority leader.

Mr. PALLONE. Mr. Speaker, let me
say that I do plan initially to respond
to some of the comments that were
made by my Republican colleagues
about the potential stimulus bill that I
gather we may see on the House Floor as
early as tomorrow. Regardless of the
substance of the stimulus package that
the Republican leadership may bring
up tomorrow, I think the bottom line is,
and everyone needs to know, that it is
going nowhere. They are fully aware
of the fact that it is going nowhere. I
think what we are going to see tomor-
row, and I think it is very unfortunate,
is basically a replay of what happened
a couple of months ago when, in the
aftermath of September 11 and the
World Trade Center and Pentagon trag-
edies, there was an effort in the few
weeks afterwards, because of the real-
ization of the impact on the economy
and because the recession was only, if
you will, accelerated by the events on
September 11, there was a recognition
that we needed to do a stimulus pack-
age to get the economy going again,
and that the only way to achieve that,
given that we have a divided govern-
ment, one body Democrat, one body
Republican majority, that we needed to
work across party lines and to bring
the House and the Senate together.
So there was sort of understanding
that we would all sit down and work on
a stimulus package together. Demo-
crats and Republicans together, Senate
and House together, as well as with the
President.

But unfortunately, very quickly that
dissolved because the House Repub-
lican leadership wanted to pass their
own version of a stimulus package and
was not willing to work with the Demo-
crats in the House or with the other
body. The bill was passed very nar-
rowly, I think it passed by one or two
votes here in the House, and of course
it was never taken up in the other
body. There was no meeting of the
minds and no effort to try to come to
any kind of accommodation across
party lines.

I would suggest, having been here, I
guess, 12 years, that anything like
that, where one party which is in the
majority tries to simply shove down
their throats, if you will, a bill that
the other side would rather not pass be-
cause they think it is the wrong way to
go, is doomed to failure.

Every one of my colleagues who
spoke on the other side of the aisle just
in the last hour knows very well that if
all there is to do is bring up an-
other Republican leadership bill that
has not been negotiated with the
Democrats, which this one has not
been, then the end result is failure. The
end result is that that bill will go no-
where, no stimulus package will pass;
and we will go home within the next
few days having accomplished nothing
for the American people.

The very fact that they are even
talking about this bill means that my
Republican colleagues in the Repub-
lican leadership have basically decided
that they do not care to pass a stim-
ulus package. So when they suggest
that they are going to try to help the
unemployed, that they are going to
provide health benefits, that they are
going to do things for corporations in
America that are going to help create jobs,
the very fact that they are bringing a
bill to the floor that was not negoti-
tated on a bipartisan basis means that
those things will never happen; and it
is very unfortunate.

It is also very unfortunate that they
keep talking about passing another bill
when the first one was doomed to fail-
ure; and the second one will be, as well,
because it is really nothing more than
a hollow threat to the American people. The
American people will not see a stimu-
lus package. The best thing they
could do would be to go back and sit
down and talk to the Democrats in the
other body, in the Senate, and try to
come to some sort of accommodation,
rather than just bashing and bashing
and hammering as this goes on.

I want to talk a little bit about why
the Democrats feel that this Republic-
an stimulus package is really noth-
ing different from the previous one and
will have a similar fate, if it did pass, to
stimulate the economy.

Understand, on the one hand I am
saying tonight that this bill that they
are going to bring up tomorrow, if it is
brought up, cannot pass; so it is hope-
less from the beginning, cannot pass
both houses and be signed into law. But
even if it did pass, it would not do any-
thing to stimulate the economy. That
is because we are really trying to do here,
stimulate the economy on a short-term
basis to have the recession be over.

I wanted to talk a little bit about the
Democratic alternative to the original
Republican bill to give my colleagues
the flavor; if you will, of what the Demo-
crats would have done, why the Demo-
crats alternative would serve the purpose of helping displaced
workers get unemployment compensa-
ion, get health benefits, and stimulate
the economy.

The original House bill that I was
talking about, the original Republican
bill that was doomed to failure, passed
the House on October 24, almost 2
months ago. It passed strictly on party
lines, 216 to 214. This is the Republican
stimulus package they passed for,
and this one, as well, that they intend
to bring up tomorrow calls for, is es-
sentially tax cuts for big businesses
and the wealthy.

Now, how do we get the economy
going again if all we do is give big tax
breaks to big corporations and wealthy
people? They do not have any obliga-
tion, wealthy persons do not have any
obligation to spend that money. They
may just put it in the bank. They may
put it in stocks of other businesses
else. They are not immediately going to
spend the money, which is what is
needed to stimulate the economy.

The way the economy is stimulated
is when people have to spend money be-
cause they have to buy food or have to
pay their rent or whatever they have to
do. Generally speaking, our middle-
class people or even poor people, they
go out and spend money, they shop,
and the economy gets going again.

I think what is going on is that we are just going to
give these big tax breaks to big cor-
porations, again, that has no stimula-
tive effect. They do not necessarily
have to take that money and invest it
in new equipment or in new jobs or new
production of any sort. I would venture
to say that many of them probably
would not.

So the whole premise of the Repub-
lican proposal, which is essentially tax
cuts for big businesses and the wealthy, really does not help anything.
It does not help stimulate the econ-
omy, and it certainly does not help
with those workers who have been dis-
placed and are looking for a job.
The Democratic alternative that we
have proposed back in October and that
we still have been pushing for today by
contrast would provide workers with
extended unemployment benefits,
health coverage, and tax breaks for
low- and moderate-income Americans.

If I could use my home State, I could
say that I have some statistics, if you
will, from the U.S. Department of Labor
with regard to New Jersey. They say
that an estimated 361,942, and I
guess it is not really an estimate but it is an exact figure. New Jersey residents will apply for unemployment benefits over the next year, and almost half of those, 166,493, will see those benefits expire during that same period.

Many of the unemployed people do not currently qualify for unemployment benefits, and the vast majority cannot afford health coverage under our current system.

Let me get a little more specific about that. The Democratic House leadership is talking about. In terms of unemployment compensation, individuals who exhaust their 26-week eligibility for State unemployment would be eligible for an additional 52 weeks of cash payment funded entirely by the Federal Government. Individuals who do not meet their States’ requirements for unemployment insurance, in other words, part-time workers, would receive 56 weeks of federally financed unemployment insurance. Members can see how that could make a difference for a lot of people.

With regard to health care benefits, under the Democratic proposal, the Federal Government would fully reimburse eligible individuals for their COBRA premiums. Individuals who do not qualify for COBRA and are otherwise uninsured would be eligible for Medicaid, with the Federal Government covering 100 percent of the premiums. These benefits would last for a maximum of 18 months.

Now, the Democrats keep talking about the Federal Government paying these costs, because we have to understand that State governments are strapped. Many of them face deficits. They are not in a position to be able to pay for these things, which is why the Federal Government is proposing to do it.

The Democrats also have rebate checks for low- and moderate-income workers to qualify for the rebate checks issued earlier this year under President Bush’s tax cut.

Now, I maintain that President Bush’s tax cut from maybe 6 months ago is the major reason why we are now in a deficit situation, and I do not believe that accelerating those tax cuts is really going to make a difference in terms of stimulating the economy. That is essentially what the Republican leadership is proposing.

Under the Republican proposal, these low- and moderate-income workers who did not qualify for the rebate checks issued earlier this year under President Bush’s tax cut would receive a one-time payment of up to $300 for single people and $600 for married couples.

There are many other aspects of the Democratic proposal, but I just wanted to key into the fact that rather than giving these big corporate tax breaks and tax breaks to the wealthy, we are trying to put some money into the hands of low- and moderate-income people who will go out and spend the money and stimulate the economy; the same with the unemployment compensation, and the same with the health benefits. Even providing health insurance and extended COBRA and Medicaid stimulates the economy because that money is now being spent on health care.

Now I’m not saying, I always worry when I am on the floor of the House and I do these Special Orders that someone is going to say, is just giving the Democratic line, and that is what all the Democrats are saying, but why should I believe that? I would like to back up what I am saying, contrasting what the Democrats are proposing to do versus the Republicans with some of the editorial comments that we have been getting from some of the leading newspapers around the country. This one is particularly appropriate. This is from the Los Angeles Times, and it is in today’s paper.

Just to give some highlights of what this editorial says, and this is an editorial from today’s Los Angeles Times, it talks about some of the Republican tax breaks that are proposed not in the previous Republican bill that passed the House, but the one that my colleagues are talking about possibly passing. So we are talking about the current bill, not the previous bill.

What this editorial says in the Los Angeles Times, it first of all talks about the retroactive corporate tax cuts. The Republican leadership has been pushing not only these big corporate tax cuts, but making them retroactive, so that the companies would get tax money back, money back from taxes they paid years ago.

Well, it says in the editorial, and I quote: “House GOP leaders such as Dick Armey seem giddy thinking about the pleasure that corporations would have upon receiving a refund of what they paid under the ‘alternative minimum tax’ over the last 15 years. They are now getting refunds for taxes paid over 15 years.”

“The proposal would hand out millions to corporations such as General Motors and Ford for doing nothing. Even Enron, which recently went broke after deceiving investors and workers, could conceivably get this windfall. Whopping corporate tax deductions.”

Now, the other thing, of course, the Republicans are saying is that they want to keep income tax cuts for higher-income people. “Some Republicans hope to make the season bright,” and they are talking about the Christmas season in the editorial, “by cutting the 27 percent rate to 25 percent in 2002. But this gift would benefit the top one-fourth of tax payers and cost $54 billion in lost revenue over 10 years. Where’s the stimulus in giving a break to upper-income folks who are unlikely to use it to buy extra Christmas presents?”

Further on the editorial says, and I think some of my colleagues even mentioned this on the other side in the last hour, “A 30 percent 3-year tax write-off on new equipment. The Bush administration wants to include this, although multiyear tax cuts have little immediate stimulus effect.”

Of course, we would like to see some kind of tax break for new equipment, the other side is talking about. Yet I heard some of my colleagues on the other side talk about how they want this to be immediate. How is it immediate with a 3-year write-off on new equipment?

The first thing the editorial says, it talks about “A Trojan horse 2-year voucher-credit health care plan. The White House is offering a scheme that would give displaced workers a temporary tax credit for health care. But what Representative William M. Thomas (R-Bakersfield),” the chairman of the Committee on Ways and Means, “and other congressional Republicans really want is to use the voucher idea as a wedge in replacing existing employer-paid health care with a free market approach similar to the use of vouchers for education.”

So what are we seeing here? We are seeing some of my colleagues on the other side of the aisle, the Republicans, not just trying to extend COBRA or provide Medicaid for those displaced workers, which is the easiest thing to do and what the Democrats want, but some sort of tax credit or voucher.

Most of the people who are now out of work will not even be able to use that tax credit. It is not going to get them health insurance; but it is a sort of a wedge. If you were the potential of getting people out or actually hurting the current system, where most employees get their health insurance through their employer and switching to some sort of free market system, which I do not think is going to work and is probably only going to line the pockets of some insurance company.

I hate to be so dramatic about it, but this is what we are facing. Again, one could argue that that in even talking about any of this anyway, because they have no intention of passing anything. They are just going to pass it in the House, and it will die in the other body. I can talk here all night about how bad this proposal is, only because I want to counteract all the things that were said by my colleagues an hour before.

But I go back to what I originally said that their real intention is to do nothing, because everyone knows that this bill is going nowhere.

Let me just talk a little bit about another aspect of the Republican proposal which is so different than the Democratic proposal is that very scary, that is, that it is not paid for.

Now, we know that we are in a deficit situation now. In the 8 years under the Democratic President, and I know people were certainly huge of what President Bush the benefit of the doubt because he has been doing such a great job in dealing with the war, and actually very successful in going against
terrorism and the al Qaeda network. I am very happy about all that.

But when it comes to these domestic issues, it is very scary what is really happening. Because of the Republican tax cut that took place about 6 months ago, we are now in a deficit, which has been worsened by the attack on September 11 because of the recession and because of what comes from the recession, which is less income to the Federal Government.

The least that the Republicans could do when this stimulus package comes up with a plan that is short term and that is paid for, or if it is not paid for immediately, makes a way to pay for it fairly quickly over the next few years so we do not deepen the deficit, because we do not want to continue to have a deficit situation. It is a huge drag on the economy and could prolong the recession, rather than stimulating the economy.

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Well, the problem with the Republican bill and, again, I am talking about the one they plan to bring to the floor tomorrow, is that it is pretty much Social Security raid the Social Security and Medicare bill, the government will continue to take into account debt service cost. The cost of the Republican stimulus package again, the one that is coming up tomorrow, would approach $200 billion over the next 10 years when you take into account debt service cost. Even without enactment of the stimulus bill, the government will be in overall deficit throughout the entire first term of President Bush. And with the enactment of this new stimulus bill, the government will continue to raid the Social Security and Medicare trust funds for the foreseeable future long after the current recession is estimated to end.

The Democrats, of course, have said that that is not acceptable. If you are going to do a stimulus package which is going to have a short term impact on the economy, then do not give us a long term impact on the economy by increasing the debt or making the solvency problem for Social Security and Medicare worse.

I wanted to talk a little bit about this health tax credit aspect of the Republican bill that is likely to come up tomorrow because, again, I think it is a very scary thing. I have always said over and over again, let us not let ideology get in the way of doing something practical to help the American people. The stimulus bill should be that. It should not be anything more than a practical, bipartisan effort to do something to restore the economy in the short run. And to try to load it up with some sort of ideological voucher system for health care that would break the traditional system primarily financed through employers is basically grafting some sort of right wing Republican ideology on a stimulus package in a way that is totally wrong given what we are trying to accomplish here.

I do not know if I can get into all the details of it tonight, but I want to just explain a little bit about what this health care tax credit that the Republicans are proposing would actually do. What they are doing is creating an individual tax credit in purchasing either COBRA or individual market health insurance policies. So unlike the Democrats, they are not just going to pay for your COBRA benefits and put you make you eligible for Medicare. They are giving you some sort of credit for voucher, if you will, that you can use to help pay for COBRA or go out into the individual market and try to buy health insurance policy.

Now, almost every Member ever tried to go out into the individual market and try to find a policy knows that it is a horrendous situation. The costs are incredible. The tax credit is not going to help you. Unless you are going to buy some basically rotten policy that is going to give you very little coverage, and then what you will have is the government money through the tax credit being used to give people a policy that essentially is not really very helpful to them and does not provide them with the kind of benefit package that would be useful to them, if they can even find it.

Again, I would say, Mr. Speaker, they are not even going to find this policy, but if they did it would be a lousy policy. Now, just to give you some research, the CBO, the Congressional Budget Office did some research and they indicated that few people would actually benefit from this Republican health care tax credit. According to the CBO, displaced workers would receive relief under the Democratic plan: 5.1 million would be covered by COBRA, about 80 percent, and up to 3.8 million under Medicaid. But the same estimate shows that of the Republican style tax credit, only 33 million individuals would be eligible for this benefit, less than a majority.

So when my Republican colleagues in the last hour said we are going to provide all this health care coverage, not only for displaced workers but for this breaking the system, the traditional system and this voucher, but it is not even going to provide coverage to the majority of the people that would need it and who are unemployed.

I just cannot believe essentially what they are up to with this scheme. If you think about it, as Members of Congress we are getting an incredibly good health care coverage policy that is paid for by the Federal Government. The other thing that I think we are going to see here is that this kind of coverage that they are talking about that you might be able to get at individual market, a lot of it is probably going to go to HMO's. Because without a guaranteed minimum benefit package, which is what should be provided under the Senate health care plan, I think most of the people are going to end up with some kind of an HMO which limits what doctors they can get, limits what coverage they can get.

Again, I can talk all night about this and I do not know in some ways. I am trying to contrast the Republican plan with the Democratic proposals, I really want to stress over and over again, Mr. Speaker, that the fact that they are bringing up tomorrow a Republican plan without input from the Senate, essentially means that we will have not planned. Their proposal is due to failure.

I do not want to go into this any more because I hopefully have made the point, but what I would say to my colleagues, and if you like what the Democrats propose or you like what the Republicans propose, the most important thing is to have the negotiations and sit down and try to come up with an accommodation and not come here on the floor of the House and blame the other body and say, oh, the other body, the Senate better take this up because if they do not, the blame falls on them.

Well, clearly, if you put something together that is not done in a bipartisan basis, it is going nowhere. And I am not going to sit here and accept the notion that somehow this Senate is going to be blamed because they do not pass this Republican package. This is not a Republican package that is aimed to accomplish anything. It is just being done for some sort of publicity stunt.

Mr. Speaker, with that I would like to end my discussion tonight or my response if you will to my Republican colleagues on the economic stimulus package. I probably will be back again, hopefully not. Hopefully we will pass something. But we will probably be back again to talk about another time, tomorrow or the next day as we progress here in these last few days before the holidays.
as no surprise to anyone who has been intelligence or ISI. Mr. Speaker, this comes that these groups received directives from Pakistan’s Inter-Services Intelligence or ISI. Mr. Speaker, this comes as no surprise to anyone who has been following these two groups’ history of cross-border terrorism in Kashmir, and I have confidence that India’s evidence is both strong and accurate against the two terrorist groups.

I have criticized and denounced the actions of groups operating on the floor of the House. The most recent incident I have found to be appalling was the suicide car bomb attack on the Jammu and Kashmir State Assembly on October 1. Jaish-e-Mohammed came forward and took credit for the crime which they later revoked, and I have encouraged President Bush to add this group to the list of terrorist organizations whose financial assets would be frozen. Although this group has been placed on the list, Pakistan continues to allow them to operate with no financial restrictions.

Mr. Speaker, I understand that General Musharraf, the President of Pakistan, has been willing to help the U.S. in the global fight against terrorism, however it seems Pakistan has deep-rooted and intricate ties to the Taliban, al Qaeda and, most importantly, the terrorist groups operating in Kashmir and now in New Delhi. India has requested that General Musharraf prove his commitment to eliminating the terrorist capabilities of both Jaish-e-Mohammed and Lashkar-e-Taiba. This would consist of Pakistan shutting down these groups operations, discontinuing moral and logistical support, arresting the leaders, and once and for all freezing their financial assets.

I believe that India has every right to make these requests and I have requested today in a letter to President Bush that the U.S. make the same demand of General Musharraf, to put an end to Pakistan’s support and tolerance of these terrorist groups.

Mr. Speaker, the attack on the world’s largest democracy and the Indian people must be answered with punitive action. The U.S. administration must push General Musharraf harder to arrest the leaders of Jaish-e-Mohammed and Lashkar-e-Taiba. In addition, he must follow through and shut down all terrorist camps operating in Pakistan and all jihadi schools that indoctrinate terrorism from children. Not only is this in the interest of India, it would equally benefit Pakistan as well. It has been made clear that terrorist groups operating in Pakistan have usurped the role of the al Qaeda terrorist networks. And I believe that efforts to eliminate these terrorist groups is also in the best interest of the United States.

Again, Mr. Speaker. I make these comments not because what I think is going to hurt Pakistan but by what I think is going to help Pakistan. In the same way that General Musharraf has come to the conclusion or came to the conclusion after September 11 that aid the Taliban in the war against the Taliban and against al Qaeda would ultimately be helpful to Pakistan because of the terrorist activities that take place within Paki- stan. I think the same thing is true of these groups that operate and get support from Pakistan and attack India.

In the long run, all of these terrorist groups have to be eradicated and Pakistan must deal with the situation and try to suppress the terrorism, not only when it is geared towards the United States or Afghanistan, but also when it is geared towards Kashmir and India.

RECESS

The SPEAKER pro tempore (Mr. KENNEDY of Minnesota). Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 9 o’clock and 45 minutes p.m.), the House stood in recess subject to the call of the Chair.

EXECUTIVE COMMUNICATIONS

Under clause 8 of rule XII, executive communications were taken from the Speaker’s table and referred as follows: [Omitted from the Record of January 24, 2000]

A letter from the Clerk, U.S. House of Representatives, transmitting list of reports pursuant to clause 2, rule III of the Rules of the House of Representatives, pursuant to Rule III, clause 2, of the Rules of the House (H. Doc. No. 106–319); to the Committee on House Administration and ordered to be printed.

[Omitted from the Record of January 3, 2001]

EC04912 A letter from the Clerk, U.S. House of Representatives, transmitting the list of reports pursuant to clause 2, rule III of the Rules of the House of Representatives, pursuant to Rule III, clause 2, of the Rules of the House (H. Doc. No. 107–156); to the Committee on House Administration and ordered to be printed.

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4894. A letter from the Assistant Secretary, Department of Defense, transmitting the Financial Addendum to FY 2000 DOD Chief Information Officer Annual Information Assurance Report; to the Committee on Armed Services.

4895. A letter from the Assistant to the Board, Board of Governors of the Federal Reserve System, transmitting the Board’s final rule—Truth in Lending (Regulation Z; Docket No. R–1090) received December 17, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.


4897. A letter from the Vice President, Congressional and External Affairs, Export-Import Bank of the United States, transmitting the annual report to Congress on the operations of the Export-Import Bank of the United States for Fiscal Year 2001, pursuant to 12 U.S.C. 635(a); to the Committee on Financial Services.

4898. A letter from the Director, Office of Integrated Analysis and Forecasting Energy...
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4909. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agen-

4910. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agen-

4911. A letter from the Associate Administrator, Environmental Protection Agency, transmitting the Agen-

4912. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed li-
cense for the export of defense articles or de-
service defense services sold under a contract to Aus-
tralia (Transmittal No. DTC 151-01, pursuant to 22 U.S.C. 2776(c)); to the Committee on International Relations.

4913. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed li-
cense for the export of defense articles or de-
service defense services sold under a contract to Japan (Transmittal No. DTC 143-01, pursuant to 22 U.S.C. 2776(c)); to the Committee on International Relations.

4914. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed li-
cense for the export of defense articles or de-
service defense services sold under a contract to France (Transmittal No. DTC 146-01, pursuant to 22 U.S.C. 2776(c)); to the Committee on International Relations.

4915. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed li-
cense for the export of defense articles or de-
service defense services sold under a contract to Japan (Transmittal No. DTC 150-01, pursuant to 22 U.S.C. 2776(c)); to the Committee on International Relations.

4916. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed li-
cense for the export of defense articles or de-
service defense services sold under a contract to France (Transmittal No. DTC 148-01, pursuant to 22 U.S.C. 2776(c)); to the Committee on International Relations.

4917. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed li-
cense for the export of defense articles or de-
service defense services sold under a contract to Japan (Transmittal No. DTC 152-01, pursuant to 22 U.S.C. 2776(c) and 22 U.S.C. 2776(d)); to the Committee on International Relations.

4918. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed li-
cense for the export of defense articles or de-
service defense services sold under a contract to Japan (Transmittal No. DTC 142-01, pursuant to 22 U.S.C. 2776(c) and 22 U.S.C. 2776(d)); to the Committee on International Relations.

4919. A communication from the President of the United States, transmitting progress of execution of the Cy-
prus question covering the period October 1 through November 30, 2001, pursuant to 22 U.S.C. 2373(c)); to the Committee on International Relations.

4920. A letter from the Commissioner, So-
cial Security Administration, transmitting the semiannual report on the activities of the Commissioner for the period April 1, 2001 through September 30, 2001, pur-
suant to 5 U.S.C. app. (Ins. Gen. Act) section 5(b); to the Committee on Government Reform.

4921. A letter from the Inspector General, So-
cial Security Administration, transmitting a report on the Administration’s Annual Audit Plan; to the Committee on Govern-
ment Reform.

4922. A letter from the Clerk, U.S. House of Representatives, transmitting list of reports pursuant to clause 2, Rule II of the Rules of the House of Representatives, pursuant to Rule II, clause 2(b), of the Rules of the House of Representatives, to the Committee on House Administration and ordered to be printed.

4923. A letter from the Clerk, U.S. House of Representatives, transmitting list of reports pursuant to clause 2, Rule III of the Rules of the House of Representatives, pursuant to Rule II, clause 2(b), of the Rules of the House, to the Committee on House Adminis-
tration.

4924. A letter from the Librarian, Library of Congress, transmitting the report of the activities of the Library of Congress, includ-
ing the Copyright Office, for the fiscal year ending September 30, 2000, pursuant to 2 U.S.C. 139; to the Committee on House Ad-
mistration.

4925. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Depart-
ment’s final rule—Safety Zone: Tow of the Decommissioned Battleship Iowa, (BB-61), Newport, RI and Narragansett Bay [CGD01-
029] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Com-
mittee on Transportation and Infra-
structure.

4926. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Depart-
ment’s final rule—Safety Zone Regulation [COTP Memphis, TN Regulation 01-001] (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Com-
mittee on Transportation and Infra-
structure.

4927. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Depart-
ment’s final rule—Safety Zone Regulations; Gulf of Mexico, FL (COTP Jacksonville 01-021) (RIN: 2115-AA97) received December 10, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Com-
mittee on Transportation and Infra-
structure.
REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:


N O T I C E

Incomplete record of House proceedings.

Today’s House proceedings will be continued in the next issue of the Record.
Congressional Record  
United States of America  
PROCEEDINGS AND DEBATES OF THE 107th CONGRESS, FIRST SESSION  
Vol. 147  
WASHINGTON, TUESDAY, DECEMBER 18, 2001  
No. 176  

Senate  

The Senate met at 9:30 a.m. and was called to order by the Honorable E. BENJAMIN NELSON, a Senator from the State of Nebraska.

PLEDGE OF ALLEGIANCE  
The Honorable E. BENJAMIN NELSON 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.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE  
The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The legislative clerk read the following letter:  

U.S. SENATE,  
PRESIDENT PRO TEMPORE,  

To the Senate:  
Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable E. BENJAMIN NELSON, a Senator from the State of Nebraska, to perform the duties of the Chair.  

ROBERT C. BYRD,  
President pro tempore.

Mr. NELSON of Nebraska thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER  
The ACTING PRESIDENT pro tempore. The Acting President pro tempore, The Senator from Nevada is recognized.

SCHEDULE  
Mr. REID. Mr. President, this morning the Senate will resume consideration of the ESEA conference report with 2 hours and 30 minutes of debate prior to the 12 noon rollcall vote on the conference report.

Following this vote, we hope to have a vote on cloture on the substitute amendment to the farm bill.

There will be a recess following the cloture vote for the weekly party conferences.

Additional rolcall votes are expected as the Senate continues to work on the farm bill.

It goes without saying that we hope this is our last week here before the first of the year.

We expect other votes throughout the day on the farm bill.

RESERVATION OF LEADER TIME  
The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

NO CHILD LEFT BEHIND ACT OF 2001—CONFERENCE REPORT  
The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the conference report to accompany H.R. 1. The clerk will report.

The legislative clerk read as follows:

NOTICE  
Effective January 1, 2002, the subscription price of the Congressional Record will be $422 per year or $211 for six months. Individual issues may be purchased for $5.00 per copy. The cost for the microfiche edition will remain $141 per year with single copies remaining $1.50 per issue. This price increase is necessary based upon the cost of printing and distribution.

Michael F. DiMario, Public Printer

This “bullet” symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill, H.R. 1, to close the achievement gap with accountability and choice, so that no child is left behind, having met, have agreed the House recede from its disagreement to the amendment of the Senate and agree to the said amendment, and the Senate agree to the same, signed by a majority of the conference on the part of both Houses.

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be 2/3 hours of debate on the conference report, with 2 hours to be equally divided and controlled between the chairman and ranking member or their designees for 15 minutes each for Senators WELLSTONE and JEFFORDS.

Who yields time?

The Senator from Kentucky.

Mr. BUNNING. Mr. President, I rise to talk for a few minutes about the bill before us today—the reauthorization of the Elementary and Secondary Education Act.

First of all, I would like to commend the members of the conference committee who worked for months to reach a final agreement.

In Congress, you very rarely get exactly what you want, and in this bill I think both sides reached a good compromise that will help our children and our schools.

I have 9 kids and 35 grandkids, and I know exactly how important education is.

I know how crucial it is for children to be challenged and encouraged at school. It is one of the most important elements of their development.

Every child in America deserves a good education, and the President is exactly right when he says no child should be left behind. This bill takes a big step in that direction.

It provides increased flexibility of funds, accountability for student achievement and more options for parents, parents and schools.

First, the bill gives new options to kids who have been trapped year after year in failing schools.

Schools that do not make adequate yearly progress will face increasingly stiff penalties. For example, students trapped in failing schools will be allowed to transfer to another public school.

Personally, I would have preferred giving children and their parents even more options and given them the choice of going to a private or religious school as well. But there is no doubt the legislation represents a definite improvement over current law.

If a school continues to fail on a long-term basis, students will receive money for supplemental services like tutoring or an after-school program.

Also, I am very pleased the final version of this bill allows supplemental services to be provided by public, private or faith-based organizations. This could be especially important in smaller communities that offer fewer options to kids.

Furthermore, the bill provides that schools that continue to fail students can be completely restructured.

This means they could be taken over by the states or incompetent staff could be fired.

I know that is drastic. No one wants to see anything like this happen. But if it’s a choice between helping the kids or protecting a failing school, the choice is clear.

Second, the bill provides states and school districts greater flexibility with federal education dollars.

For years, many of us have argued we need to preserve local control over education and guard against a bigger federal bureaucracy.

It is the local school board and state education officials who know better than anyone in Washington what works in their communities, and this bill represents a fundamental shift toward better education.

For instance, the legislation before us allows every local school district and state to transfer certain federal funds among a variety of programs, along with establishing a local Straight A’s program which will be available for 150 school districts nationwide.

Straight A’s is a great idea that actually lets the local officials direct federal money to their most pressing needs, whether it be hiring more teachers or buying new books, in exchange for meeting certain performance goals.

I hope many schools in Kentucky take advantage of these new opportunities.

If you think about it, we trust our local school officials with our children every day. But more and more, we have not been trusting them to know best how to spend education dollars. That does not make any sense to me and now that is going to change.

This bill also consolidates some existing funding for class size reduction and professional development to give schools more options in improving teacher quality.

Under the legislation, schools will have the ability to help teachers do their jobs better, whether it is reducing class size, providing training or recruiting new teachers.

We all know good teachers are one of the keys to a good education. Now school officials are going to have more tools at their disposal to help teachers do their job.

I have always said teachers have one of the hardest, most important jobs in the world, and too often they do not get the credit they deserve. I hope that starts to change.

I am also glad this bill contains the important Troops to Teachers Program. There are no better role models for kids than men and women who have sacrificed for our country. The conference report is going to continue this program.

Along that same line, the legislation also requires schools to give military recruiters the same access to high school students as job recruiters.

Since September 11, there has been a newfound appreciation by many for our military. I hope many of our young people who feel called to serve their country will take advantage of the benefits the armed services can provide.

I know that the bill includes supplemental funding for the Individuals With Disabilities Education Act was not included in this bill. This is an important program. I have long supported increasing funding for IDEA and for the Federal Government to meet its commitment of full funding at 40 percent.

In fact, under a Republican controlled Congress, IDEA funding has virtually tripled from 1994 to 2001. Although we still have not met our goal and have a long way to go to fully fund this program, I am looking forward to working with my colleagues on reauthorizing IDEA next year.

Finally, the bill we have before us is a good proposal. It is not perfect, but there is no doubt about it, it represents a clear improvement over current law. I believe our children, our Nation, and our schools will benefit from it.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, a year ago this week, in Texas, I joined several colleagues as the then-chairman of the Senate Education Committee and met with President-elect Bush to discuss education reform.

It is interesting to note that the meeting occurred in Texas, the home of the current President, and the home of our 36th President, Lyndon Johnson, who, in 1965, signed into law the original Elementary and Secondary Education Act.

As we emerged from last year’s Austin meeting, we made a bipartisan commitment to write and pass an education reform bill that would raise school accountability and improve student achievement.

With the projection of budget surpluses for as far as the eye could see, it appeared that we would not only set in motion innovative reforms, but we would also match those reforms with new monetary investments.

It has been 362 days since we left that optimistic Austin meeting, and the scenario has dramatically changed. We are now facing a new economic reality, but we also have an administration in place that does not support the funding needed to successfully carry out its own education reform initiative.

The real question that we need to improve our Nation’s schools. Results from the recently released National Assessment of Educational Progress show that only 1 in 5—that is only 1 in 5—of this country’s high school seniors are proficient in math and science, and only 2 in 5 are proficient in reading.

Further, the Third International Mathematics and Science Study shows
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that performance in math and science by U.S. students declines relative to that of students in other nations as students move through the grades of our school system.

Another startling statistic is that almost half of students who drop out of high school or have not pursued any type of post-secondary education.

Last year, we had to again raise the cap on the number of H-1B visas because this Nation is lacking the skilled employees to meet the workforce demands of the high-tech and health care industries. That is insulting.

I commend the President and the chairmen and ranking members of the House and Senate Education Committees for creating legislation specifically mandating that States and schools must significantly improve performance.

The bill before us imposes very strict mandates on our schools, requiring States to separate achievement data by race, gender, and other subgroups to better identify those students having academic difficulties. This is a very worthy goal and one which I fully support.

However, I fear that this bill, without the sufficient resources, will merely highlight our shortcomings. I fear it will not provide the assistance—both financial and technical—that schools will need to meet the goal of having every student reach their full academic potential.

Educational budgets throughout this Nation are facing severe cuts due, in part, to the recent economic downturn, but also due to the high costs associated with providing students with disabilities special education services.

In Vermont, 92 percent of the children with disabilities, between the ages of 6 and 11, are educated in their neighboring classrooms with their nondisabled peers. Special education costs in Vermont have increased 150 percent over the past 10 years.

The Federal underfunding of special education leads to State and local districts spending approximately $20 million more in Vermont from local sources than would be necessary if Federal funding were provided at the level Congress promised in the original law.

In 1975, we, in the Congress, authorized the Federal Government to pay up to 40 percent of each State’s excess cost of educating children with disabilities. It has been 26 years since we made that commitment, and we have failed to keep our promise. We are currently providing only 16 percent of the original 40 percent promised.

Earlier this year, during Senate consideration of the ESEA bill, this body unanimously adopted the Harkin-Hagel amendment that required Congress to fully fund IDEA through progressive annual increases. I am extremely disappointed that the final product we are considering today does not include this critical amendment. Without the inclusion of the Harkin-Hagel amendment, and without sufficient funding for the programs outlined in the bill, I am afraid this bill may actually do more harm than good.

The primary feature of H.R. 1 is adequate funding for the revamped Title I program, every student in every school must be proficient within 12 years. This sounds reasonable. However, at current funding levels, and even with over a billion-dollar increase for title I in the coming year, systems will not only be strengthened but, as Dr. Seuss once said in one of the last books to be issued before this author’s passing: ‘‘. . . you’ll be the best of the best. Wherever you go, you will top all the rest.’’

Today, I vote against this bill because I believe it is better to approve no bill rather than to approve a bad bill. I am sincerely hoping, for the sake of our children, that history will prove me wrong.

Mr. President, I yield the floor.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore, The Senator from Rhode Island.

Mr. REED. I thank Senator KENNEDY. I had the opportunity yesterday to speak at length on this bill and to commend my colleagues, Senator KENNEDY and Senator GREGG, our colleagues from the other body, Mr. BORINER and Mr. MILLER, and Senator JEFFORDS for his leadership as chairman.

I neglected to commend people who were much responsible for this legislation, and that is staff members, particularly my staff member Elyse Wasch who did a remarkable job.

I also extend my thanks and congratulations to Danica Petroshius, Roberto Rodriguez, Michael Dannenberg, David Flordaliso, and Michael Myers of the majority staff and Denzel McGuire of the Republican staff. Their efforts were remarkable.

Much of the success of the bill was because of these individuals. I thank them personally for their great work, particularly Elyse Wasch of my staff.

I yield the floor.

The ACTING PRESIDENT pro tempore, The Senator from Minnesota.

Mr. WELLSSTONE, Mr. President, I will come some time now and I will reserve the final 5 minutes right before the vote.

Senator REED, in his characteristically gracious style, thanked his staff and other staff here for their great work. I would as well. I include Joe Menzlar who works with me in that mix.

I also say to Senators KENNEDY and GREGG that I appreciate all of their commitment and all of their very hard work.

I say to Senator JEFFORDS that I greatly appreciate his soul, his unbelievable commitment to children, how strongly he feels about this question.
And I very much find myself in agreement with his analysis. I must say with a smile that I am amazed that so many of my colleagues are now supporting a Federal mandate right under the school district saying every school district—school districts have represented the essence of graduate political culture in our country—every school district, every school, you will test every child, grades 3, 4, 5, 6, 7, and 8. I must say that I think this oversteps, if not the authority, the sort of boundaries of congressional decisionmaking on education. Here I am, a liberal Senator from Minnesota, but this is my honest-to-God belief. I am just amazed that so many Senators have voted for this, especially my conservative friends.

Having said that, I voted for the bill when it was on the Senate floor for two reasons: One, we had the IDEA program mandatory. That is hugely important in terms of getting funding back to our State and school districts. No, 2. I wanted to get on the conference committee to try to make the bill better. I thank both my colleagues. I can’t say the Chair and I always agreed on everything, but I wanted to thank them for being on the conference committee. I enjoyed the work. There is a lot of good policy in this bill. I will be proud of whatever I contributed, but also many Senators contributed to that.

Let me just say that for my own part, the big issue with me is this sort of rush to testing, as if it is the reform. The testing is supposed to test the reform, is not supposed to be the reform. The Senator has 5 minutes remaining. The Senator wanted to be in. Sheila my wife because she believed they should be accountable to violence in homes, and there are some really good provisions in this bill that deal with children who witness violence and how to help them.

That is all to the good. But we had the chance to test the last 26 years about the IDEA program in reality. We did that on the Senate side, but the House Republican leadership killed it on the House side and the administration opposed it. That is what I am saddest about. I believe we could have made the fight for children in education, and we could have said to this administration: You cannot realize this goal of leaving no child behind unless the resources are there to go with the testing. The tests don’t bring more resources and the teachers don’t lead to smaller class size. The tests don’t lead to good textbooks. The tests don’t lead to better technology. The tests don’t mean the children come to kindergarten ready to learn. All of these things get lost.

Without a commitment to making IDEA mandatory and making the full funding over a 6-year period that should have been this year, we cheat our States and school districts and our schools, and our teachers and we cheat our children.

That is why I oppose this legislation. People in my State of Minnesota are angry because they believe by acceding to the House Republican position and the administration position, we have cheated Minnesota out of $2 billion of IDEA money over the next 10 years—about $45 million on the glidepath this year. They are angry because no longer are we going to be able to have all-day kindergarten in our schools. They are angry because we are having to eliminate some of our good early childhood development programs. They are angry because we are going to have to eliminate some of our afterschool programs. And they are angry because we are eliminating teachers and we are increasing class size. They are angry because we are having to make cuts in the school lunch program. They are angry because we are having to make cuts in transportation. There are parents who are going to have to walk a mile, and seventh graders 2 miles, to go to school because the bus service has been cut out.

Colleagues, if we had lived up to our commitment on full funding of IDEA, we would not have to make those cuts in Minnesota. But we did. That is why I will vote no. I will vote no for my State of Minnesota. The Center for Education Policy has a quote that I think is so important. Policymakers are being irresponsible if they lead the public into thinking that testing and accountability alone will close the learning gap. Policy-makers on the State and national level should be wary of proposals that embrace the rhetoric of closing the gap, but do not help build the capacity to accomplish that goal.

I believe what we have here is a Federal unfunded mandate. We are telling States and school districts to do more with less, calling on them to test every child every year, grades 3, 4, 5, 6, 7, and 8, and telling them that they have to do so without a Federal mandate that every child will have the same opportunity to be successful. We have failed to do that. Where are the resources to make sure that all the children in America have the same chance to do well? And when they don’t do well on these tests or the schools don’t do well, where are the additional resources to help them? Not in this bill. When you start talking about we have increased funding for title I, no, not in real dollar terms. We are in a recession. There are many more children who are eligible. We are not doing anything about the Federal funding. About a third of the eligible children are going to get the funding, and that is it. We didn’t live up to our commitment to fully fund the IDEA program, and there is a pittance in the Federal budget for early childhood development so that children can come to school ready to learn.

The President and the administration talk about leaving no child behind—the mission of the Children’s Defense Fund—and that is the title of this bill. We cannot realize the goal of leaving no child behind on a tin cup budget. We are setting a lot of schools and children and school districts up for failure because we have not lived up to this promise. We are calling on the schools to be more accountable. But what about our accountability to our States and our school districts and our teachers and our children? We have failed the test of accountability by not making the IDEA program mandatory and paying for full funding. We have failed the test of accountability by not providing that.

The PRESIDING OFFICER (Mr. REID). The Senator has 5 minutes remaining. The Senator wanted to be informed.

Mr. WELLSTONE. Five minutes of the original 15?

The PRESIDING OFFICER. That is correct.

Mr. WELLSTONE. I will take another 2 minutes.

Mr. KENNEDY. I will yield 5 minutes of our time.

Mr. WELLSTONE. I thank the Senator for his graciousness.

Mr. REID. Mr. President, we were trying to arrange some additional time. We were unable to do that. The vote will occur around 12 noon today.

Mr. WELLSTONE. I have made my point. I will say to colleagues that I am amazed that Senators don’t want to be more involved with this. What is the problem? There are people who want to speak against it. I am just amazed that apparently my colleagues
on the Republican side, I gather, are opposed to this. They don’t want to have more debate. I don’t blame you because a lot of people in our States are going to feel quite betrayed.

Mr. GREGG. Will the Senator yield? Mr. REID. Yes. Mr. GREGG. Mr. President, I don’t understand the Senator’s accusations against Republicans on that issue. The time agreement on this bill was reached between the majority party and the minority party. It was not unilaterally agreed to by the minority party. It was put forward by the leadership on both sides. Do not accuse the Republican side of the aisle of being the people who are trying to limit this. You have an opportunity to speak. You got 15 minutes. The Senator from Massachusetts has been kind enough to offer you more. I will offer you 5 more minutes of my time if you want more.

Mr. WELLSTONE. Since the Senator speaks with such indignation, I am pleased to offer an explanation. First of all, it is not about me; it is about other colleagues who want to speak. Yesterday, we had an understanding for 2 hours and a half hour—or 1 hour and a half hour. Then there was a unanimous consent to extend an additional hour for the proponents. I asked the majority whip whether we could have more time for other Senators to speak, and my understanding is that that is fine on our side, but the Republicans have turned that proposal down, in which case, Senator, I stand by my remarks.

I yield the floor.

The PRESIDING OFFICER. The Chair reminds Senators to address each other in the third person and through the Chair.

Mr. REID. Mr. President, parliamentary inquiry: Let’s make sure we have the time down here. It is my understanding that the Senator from Massachusetts agreed to give the Senator from Minnesota 6 minutes and the Senator from New Hampshire also agreed to give him an additional 5 minutes.

Mr. GREGG. Mr. President, I will reserve that. The Senator has clearly rejected my offer.

Mr. REID. The Senator from Minnesota has an additional 5 minutes that the Senator from Massachusetts extended. I ask that that be approved by unanimous consent.

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. WELLSTONE. I ask the Senator that. There were several other Senators who wanted to speak in opposition. The Senator from Minnesota, Mr. DAYTON, is one.

Mr. REID. The Senator from Vermont allocated the Senator his 7½ minutes, and he has 5 from Senator KENNEDY.

Mr. WELLSTONE. All together I have how much time left?

The PRESIDING OFFICER. The Senator from Minnesota has 7 minutes remaining.

Mr. REID. Plus the 7½ minutes from the Senator from Vermont, who agreed to let him use that time, but also 5 minutes from the Senator from Massachusetts.

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

Mr. REID. The Senator from New Hampshire has the floor.

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

Mr. GREGG. Mr. President, I guess we are going to have more discussion on these points. I think it is appropriate at this time to briefly respond to the Senator from Minnesota relative to his representations on especially IDEA funding.

There is a history to this funding which I think has to be reviewed. During the Clinton administration, not proposed by an administration that administration was there an increase sent to the Congress for special education funding—not once—of any significance at all.

However, a group of us on our side of the aisle said that was not right. We decided to significantly increase the IDEA funding beginning about 5 years ago. We were successful in accomplishing that. Over the last 5 years, we have increased IDEA funding, special education funding, by 173 percent. That is the single largest percentage increase that any significant policy account has received over the last 5 years.

The new President, President Bush, also understood, because he was a Governor who was sensitive to this issue, that IDEA was not properly funded.

He sent up in his budget the single largest increase in IDEA funding ever proposed by an administration. At the end of this appropriating process which will occur this year, hopefully before Christmas, IDEA funding will have gone from approximately 6 percent when we began this process in 1995 and 1996, up to approximately 20 percent of the cost of IDEA, not the 40 percent which is our goal, but the obvious path which is being pursued is towards full funding.

I do not believe the Senator from Minnesota voted against any of the budgets offered by President Clinton which had zero increases in special education funding. I do not believe he did. But he comes here today and says that special education funding was not included in this bill which deals with title I funding we should vote against title I funding.

I find that inherently inconsistent, first because we are on a path towards full funding of special education, but second, by voting against a bill which significantly increases funding for title I, which is the low-income children of this country and who represent a primary responsibility of the Federal Government, which we have assumed as a Federal Government, we are undercutting the capacity of those children to have a chance to compete effectively in the school systems.

These are two different issues, special education and title I. Yes, there is overlap on children, no question about it, but the policy issues involved in the two are significantly different. So a decision was made since we are going to reauthorize special education this year that we should take on the policy issues of special education and the funding issues of special education as a package, as a unit, and do it next year, in the context of the fact we are in and special education this year by over $1 billion. It is not as if we are saying we are not going to do anything in the special education accounts for dollars; we are actually increasing it by $1 billion this year. The money is going off the table, but the policy that needs to be addressed in the special education accounts are as important as the dollars that need to be addressed. For example, the issue of discipline needs to be addressed. The disparity in discipline in special education kids and kids who are not in special education is a big problem in school systems.

The issue of bureaucracy needs to be addressed. It is extremely expensive to school districts to be bureaucratic requirements of IDEA.

The issue of attorney’s fees needs to be addressed. We have created a cottage industry for attorneys dealing with special education. We need to address that.

There are significant policy concerns which should be addressed at the same time we address the issue of how we set up the funding stream. I have one other point on the mandatory funding stream. This in some ways is a smoke-screen because, as I pointed out, there is a dramatic expansion in funding occurring in special education. The question is, Is that money going to come out of the discretionary accounts or is it going to come out of the mandatory accounts, and that is an inside-the-beltway baseball game, but it is a big game because if we move it all over to the mandatory accounts, basi-cally we free up $7 billion in the discretionary accounts. That is $7 billion the Appropriations Committee, on which I have the honor to serve, has available to spend on anything they want to spend it on. It does not have to spend it on education. It frees up that money.

A lot of this exercise in mandator-y accounts is an exercise to free up $7 billion of discretionary spending.

I think the argument that the IDEA language was not included in this bill, therefore, I am going to vote against the title I reform language is inconsistent with the fact pattern because we know we are going to reau-thorize special education next year, we know we will visit the issue of mandatory spending next year, and, at the same time, we know we are significantly increasing special education funding this year through the discretionary accounts; we have done it over the last 6 years.

I find that argument to be one that does not have much in the way of legs,
as far as I am concerned, as a reason to oppose this bill. There may be other issues in this bill, and the Senator from Minnesota raised the issue of testing. That is a legitimate issue in this bill. We are significantly changing the role of the Federal Government relative to testing in the States. That is a legitimate issue. I know the Senator from Minnesota feels strongly about that issue and has very credible arguments, in my opinion, but the IDEA is another issue. I now yield to the Senator from Idaho 3 minutes.

The PRESIDING OFFICER (Mr. BAYH). The Senator from Idaho.

Mr. CRAPO. Mr. President, I appreciate the opportunity to speak on the bill. I came down to express my strong support for this legislation, not only because of the important reforms in education that it proposes but because of the way we have not yet achieved what the Federal Government will be providing to public education, and also to discuss the fact we are going to be moving forward from this legislation to reform and strengthen the IDEA legislation. I look forward to working with our chairmen and ranking member on addressing these critical needs of our children.

I have worked for the last 3 or 4 years on my own and with the committee and with others to see if we could somehow reach that goal of 40 percent funding for IDEA, which is our objective. We have had a lot of difficult battles over that issue, and we have had a number of votes to try to get us moving down that path. We are on the path toward achieving that objective.

I certainly agree with my good friend, Senator Gregg, about the fact because we have not yet achieved success does not mean we should vote against this legislation. I also have concerns about the testing language in the legislation. I have concerns about where we should address a number of the critical needs. Not everything in this legislation is perfect. There are lots of good things in this legislation. Set up tech centers to create and expand computer technology centers to bridge the digital divide and allows the children to do their homework as well as surf the Web. It helps sign in the classroom, but it is not only someone who needs. It is often not only someone who medically challenging than when the legislation was passed, far more challenged with psychological or other learning disabilities. I think we need to take a new look, based on research-driven recommendations, that will give us the guiding principles on what is the right way to handle special needs children because of the complexity of their needs. It is often not only someone who helps sign in the classroom, but it is the school nurse who now is required to dispense medication or medical treatment.

I could say a lot more about this bill, but when they call my name I will vote from Minnesota.

Mr. WELSTONE. I think the Senator from Minnesota is next.

Mr. WELSTONE. I thank the Chair. Mr. President, I want to say that the bill would not have been introduced if I had not been given the opportunity to address the Senate. I certainly agree with the Senate. I also want to thank their staffs and my staff for their outstanding work.

Mr. KENNEDY. I thought the Senator from Massachusetts what is the right policy? The reason I am going to vote for this legislation is because I am a pragmatist. Does the legislation do everything in education that I want done? No. Does it do everything on funding the way I want it to be done? No. But there is a crying need in our public schools to pass this modernization of the Elementary and Secondary Education Act, and I do not want to make this legislation be an example of the perfect is the enemy of the good.

We do many things in this legislation. Technology is one area in which I have been concentrating.

This bill does include my amendment to create an education technology goal that every child be computer literate by the eighth grade. It includes my amendment to authorize community tech centers to create and expand community tech centers in rural and distressed urban areas, in other words, to bridge the digital divide and allows the Department of Education to provide competitive grants to community-based organizations.

These nonprofits would set up technology centers where children and adults would have access to technology. What does this mean? It means a safe haven for children; it lets them do their homework as well as surf the Web. It also means job training for adults during the day. This legislation also includes more flexibility for the tech approach, such as maintenance and repair.

In Baltimore, the Social Security Administration gave over 1,000 computers to the Baltimore city school system, but they needed repairs. Some of the microchips had been broken. No one could afford to pay for them. My amendment would allow schools greater flexibility to have these public-private partnerships to repair this equipment.

Now I will address the issue of IDEA. Full funding for IDEA is essential for our special needs children and all of the children. Had the Senate passed the Harkin-Hagel amendment, this would have meant $42 million for my State, as well as an increase of $2.5 billion in overall IDEA funding. Yet that approach was rejected by the House conferences.

I salute Senator Jeffords and Harkin others who led the fight to add more money for IDEA, because at the rate we are funding IDEA it will take us to the year 2017 to fund IDEA at the 40 percent we promised 26 years ago. However, I chose not to hold up this bill over this topic because there is increased funding and next year we are going to address the issue of IDEA, which is: What is the right money and what is the right policy?

Since the IDEA legislation was passed 26 years ago, so many of our children come to school now for far more medically challenged than when the legislation was passed, far more challenged with psychological or other learning disabilities. I think we need to take a new look, based on research-driven recommendations, that will give us the guiding principles on what is the right way to handle special needs children because of the complexity of their needs. It is often not only someone who helps sign in the classroom, but it is the school nurse who now is required to dispense medication or medical treatment.

I could say a lot more about this bill, but when they call my name I will vote.
time. It was the understanding of the Chair that Senator Dayton was to be next, using Senator Wellstone's time.

Mr. Wellstone. I yield 5 minutes to the Senator from Minnesota.

Mr. Gregg. Mr. President, I ask unanimous consent that Senator Dayton, Senator Bond be recognized for 3 minutes.

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

The Senator from Minnesota.

Mr. Dayton. Mr. President, I rise today to explain my decision to vote against the Elementary and Secondary Education Act Conference Report.

Let me first say what enormous respect I have for the bill's manager, the distinguished Senator from Massachusetts, who, throughout his Senate career, has fought heroically to improve the quality of education for our nation's schoolchildren. He and other Senate conferees have labored long and hard for months to negotiate the best bill possible with the House and the White House, who have other, higher priorities. All year long, they have placed tax giveaways to the rich and the powerful above our nation's schoolchildren.

Let there be no doubt: this legislation fails to achieve the President's stated goal: "Leave No Child Behind." President Bush, this legislation leaves many thousands of children behind throughout this country. It fails, for the 25th consecutive year, to keep the Federal promise to pay for 40 percent of the costs of special education. This broken promise is costing my state of Minnesota over $138 million this year. It means the 110,000 Minnesota schoolchildren in these programs are receiving less special education than they need and deserve. It means that other Minnesota schoolchildren are harmed, as state and local money intended for their educations must be shifted to cover the shortfall. It means that Minnesota taxpayers must pay higher property taxes to fund this broken Federal promise.

To make matters worse, the House conference refused to accept the Senate's bipartisan commitment to bring Federal funding for special education to 40 percent over the next six years. Earlier this year, Mr. President, I proposed an amendment to this legislation, which would have funded the 40 percent over two years. This amendment was defeated, in favor of a six-year timetable. Now, the House Republicans are saying that even six years is too soon.

That is absolutely unconscionable, unjustifiable, and it should be, to this Senate. As President Bush himself, under this legislation, next year's Federal funding for IDEA will cover only 17.5 percent of those costs nationwide. In Minnesota, it will fund only 15 percent. This failure will leave thousands of children behind.

House Republicans reportedly refused to accept the Senate position until after IDEA was "reformed." Yet, just a few weeks earlier, the House added over $30 billion in tax breaks to large energy companies in their Energy Bill. The House Economic Stimulus package would repeal the corporate alternative minimum tax, and it would refund over $25 billion to America's largest and most profitable corporations. Neither of these two huge tax giveaways was predicated on any kind of "reform."

The failure to fully fund IDEA is tragic, because that money was available earlier this year. There was also enough money to significantly increase the Federal government's support of all elementary and secondary education nationwide. But massive tax cuts for the rich and powerful were the President's and the House Republicn's higher priorities. Now, those projected Federal surpluses are gone, and our nation's schoolchildren must wait in line again.

Less money and more testing. That will be the legacy of this "education President." Well, the President and the Congress have failed their big education test this year. It shouldn't be surprising when, as a direct result of their failure, more of our nation's schools and schoolchildren do also in the years ahead.

The PRESIDING OFFICER. The Senator from Minnesota?

Mr. Bond. Mr. President, as a member of the conference committee, we spent nearly 6 months drafting this bill. I am pleased to rise in support of this landmark legislation which leaves no child behind.

As many of my colleagues have already mentioned, this bill provides the most comprehensive education reform since 1965. I take this opportunity to thank and congratulate the leader on the Senate, the Senator from New Hampshire, Mr. Gregg, and the manager of the bill, the chairman of the committee, the Senator from Massachusetts, Mr. Kennedy. Their tireless work to bring this bill to the Senate has placed comprehensive, progressive education reform within reach of all students across the country.

Too many children in America are segregated by low expectations, illiteracy, and self-doubt. In a constantly changing world that demands increasingly complex skills from its workforce, children are being left behind. Over the years, we have empowered the Federal Government and faceless bureaucrats with mandates, regulations, and paperwork. As a result, we have disenfranchised educators and slowly eroded the opportunity for creativity and innovation at the local level.

At last count, the Federal Government had 760 different education programs operating within 39 different agencies, boards, and commissions. Each was launched as a step toward reform, but each new program comes with added regulation and paperwork. By one estimate, compliance consumes 50 million hours each year, the equivalent of 25,000 full-time employees just to process the forms. Ask the teacher who has to deal with 760 programs, or the administrator who has to handle it, just how much this detailed reform and direction from Washington has helped them focus on their children. In my State they will say "not one bit."

Today, nearly 70 percent of low-income fourth graders are unable to read at a basic level. Our high school seniors trail students of most industrialized nations on international math tests. Nearly a third of our college freshmen must take remedial courses before they are able to begin college level courses. This is why President Bush has chosen education reform as a cornerstone of his administration.

This conference report reflects an agenda that President Bush outlined during his first days in office. It emphasizes flexibility, local control, accountability, literacy, and parental involvement. I am honored to have had a hand in shaping that policy. Parental involvement, early intervention, parental rights as teachers are issues I have worked with a long time. I am pleased the principles of my direct check for education were included in the legislation.

Over the years, I have worked with Missouri educators to develop the direct check approach to education reform, which consolidates Federal education programs, cuts Federal strings and paperwork, and sends the money directly to local school districts.

Like my direct check proposal, this conference report recognizes that educational reform and progress will take place in the classrooms in America, not in Washington, DC. This report consolidates a myriad of existing Federal programs and allows States and local school districts to go on their own, to determine their priorities. By reducing the mandates, as well as the costly and time-consuming paperwork that local school districts must endure to obtain Federal grants and aid, parents and teachers are empowered to take back control of educating our Nation's children.

To me, the issue is simple. We must empower our States and local school districts with flexibility to utilize the limited amount of Federal resources as they best see fit to educate our children. This conference report does just that. Local schools will immediately be given the flexibility they need, where they are most needed, because a school in Joplin, MO, may have different needs than one in Hannibal, Kansas City, St. Louis, or Boonville, MO.

Some schools need new teachers. Others may need new textbooks or computers, or wish to begin an after-school program. We simply cannot continue to ask teachers and local schools to meet higher expectations without empowering them with the freedom and flexibility to do the job.
This legislation strikes a delicate balance. It keeps the Federal Government out of the day-to-day operations of local schools; gives States and school districts more authority and freedom; and requires performance in return.

Education, while a national priority, remains a local responsibility. I believe that those who know the names of the students are better at making decisions than bureaucrats at the Department of Education. Parents, teachers, local authorities are the key to true education reform, not big government, Washington-based educational bureaucracy. In addition to giving local schools more control, I am pleased this conference report recognizes parental involvement and increases resources to our very successful Parents as Teachers Program which we hope to provide to every State in the Nation as well as foreign countries. It strengthens accountability, it provides the necessary funds to attract and retain quality teachers, and develops literacy programs to guarantee all students will be able to read by the third grade.

With its emphasis on the child rather than the bureaucracy, this legislation offers an opportunity to make real progress in our schools.

The great Missourian Mark Twain said: Out of public schools grows the greatness of a nation.

One-sixth of the American population is enrolled in public schools. The content and quality of their education will determine the character of our country.

I thank the managers of this bill for their courtesy to me as well as for their great work over the 6 months in bringing this conference report to the floor.

Mr. KENNEDY. Mr. President, I thank the Senator from Massachusetts. Mr. President, I thank the Senators from Louisiana, Louisiana. I thank the Senator from Massachusetts for those kind remarks and I thank Senator KENNEDY and Senator GREGG for their extraordinary effort that has not gone unnoticed by the Members of this Senate and all the people who have followed so closely the tireless efforts to get to this point where we can support such a solid, principled compromise that all Members can be proud of passing today. It is a great victory for our school system and for the Presiding Officer, in the role played as a former Governor of Indiana. I thank also Senator LIEBERMAN, Senator COLLINS, and Senator SESSIONS. It was a really bipartisan effort. And to the President, I say thank you. Through all of the efforts, along with the war in Afghanistan and our defense, trying to stand up and defend our homeland, the President stayed focused on education. We stayed focused on education, I think that speaks well of the work we have done. I am proud to be a part of it.

This bill works for our Nation to strengthen our schools and to build on a promise that every child deserves a quality education and the belief that we can fund it and strengthen it so that every child can learn and so that every child should have an opportunity—not a guarantee but an opportunity—to be all that God created them to be and all their parents and localities hope for our children.

That is why I am excited about this bill. It outlines some new goals and objectives that are going to be difficult and challenging. But we need to lift those expectations for our children. We need to challenge our Nation. We need to fund it.

That is why I thank Senator KENNEDY, our leader from Massachusetts. He fought like a tiger to say: Yes, we want accountability. Yes, we want standards. Yes, we want to work in partnership with the Governors, but we want to give them the resources to fight the battle. That is what this bill does. It is the single largest investment in education in a single year.

I also thank the Governors who are our partners—the 23 Governors who are on the front line with mayors and school boards around the Nation leading this fight for their support.

Let me focus on three issues. First, I yield 3 minutes to the Senator from Louisiana. I thank the Senator. There is additional targeting. Under this bill, Minnesota would get $20 million more for title I. But the targeting, both in urban areas and rural areas, is a direct tribute to the Senator from Louisiana. She fought for this coalition. It is always difficult to alter or change formulas. It is a significant alteration to reach the neediest children. We are grateful to her for her commitment in this area.

I yield 3 minutes to the Senator from Massachusetts.
Second, the flexibility issues that we fund at the Federal level, but we allow the local jurisdictions to make those decisions.

Third, targeting. Senator Kennedy mentioned this. I want to say for Louisiana means that it would be even more for Title I to help with the resources to make these classes really work for children. It will help us with technology and will make sure kids really have an opportunity. It is going to help us with afterschool programs. It is thought that the entire solution to this issue is not a formula, so we get it to the parishes that really need the most help. This will give them the helping hand.

I am proud to join my colleagues. I could speak for hours and days. I congratulate our leaders for doing such a fine job. It was a joy for me to work on this bill. It will mean a lot to the kids in Louisiana and their families.

Mr. Shelby. Mr. President, I rise today to congratulate my colleagues on the conference committee for their efforts on behalf of our Nation's school children. This legislation encompasses a number of important reforms for our schools. One notable provision reforms the collection and dissemination of personal information collected from students to protect their privacy.

Earlier this year Senator Dodd and I introduced the Student Privacy Protection Act. The goal of this legislation is to ensure that parents have the ability to protect their children's privacy by requiring parental notification of any data collection for commercial purposes from their children during the school day. I am pleased that the conference agreed with Senator Dodd and me on the importance of protecting student's privacy and the essential nature of parental participation in the process.

The need for this provision stems from the growing practice of a large number of companies going into classrooms and using class time to gather personal information about students and their families for purely commercial purposes. In many cases, parents are not even aware that these companies have entered their children's school, much less that they are exploiting them in the one place they should be the safest, their classroom.

The provision included in H.R. 1 builds on a long line of privacy legislation, such as the Family Educational Rights Act, the Children's Online Privacy Protection Act and the Protection of Pupil Rights Act. The goal of these laws, as is the case with our provision, is to ensure that the privacy of children is protected and that their personal information cannot be collected and/or disseminated without the prior knowledge and, most importantly, the ability of parents to exclude their children from such activities.

We understand that schools today are financially strapped and many of these companies offer enticing financial incentives to gain access. Our goal is not to make it more difficult for schools to access the educational materials and the computers that they so desperately need or to deter beneficial relationships. Rather our goal is to ensure that the details of these arrangements are disclosed and that parents are allowed to participate in the decisionmaking process.

The bottom line is that parents have a right and a responsibility to be involved in their children's education. Much of these educational activities are being done at the expense of the parents' decision making authority because schools are allowing companies direct access to students. The provision included in H.R. 1 enhances parental involvement by giving them an opportunity to decide for themselves who does and does not get access to their children during the school day.

Mrs. Feinstein. Mr. President, the bipartisan education bill before the Senate today builds on some strong and unprecedented reforms in elementary and secondary education to make schools more accountable and help students learn. For the public, this bill helps assure that our schools get results and that we know what those results are. California's public schools should be helped by this bill.

To bolster student achievement, this bill includes several needed reforms, tying the receipt of Federal funds to getting results:

- The bill continues the current requirement that States must have academic standards for reading and math and adds a requirement that States establish standards for science.
- Schools must assure that students make continuous and substantial academic improvement and that students reach a proficient level within 12 years.
- To measure student achievement, States are required to test every student in grades 3-8 annually in reading and math based on State standards, by 2005-06.
- To ensure accountability, schools that fail for 2 consecutive years to make adequate yearly progress must be identified for improvement and also must identify specific steps to improve student performance.
- After 3 years, a failing school must offer public school choice and provide supplemental services. After 4 years, a school must take corrective actions such as replacing staff or implementing a new curriculum. After 5 years, a failing school must undertake major restructuring. The bill provides $500 million to help turn around low-performing schools.

In order to improve teacher quality, this bill authorizes grants to States for teacher quality improvement and retention services. States must assure that all teachers are qualified by 2006.

The bill authorizes $1.25 billion in 2002 and up to $2.5 billion in 2007 for afterschool programs remedial education, tutoring and other services to improve student achievement.

The bill requires public “report cards,” which will report on academic achievement, graduation rates and the names of failing schools.

There are many other important initiatives and reforms.

Another important feature of this bill is that it better directs Federal funds to disadvantaged students than does current law. Here are some examples:

- It requires that for the largest Federal education program, Title I, Aid to the Disadvantaged, the poor children count be updated every year instead of every 2 years under current law. This is very important to California, a State that has a higher than average poverty rate and high growth in the number of low-income children.
- The bill requires that more funds be funneled to States and districts using the targeted grant formula, which is focused on concentrations of poverty, areas such as Los Angeles, San Diego and other major cities. California is expected to receive a larger share of targeted grant funding than under current law because of its concentrated child poverty enrollment.
- The bill shifts bilingual and immigrant education funding from a competitive grant program to a formula grant program based on the number of children. California has a very high proportion of limited-English proficient and newly-immigrant children and should be greatly helped by this change.

These are welcomed changes and should send the resources to where the needs are.

The Federal Government provides only 7 percent of total education funding, but the strength of this bill is that it tries to leverage the Federal share to prod States and school districts to make schools responsible for real results. I believe the bill offers hope and resources to California's students, school officials, parents, and the public.

California's schools are facing huge challenges. California has a projected enrollment rate triple that of the national rate. Unfortunately, many California students perform poorly compared to students in many other States. California has some of the largest classes in the Nation. California has overcrowded and substandard facilities and 30,000 uncredentialed teachers.

I am sorry to say that 34 percent of California's schools that participate in Title I are identified for improvement compared to the national average of 19 percent, according to the U.S. Department of Education.

According to the January 2001 Education Weekly Quarterly Report, only 20 percent of California's fourth grade students are proficient in reading, ranking 36 out of 36 States. California ranks 32 out of 36 States for proficient eighth graders in reading, at 22 percent.

American students are falling behind their counterparts in other countries. In literacy, 58 percent of U.S. high school graduates rank below an international literacy standard, dead last.
among the 29 countries that participated, according to Education Week, April 4, 2001.

United States eighth graders scored significantly lower in mathematics and science than their peers in 14 of the 38 participating countries, according to the 1999 TIMMS Benchmarking Study.

The percentage of teachers in the United States that feel they are "very well prepared" to teach science in the classroom is 27 percent. The international average is 37 percent, according to the 1999 TIMMS Benchmarking Study.

United States students' knowledge of civic activities ranked 3rd out of the 28 countries that participated. However, those same students have been slipping in scores relating to math and science, according to Civic Know-How: US Students Rise to Test, International Association for the Evaluation of Educational Achievement.

The bill includes several initiatives that I suggested:

As to the $1 billion Title I funding, I have long argued that Title I should reflect the real numbers of poor students. This bill retains the requirement that the poor child count be updated every two years, but the bill allows Title I funds to be spent on concentrations of poor children, which should particularly help our urban school districts, like Los Angeles.

As to master teachers, the bill allows funds under the teacher training title to create "exemplary" or "master" teachers who can mentor and guide less-experienced teachers, in an effort to keep new teachers in teaching. This is an outgrowth of my bill, S. 120.

As to the Title I audit, the bill requires the Inspector General to conduct of audit to determine how Title I funds are used and the degree to which they are used for academic instruction. The Senate had accepted my amendment that funds under the teacher training title be used for academic activities and away from things like playground supervisors. While the limitations of my amendment are not included in the final bill, the required audit will help us determine specifically whether Title I funds are being used to help students learn.

As to small schools, the bill allows the use of Innovative Education funds to create smaller learning environments. While the final bill does not include my amendment that puts in place certain school-size requirements, as a condition for receiving funds, it does move that direction and recognize that smaller schools produce more learning.

As to gun-free schools clarification, the bill includes several clarifications of the current Gun-Free Schools Act, the 1994 law which requires a 1-year expulsion for students who "bring" a gun to school. This bill includes students who "possess" a gun at school; it clarifies that the term "school" means the entire school campus, any setting under the control and supervision of the local school district; and it requires that all modifications of expulsions be put in writing. These are important clarifications to the law, the need for which was highlighted by an Inspector General's report on the implementation of that law.

The bill audits some of the most profound revisions to Federal education policy since ESEA was first enacted in 1965. It is an important reform designed to help students learn, achieve and in fact, excel.

The bill authorizes significant new funding. For example, Title I's authorized funding would grow from $13.5 billion in fiscal year 2002 to $25 billion in 2007. Now the challenge is to in fact provide those funds so that this bill will not be an empty promise.

Mr. WARNER. Mr. President, I rise today in strong support of H.R. 1, the No Child Left Behind Act, which will reauthorize the Elementary and Secondary Education Act, ESEA. Last year's presidential candidate George W. Bush appropriately indicated that education reform was a top priority. This year, President Bush has worked to make this top priority a reality. The Senate will soon pass H.R. 1, legislation which is based on President Bush's Education "No Child Left Behind." I share the President's goal; our educational system must leave no child behind.

I commend President Bush, Secretary of Education Paige, and my colleagues on the Education Conference Committee. We have worked in bipartisan fashion to forge this legislation that will substantially reform elementary and secondary education in this country.

Education is the key to a better quality of life for all Americans. From early childhood through adult life, educational resources must be provided and supported through partnerships with individuals, parents, communities, states, and the Federal Government. The Federal Government has a limited but important role in assisting states and local authorities with the ever-increasing burdens of education.

Originally passed in 1965, the ESEA provides authority for most federal programs for elementary and secondary education. ESEA programs currently receive about $18 billion in federal funding, which amounts to an estimated 7 cents out of every dollar that is spent on education in this country. Nearly half of ESEA funds are used on behalf of children from low-income families under title I. Since 1965, the federal government has spent more than $120 billion on Title I.

Despite the conscientious efforts of federal, state, and local entities over many years, our education system continues to lag behind other comparable nations. Nearly 70 percent of inner city fourth graders are unable to read at a basic level on national reading tests. For example, the percentage of students in high poverty schools remain two grade levels behind their peers in other schools. Our high school seniors score lower than students in most industrialized nations on international math tests. And, approximately one-third of college freshman must take a remedial course before they are able to even begin college level courses.

Therefore, why—do we just pour more taxpayer dollars to perpetuate these mediocre results or do we take some bold new initiatives?

The No Child Left Behind Act takes some bold new initiatives by increasing Federal education funding, increasing state and local flexibility in their use of Federal funds, and increasing accountability—each are steps in the right direction.

First, in regard to funding, the No Child Left Behind Act authorizes $26.5 billion for elementary and secondary education. This includes a substantial increase for Title I programs—which are education programs directed toward disadvantaged children. The bill also provides substantial funding for programs aimed at getting all children read by the 3rd grade, teacher quality programs, and programs aimed at making our schools safe and drug free.

Next, in regard to flexibility, the bill significantly increases State and local flexibility in the use of their Federal education dollars.

Under the ESEA law that exists today, most ESEA programs have a specified purpose and a target population. Our states and localities are given little, if any authority over the use of the federal dollars they receive.

Our schools do not need a targeted one size fits all Washington, D.C. approach to education. While schools in some parts of the country may need to use federal education dollars to hire additional teachers to reduce classroom size, schools in other parts of the country may wish to use federal dollars for a more pressing need, like new text books. Federally targeted programs for a specific need do not recognize that different states and localities have different needs.

Who is in a better position to recognize these local needs, Senators and Representatives in Washington, D.C. or Governors, localities, and parents? Those Virginians serving in state and local government and serving on local school boards throughout the Commonwealth are certainly in a better position than members of Congress from other states to determine how best to spend education dollars in the Commonwealth of Virginia.

The No Child Left Behind Act increases flexibility and local control. For example, the bill allows every local school district in America to make spending decisions with up to 50 percent of the non-title I funds they receive from the federal government. Thus, with regard to non-title I funds, every local school district will have the freedom to choose alternative uses for federal funds within certain broad guidelines.

Moreover, the bill provides even more flexibility in the use of federal...
education dollars for up to 7 states and 150 school districts. These states and local school districts will be given the opportunity to consolidate a number of federal education programs, providing the participating states and localities the ability to focus federal dollars where they are needed most.

Finally, accountability, in certain areas, is needed. Our education policy is locking out many students and not providing them the key to a better life. It’s time for a forward look in our education policies to ensure that all of our children are given the opportunity to receive a higher quality of education.

President Bush’s proposal to test students annually in grades 3-4 in reading and math, which is part of the No Child Left Behind Act, is a strong proposal that promotes accountability.

These tests will result in parents and teachers receiving the information they need to know how well their children and students are doing in school and to determine how well the school is educating its students. Testing also provides educators the information they need to help them better learn what works, improve their skills, and increase teacher effectiveness.

While some have expressed concern that this legislation calls for too much testing, I have a different view. A yearly standardized test in reading and math will allow our educators to catch any problems in reading and math at the earliest possible moment. Tests are becoming a vital part of life, no matter how quickly we are to survive in the rapidly emerging global economy, tests are a key part.

I note that Virginia has already recognized the importance of testing, having installed an accountability system called Standards of Learning (SOLs). In Virginia, we already test our students in math and science in grades 3, 5, and 8. The No Child Left Behind Act will build upon Virginia’s experience.

Increased funding, increased flexibility, and enhanced accountability, are all steps in the right direction that we take with the No Child Left Behind Act. However, I must remind my colleagues that we have more work to accomplish.

President Bush’s “No Child Left Behind” blueprint calls for tax relief for America’s teachers when they dip into their own pocket to purchase supplies for schools or colleges and I have worked together since early this year to pass legislation to provide teachers with this type of tax relief. Unfortunately, the bill before us today does not contain these provisions.

In view, as we leave no child behind, we must not forget our nation’s teachers.

The important role that our nation’s teachers play in educating today’s youth and tomorrow’s leaders cannot be overstated. Quality, caring teachers along with quality, caring parents, play the predominant roles in ensuring that no child is left behind.

Nevertheless, in part because of their low salaries and the numerous out-of-pocket expenses they incur as part of their profession, we are in the midst of a national teaching shortage. Teacher tax relief legislation is one way the federal government can help.

So, while I look forward to voting in support of the No Child Left Behind Act and look forward to President Bush signing this important education reform legislation into law, I also look forward to working with the President and my colleagues in Congress to ensure that our teachers receive the tax relief they deserve.

Mr. BAUCUS. Mr. President, I rise today to speak briefly about the education bill before us.

First of all, I thank my colleagues for the many hours of work they have spent on this bill. From day one, they have had the best interests of our students at heart. It is difficult to design a Federal education plan that supports the needs of the countless school districts around the country. But this bill affirms the Federal Government’s role as one that supports the needs of the nation’s students and teachers in mind. It is difficult to design a Federal education plan that supports the needs of the countless school districts around the country. But this bill affirms the Federal Government’s role as one that supports the needs of the nation’s students and teachers in mind.

I believe this education bill sets a platform from which we can build a sustainable, supportive role for the Federal Government. It establishes a framework to meet the needs of the nation’s students and teachers. I believe this bill does not do everything it needs to do. I am on the floor today to remind my colleagues that we have a long way to go, that this bill is merely a step along the way. I believe this bill recognizes the wealthier counterparts. This is clearly a worthy goal, and, while I am not entirely pleased with this compromise, I plan on supporting this bill when we vote on its approval tomorrow morning.

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Mr. MURKOWSKI. Mr. President, the conference report we have before us represents the first comprehensive overhaul of the Federal Elementary and Secondary Education Act, ESEA, in 30 years. And from what all of us have been hearing is that what is mandatory is urgent. Since 1965, the Federal Government has pumped more than $135 billion into our educational system. Yet despite this infusion of funds, achievement gaps between students rich and poor, disadvantaged and affluent remain wide.

In fact, only 13 percent of low-income fourth graders score at or above the “proficient” level on reading tests. As the 2000 National Assessment of Education Progress shows, the reading scores of fourth grade students have shown no improvements since 1992. That is unacceptable.

This conference report reflects the four principles underlying President Bush’s education reform plan—accountability and testing; flexibility and local control; funding for what works, and expanded parental options. President Bush promised that he would bring Democrats and Republicans together to develop an education plan that puts children first. And this conference report reflects that commitment.

The House passed this conference report by an overwhelming bipartisan vote of 381 to 41. Last June, after we debated and voted on more than 40 amendments to the education reform bill, the Senate voted 91–8 in favor of the reform measure. I expect a similar vote on this final conference report.

What is the strong support for this measure? I think the reason is simple: we cannot afford as a nation to continue to allow our public schools to languish. Our children represent the future of America, yet they are not getting the best training for their future. The first thing we need to do is bring greater accountability to the education system. This legislation does that.

It requires States to implement annual reading and math assessments for grades 3–8. These annual reading and math assessments will give parents the information they need to know how well their child is doing in school, and how well the school is educating their child. This is not a Federal learning test. The State will be able to select and design these tests, while the Federal Government would provide $400 million to help the States design and administer the tests.

The conference report also provides unprecedented new flexibility for all 50 States and every local school district in America to use Federal funds. Every school district would have the freedom to transfer up to 60 percent of their Federal education dollars to other educational programs. The conference report attempts to consolidate the myriad Federal programs that comprise ESEA, reducing the number of programs from 55 to 45.

The conference report also provides greater choices for families with children in falling schools. Parents in such schools would be allowed to transfer their children to a better-performing public or charter school immediately after a school is identified as failing. Moreover, additional title I funds, approximately $500 to $1,000 per child, can be used to provide supplemental educational services, including tutoring, after-school services and summer school programs, for children in falling schools.

In addition, the conference report provides a major new expansion of the charter school initiative, providing more opportunities for parents, educators and interested community leaders to create schools outside the bureaucratic structure of the education establishment.

I am very pleased that the conferees retained provisions that I authored which allow the Education Department to provide grants to local schools to develop and implement suicide prevention programs. Moreover, States may use Safe and Drug Free funds to finance suicide prevention programs.

This is a critically important program that desperately needs attention. Suicide is the third leading cause of death among those 15 to 25 years of age, and the second leading cause of death among those 5 to 14 years of age. In Alaska, suicide is the greatest cause of death among high school age youths. In fact, Alaska’s suicide rate is more than twice the rate for the entire United States.

None of us know the future so we can never say with certainty whether this conference report will achieve the goals that are being set. But we know that we have tried in the past with regard to elementary and secondary education has not worked. Too many children in America are being left behind. We cannot afford as a society and as a community to allow these failures to continue.

I believe this conference report is an important first step in changing the interaction between Washington and local school districts and that the ultimate beneficiaries will be the students and the teachers who will become the leaders of tomorrow.

Mr. EDWARDS. Mr. President, after many months of hard work we have before us today an education bill that represents a quantum leap forward for America’s children. We have come together in a common-sense, bipartisan way and we should be proud of the progress we’ve made.

This bill is a strong one, and I commend my colleagues for recognizing that a quality public education is not a conservative or liberal goal. The education debate in Washington has too often broken down along stale ideological lines. With this bill, we are moving beyond the false choice of greater investment versus stricter accountability. We’ve struck the right balance by both giving more to our schools and expecting more in return. This bill increases investment in our schools, gives new flexibility to principals and superintendents, encourages high standards for all children, and holds schools accountable for their performance. Describe the charter school initiative, providing more opportunities for parents, educators and interested community leaders to create schools outside the bureaucratic structure of the education establishment.

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the beginning of our conversation about education reform. It will take
time to learn whether the changes we are making will work and whether the
resources we are providing are ade-
quate. We must commit to reviewing these issues periodically and consist-
ently so that we can make them work for America’s children in the months
and years to come.

Ms. SNOWE. Mr. President, I rise today in support of the conference re-
port on H.R. 1, the Elementary and
Secondary Education Act Authorization
Act, the primary federal law af-
factoring K–12 education today.

Completion of this reauthorization was a long time coming, considering that
the original reauthorization ex-
pired last year and that the Senate
passed its bill 6 months ago. It is crit-
tical that the Senate approve this re-
port prior to adjourning for the ses-
sion.

The fact is, while education is pri-
marily a local and State responsibil-
ity, the seven percent of funding the Fed-
eral Government does provide plays a
key role in preparing today’s students
for tomorrow’s workforce. We have
been faced with the daunting task of reauthorizing and revamping the Fed-
eral Government’s entire K–12 commit-
ment, and the passage of this con-
ference report comes not a moment too
soon for the young men and women of
America.

We have spent $120 billion in title I
education funds over the last 35 years,
yet we have failed to close the achieve-
ment gap between students in high-in-
come and low-income families. We spend
near the maximum for students each
to provide every student, regardless of
our foreign competitors, $3,300 for a primary edu-
cation, yet have one of the poorest test
records in math, reading and science,
with only 40 percent of grade school
students meeting today’s basic reading
standards and only 20 percent who are
prepared for high school math. The
cold hard truth is that with 89 percent
of our kids in public schools, that is
almost 50 million students, we cannot af-
ford to let this happen any longer.

So I applaud President Bush for fol-
lowing up on his promises and making education a cornerstone of his
Presidency. He has continually set the
proper tone by making a case for en-
suring that greater flexibility goes
hand-in-hand with accountability.

Indeed, the conference report before
us creates unprecedented flexibility for
States and local educational agencies,
while increasing accountability to en-
sure that they are getting the job done.

This reauthorization allows States to
help students achieve all that we can for
their annual goal through the dedication of
additional resources to help turn the
school around, while guaranteeing stu-
dents access to supplemental services
to bolster their education. Students are
not trapped in failing schools, as
the conference report ensures that stu-
dents in a failing school can transfer to
another public school if their home
school is considered to be failing for
more than 1 year.

In order to have accountability there
needs to be some sort of ruler by which
to measure the school’s success. I am
pleased that the conference report al-
ows States to determine not only the
assessment system, but also the annual
achievement goals.

My own State of Maine has worked
for several years to develop its own as-
essment system to ensure that our
students, and our schools, are achiev-
ing. Having witnessed the evolution of
Maine’s Learning Results Program
over the past several years, I would not
support this conference report if I
thought that it would interfere with
Maine’s efforts. To the contrary, I be-
lieve it will enhance our assessment efforts, and therefore I will support passage of
the conference report. Additionally,
passage of the conference report is sup-
ported by Maine’s Commissioner of
Education, Duke Albanese.

My support for this package is tem-
pered only by my disappointment that the
conferences did fully fund the Indi-
viduals with Disabilities Education Act
or IDEA. The Senate, by a unanimous
vote, supported the inclusion of manda-
tory full funding for IDEA during con-
sideration of the ESEA bill in the
spring.

IDEA is an unfunded mandate that is
drain ing precious resources from our
States and in each and every commu-
nity. Twenty-six years ago, Congress
committed to paying 40 percent of
IDEA funding, and we have yet to come
close. While Congress has more than
doubled IDEA funding over the past 5
years, the Federal Government has not
contributed more than 15 percent of
the total cost of IDEA.

Full funding would free up billions of
dollars nationwide, and approximately
$80 million in Maine, freeing up local
and State education money which can
then be used for other pressing needs.
Throughout my tenure in Congress, I
have fought for full funding of IDEA
and this is a fight I will not give up.

Those conferees who opposed includ-
ing the full funding provisions in this
conference report argued that this pro-
gram cannot be made mandatory until
the program is reformed and reauthor-
ized. Fortunately, IDEA is due for re-
authorization next year and I will be
working to ensure that it is fully fund-
ed.

I appreciate the diligence of my col-
leagues who sit on the Senate Health,
Education, Labor, and Pensions Com-
mittee in this effort, and I look for-
ward to supporting this conference re-
port and sending it to the President for
his signature. I believe this legislation
will make an important difference in
the future of our children as well as
our Nation.

Mr. SANTORUM. Mr. President, I am
very gratified that the House and Sen-
ate conferees included in the con-
ference report of the elementary and
secondary education bill the language
of a resolution I introduced during the
earlier Senate debate. That resolution
proved there are too many controversies
in science. It was adopted 91–8 by the
Senate. By passing it we were showing our desire that students study-
ing controversial issues in science,
such as biological evolution, should be
allowed to learn about competing sci-
ence, interpretive philosophical issues. As
a result of our vote today that position
is about to become a position of the
Congress as a whole.

When the Senate bill was first under
discussion in this body, I referenced an
excellent Utah Law Review article,
Volume 2000, Number 1, by David K.
DeWolf, Stephen C. Meyer and Mark
Edwards. DeForrest, the author of the
bill, argues that it would demonstrate
that teachers have a constitu-
tional right to teach, and students to
learn, about scientific controversies, so
long as the discussion is about science,
not religion or philosophy. As the edu-
cation bill report language makes clear, it is not proper in the science
classrooms of our public schools to
teach either religion or philosophy.

But also, it says, just because some
think that contending scientific theo-
ries may have implications for religion
or philosophy, that is no reason to ig-
nore or trivialize the scientific issues
embodied in those theories. After all,
there are enormous religious and philo-
osophical questions implied by much of
what science does, especially these
days. Thus, it is entirely appropriate
that the scientific evidence behind
them is examined in science class-
rooms. Efforts to shut down scientific
debates, as such, only serve to thwart
the true purposes of education, science
and law.

There is a question here of academic
freedom, freedom to learn, as well as to
teach the debate over Darwinism is an
excellent example. Just as has happened
in other subjects in the history of
science, a number of scholars are now
raising scientific challenges to the us-
ual Darwinian account of the origins
of life. Some scholars have proposed
such alternative theories as intelligent
design. In the Utah law review article
the authors state, “... The time has
come for school boards to resist threats
of litigation from those who would cen-
sor teachers, who teach the scientific
controversy over origins, and to defend
their efforts to expand student access
to evidence and information about this
timely and compelling controversy.”

The public supports the position we
are taking today. For instance, na-
tional opinion surveys show—to use
the origins issue again—that Ameri-
cans overwhelmingly desire to have
students learn the scientific arguments
against, as well as for, Darwin’s theory.
A recent Zogby International poll
shows the preference on this as 71 percent to 15 percent, with 14 percent undecided. The goal is academic excellence, not dogmatism. It is most time-ly, and gratifying, that Congress is acknowledging and supporting this objective.

Mr. ROBERTS, Mr. President, I am pleased that with the passage of this legislation, we are on our way to assisting our Nation’s schools in providing a quality education for each and every one of their students. Senator KENNEDY and GREGG, Congressmen BOEHNER and MILLER and their staffs for their hard work in crafting a bipartisan piece of legislation that will give children the opportunity to succeed in the classroom.

I am also happy to see that this legislation includes an emphasis on math and science education. Senator FRIST, Congressman EHLENS and myself have worked hard to make sure that there is a renewed focus on a portion of education that needs addressing.

Scores on the National Assessment for Educational Progress, NAEP, test in the subject area of science have not improved over the last several years and, in fact, have been lower than previous years in every score.

Seniors in high school who took the 2000 NAEP science test scored, on average, three points lower than those taking the test in 1996. Only 18 percent correctly answered challenging science questions, down from 21 percent and those students who knew just the basics dropped to 53 percent. This is simply unacceptable.

According to an Associated Press article that appeared in the Kansas City Star on November 20, many science teachers complain that they can’t persuade school officials to give them the time or money required for training. Our math and science provision in this bill addresses this very problem through a variety of ways, including one, improving and upgrading the status and stature of mathematics and science teaching by encouraging institutions of higher education to assume greater responsibility for improving mathematics and science teacher education: two, create career-long opportunities for ongoing professional development for math and science teachers; three, provide mentoring opportunities for teachers by bringing them together with engineers, scientists and mathematicians; and four, develop more rigorous math and science curricula.

This legislation authorizes the math and science partnerships at $450 million in the first year. I would encourage my colleagues, especially in light of the recent NAEP scores, to adequately fund this program in order to improve the abilities of our teachers to provide good, quality instruction in math and science.

We are in an age where science and technology fields are booming and yet we cannot produce students who even have an understanding of basic science principles. How can we attract students into fields that are experiencing dramatic shortages such as nursing or engineering when they don’t have a good background in math and science? We have failed our children and I believe it is imperative to the future of our country that our children are adequately prepared in math and science subject areas.

I am disappointed that we did not have the opportunity to provide our schools the financial relief needed in the area of special education. I have strongly supported funding the Individuals with Disabilities Education Act, IDEA, at the full 40 percent and yet we will go another year with it being inadequately funded by the Federal Government. We have made dramatic improvements in the funding levels over the last several years. However, we are now only providing approximately 15 percent instead of the 40 that we said we would commit 26 years ago. I look forward to working closely with colleagues throughout the conference their willingness to address this issue next year when IDEA will be reauthorized.

I am pleased with our overall product and will be looking forward to seeing results in grades eight and above. As our States and local districts work to implement the reforms made in this bill, I believe the State of Kansas overall provides a good education for it’s children and I look forward to seeing the quality of education in Kansas get even better.

Mr. LEAHY, Mr. President, I rise today to express my opposition to the conference report of H.R. 1, The No Child Left Behind Act of 2001. Earlier this year, I voted in support of S. 1, the Better Education for Students and Teachers Act, with the belief that we were taking the first step toward enacting quality education reform in our nation’s schools. My support for this legislation has not wavered.

In passing this legislation, we are headed down that very path. First, I want to express my strong disappointment that an amendment that I supported during the Senate’s consideration of this bill, authored by Senator HATCH and myself, was dropped in conference. This amendment would have re-authorized Department of Justice and IDEA funding for new Boys and Girls Clubs in each of the 50 States. In 1997, I was proud to join with Senator HATCH and others to pass bipartisan legislation authorizing grants by the Department of Justice to fund 2,500 Boys and Girls Clubs across the nation. Our bipartisan amendment to this education bill would have authorized $60 million in Department of Justice grants for each of the next five years, enabling the establishment of 1,200 additional Boys and Girls Clubs across the nation. These new grants would have brought the total number of Boys and Girls Clubs to 4,000, serving 6,000,000 young people by January 1, 2007.

In my home state of Vermont, these federal grants have helped establish six Boys and Girls Clubs in Brattleboro, Burlington, Montpelier, Randolph, Rutland, and Vergennes. Together, Vermont’s Boys and Girls Clubs have received more than $1 million in Department of Justice grants since 1998. I know what a great impact these after school opportunities have had in these communities, and it is clear to me that more resources must be invested in order to help our kids lead healthy lives and avoid the temptations of drug use. I am disappointed that some members of the conference committee did not want to ensure future funding for these successful programs.

Some of the most publicized and often-discussed provisions of the No Child Left Behind Act are the expanded requirements for measuring student performance through annual testing of students in grades two through eight in math and reading. This conference report requires states to develop and administer this annual testing. While accompanying appropriations will provide the resources necessary to pay for a portion of the costs of developing and administering the tests, the funds are far less than what will be necessary, leaving Vermont and other states with large financial gaps to fill. At a time when our economy is slowing and states are facing difficult budget choices, the Federal Government should not be placing burdensome, unfunded mandates on local and state officials, especially when there are education funding commitments the Federal Government is still yet to meet.

Vermont’s Boys and Girls Clubs have received more than $1 million in Department of Justice grants since 1998. I know what a great impact these after school opportunities have had in these communities. I am deeply troubled by this. When Congress first passed the Individuals with Disabilities Act, IDEA, the States were required to comply with the special education provisions, and in exchange, the Federal government would contribute up to 40 percent of the costs. Instead, the Federal contribution is generally only 12 to 15 percent, far from the promised 40 percent. The provision included in the Senate-passed bill would have required the government to contribute the 40 percent by changing the Federal contribution from a discretionary spending cap to a mandatory cap. In Vermont, countless communities struggle each year to pass their local school budgets, hampered by the high
costs of providing special education. The actions of the conferees fail to provide the relief States are owed, and have instead placed additional mandates that State and local education officials must find a way to address.

In the face of inadequate resources provided for special education, and for implementation of the assessment provisions, I am concerned about the extensive Federal control exerted in this bill over the evaluation of whether a school is failing. I am particularly concerned about the definition of what constitutes a failing school, especially because this is a determination that could ultimately lead to the elimination of Federal funds for that school. Finally, I find troubling the degree to which this legislation increases Federal control over teacher qualification and greatly increases administrative paperwork for the States.

Current statistics leave no doubt that in our country, we have schools that are failing—education reform is necessary in some parts of our country. One of the fundamental problems with this legislation, however, is that in recognizing the areas in our education system that are failing and in need of assistance, it fails to recognize the successful things happening in education in some States. My state of Vermont leads the Nation with its innovative and effective policies for assessing student performance and cost the State far more than will hurt Vermont’s local schoolchildren.

Jeffords understands better than most the impact that this bill will have on our home State. During this debate, Senator Jeffords’ continued perseverance on the issue of increased Federal special education funding has been outstanding, and I commend his tireless advocacy on behalf of our Nation’s schoolchildren.

I regret I am not able to support this legislation today. And I regret that we will likely find ourselves in the Senate floor—sometimed once again—discussing education reform efforts. Next time, though, I believe we will be here to discuss how to fix the harm we have done in passing the legislation before us today.

Mr. SMITH of New Hampshire. I rise to say a few words about the Conference report to the Elementary and Secondary Education Act also known as the Better Education for Students and Teachers Act, H.R. 1.

First of all, I want to thank President Bush for his leadership on this important issue, which he has made a cornerstone of his domestic agenda. He is to be commended for this commitment to local control of education, and for ‘leaving no child behind.”

As a former civics and history teacher and school board chairman, I know that decisions regarding education are best executed at the local level, and that we should not run our public schools from Washington, DC.

Although the Senate’s education bill, S. 1, lacked several important reform provisions, I voted for the bill’s passage on June 14 of this year.

I supported the bill because I wanted to move the ball forward to improve our nation’s educational system. I supported the bill because I am tired of the status quo.

I am tired of failing schools, and smart kids who are trapped in them. I am tired of money that is directed to our classrooms being spent on bureaucracy. I am tired of the United States’ academic progress falling far behind that of other nations.

The reconciled education bill will make modest but necessary and much needed reforms with the goal of making lasting improvements for our nation’s schools.

Bill Bennett, the Secretary of Education under President Ronald Reagan and one of the most respected leaders in the education reform movement, said in a recent article that there are several basic ingredients to a quality education for America’s children. These ingredients are:

- First, strong leadership and excellent teachers;
- Second, principals and teachers sharing a common vision of the school’s academic mission with clearly defined goals which are adhered to;
- Third, a commitment to homework and testing;
- Fourth, teaching character education; and
- Fifth, a successful school hinges on parents being involved in the academic lives of the students.

I agree with Mr. Bennett completely. I want to first speak about funding for the Individuals with Disabilities Act, or IDEA as it is commonly called.

I have heard from a number of New Hampshire constituents who are concerned about the Federal Government’s commitment to funding our share of the costs associated with educating children with disabilities. IDEA does require substantial funding increases in this bill. I support fully funding the IDEA mandate, and I am also committed to making sure that localities have more flexibility and that true reforms, such as cost control, are enacted to IDEA.

I look forward to addressing IDEA next year when this bill is reauthorized by Congress. I hope to be able to offer amendments to reform and improve the important legislation at that time.

I am also proud to report that this bill reflects the principles of two out of three amendments that I passed during consideration of S. 1. The first amendment requires the Department of Education to initiate a study on sexual abuse in our nation’s schools. This is a very serious problem that, unfortunately, has received very little national attention, and I am glad that this amendment was included in the final bill.

The second amendment applies “Dollars to the Classroom” principles to all Federal formula grant programs, and directs 95 percent of this money to the local level.

Unfortunately, the vast majority of all federal education funds do not go to schools or school districts.

According to the Heritage Foundation, audits from around the country have found as little as 26 percent of school district funds are being spent on classroom expenditures. Classroom expenditures are defined as expenditures for teachers and materials.

Twenty six percent is unacceptable to me. Heritage also found that my home State of New Hampshire only receives 47 cents of the dollar of federal education money. What becomes of the remaining 53 cents?

Many of my colleagues believe that throwing more money at our education system will solve all of its problems. Respectfully I disagree, and let me briefly tell you why.

Over the last 36 years, the federal government has spent more than $130 billion to shrink the scholastic achievement gap between rich and poor students.

I am here to report that not much has improved.

Poor students lag behind their peers by 20 percent even though the scope of the Elementary and Secondary Education Act (ESSEA) has expanded.

In fact, the average fourth grader today who comes from a low-income family reads at two grade levels less than his or her peer in that same classroom.

One of the biggest reasons for this failure is that very little accountability exists for how all of this money is spent.

Greater accountability and flexibility, not more money, is the key to education reform.
I am also proud to report that the House/Senate agreement would provide all States and local school districts with the flexibility to shift Federal dollars earmarked for one specific purpose to other uses that more effectively address their needs and priorities.

States would now be allowed to make spending decisions with up to 50 percent of most of their non-title I administrative funds that they receive from the Federal Government. This would give every State the freedom to choose alternative uses for these funds within certain broad guidelines; for example, technology funds could now be used by the state to improve teacher quality. States can also use Federal funding to improve education for disadvantaged students.

In addition, every local school district will be able to transfer up to one-half of its non-title I funds at its discretion. I am also pleased to report that the proposal would allow 150 districts to apply for waivers from most Federal education rules and requirements associated with a variety of ESEA programs, as long as they obtain certain achievement levels for their lower-income students. Additionally, seven States will receive additional flexibility, making it possible for State and local education agencies to enter into State-local “flexibility partnerships” to coordinate their efforts and put Federal resources to their most effective use for students.

Although these provisions fall short of what was originally envisioned for the Straight A’s concept, I am pleased that we have a foundation on which to build regarding funding flexibility. It is my hope that these States and school districts will effectively demonstrate that less government heavy-handedness, with more local control and funds earmarked for one specific purpose, is on the local level is the key to improving schools in this nation.

The conference report also consolidates wasteful federal programs. The proposal would reduce the overall number of ESEA programs to 45, which is 10 fewer programs than in current law, and 34 fewer programs than in the Senate-passed legislation. The proposal would accomplish this by streamlining programs and targeting resources to existing programs that serve poor students.

Additionally, H.R. 1 would, for the first time, require States to begin using annual statewide assessments and insisting that states show that progress is being made toward narrowing the achievement gap. National testing and federally-administered exams would be prohibited: States would be able to design tests that are consistent with its current academic standards; not Washington, D.C.’s standards. States would need to ensure that student academic achievement results could be compared from year to year within the State, and federal funding will be provided to States so they can develop their annual assessments. I also believe that parents should have a choice in schooling options for their children. This can come in the form of tax credits, the option to change to another public school, or private school voucher. Under the agreement reached by the House and Senate, approximately a portion of title I funding would, for the first time ever, be used to allow parents to obtain supplemental services for their children. These services include tutoring, after-school services, and summer school programs.

I am pleased that private, church-related and religiously-affiliated providers would be eligible to provide supplemental services to disadvantaged students. For the first time ever, Federal title I funds would be permitted to flow to private, faith-based educational providers. Another component of H.R. 1 would provide the opportunity for a child trapped in a failing school to transfer to a better public school, including a charter school, with their transportation costs paid for. Although I would have preferred Federal funding being permitted to flow to private schools, I am glad that we obtained a good, first step toward the goal of greater accountability in our schools. H.R. 1 contains language to push States and local districts to take responsibility for ensuring teacher quality through testing and certification. It also protects teachers who are trying to maintain order in the classroom by shielding them from frivolous lawsuits. Finally, there are several provisions in the reconciled bill which will give rights to parents that were not available to them previously. Schools must now develop a policy to allow parents the right to inspect surveys given to their children as well as instructional material used for curriculum. For the first time, States are required to notify parents about surveys and medical exams and will have the right to opt their child out of them. In addition, parents have new rights to see the National Assessment of Educational Progress (NAEP) test, comment on it, and to receive a response to their concerns. Parents may also choose to opt their child out of the NAEP exam.

I am pleased with several aspects of H.R. 1 but, for the first time, require States to begin using annual statewide assessments and insisting that states show that progress is being made toward narrowing the achievement gap: provides flexibility to States and school districts; promotes accountability and teacher excellence; increases parental involvement; provides for a limited education choice component; and finally, this legislation returns decisions regarding education back to the local level, where they belong.

Our children are the future of this Nation. Now, more than ever, we need to guarantee that they will receive quality education, and that federal money will flow to where it is most effective. We need to support our kids and push them to excel. We need to equip teachers to effectively educate our children. And we need to empower parents to be more involved in the lives of their children. Although there are still aspects of the conference report that I wish were stronger, I am pleased that we are taking incremental steps to get the grades for our Nation’s schools.

Mrs. BOXER. Mr. President, when we first began the debate on the education reauthorization bill, I came to the floor calling for three simple things—reform, resources, and choices.

Over all, I believe this education bill makes a significant step toward achieving these three goals, and I want to highlight some of the bill’s important provisions.

The bill includes improved targeting of federal funds to the neediest communities and increases support for Limited English Proficient and migrant students.

It continues our federal commitment to increase public schools by reducing class sizes and overcrowding in order to provide safe and orderly places for learning. This will improve the performance of students and teachers in our public schools.

I am also a firm believer in school testing and accountability standards when properly structured, I am pleased that my colleagues were able to reach a compromise so that the federal government will pay its fair share of supporting the new standards in schools.

This bill also maintains the emergency school repair and construction program, and ensures that every classroom will be led by a qualified teacher.

But the provision of this bill of which I am most pleased is the Title V provision on afterschool programs. This Title includes the afterschool amendment that I offered with my colleague Senator Ensign.

It requires that States and local school districts use funds to provide academic- and non-academic-enriched services during the hours of 2 p.m. and 8 p.m., which the FBI reports are the times when children are most likely to be involved in crimes and other delinquent behavior.

This is why I strongly believe in the 21st Century Community Learning Centers program and am delighted that this authorization bill contains the first ever multi-year authorization for afterschool services.

Although my amendment would have provided a total of $4.5 billion in funding for fiscal year 2008, I am extremely pleased that this bill makes a significant step forward in achieving this goal by authorizing over $300 million in additional funds for fiscal year 2002 for a total of $1.2 billion. This bill then increases funding levels by $250 million each year for the next five years.

This will allow for a total of $2.5 billion in 2007 and will provide nearly four
Finally, I want to mention one thing this bill does not include that it should. The federal government needs to meet its commitment by contributing more for the all-average per pupil expenditure toward the funding of special education programs.

Providing full funding of the Individuals with Disabilities in Education Act would have helped alleviate some of the strain placed upon school districts to educate both regular and special education students.

While I regret that we were not able to include mandatory full funding for special education programs, I know that my colleagues and I will not rest until this finally becomes a reality.

Reform plus Resources equals Results. This is the ticket to a successful public school system. Just like any good recipe, we cannot reasonably expect to produce a successful public education system if we are not willing to put forth the necessary resources.

I believe that this Education Reauthorization bill symbolizes the willingness of all parties to put aside their differences and work toward the betterment of all American students.

Make no mistake, we still have a long way to go toward fully supporting our public education system, but I believe that this bill is a positive step forward in this goal.

Mr. ROCKEFELLER. Mr. President, I rise today to support the final conference report on the Elementary and Secondary Education Act, ESEA, and I commend Senator KENNEDY and all the conferees for their hours of negotiations to forge consensus on this vital legislation.

This package outlines our major Federal framework for education policy for the coming years. The bill requires new emphasis on achievement through annual national and school report cards, but it also calls for new investments to reach these higher education goals. We must have higher education standards. This bill creates new goals through the Adequate Yearly Progress, AYP, standards, which charts a 12-year strategy to achieve education goals, with meaningful measurement along the way, to ensure that all children, especially disadvantaged students, get help and make strides. Students in schools that are slow to succeed must be held accountable for the progress that they bring up the importance and the dangers of drugs and alcohol.

Our bill requires that all teachers be qualified in their subjects by the school year beginning in 2005. This will be a challenge in West Virginia and many States, especially in crucial subject areas like math and science. When I talk with business leaders in my State, they bring up the importance and the difficulties of finding teachers who are qualified, especially in math and science. Given the national shortage of teachers, this will be hard to achieve, but we simply must ensure that our teachers are qualified in their subjects if we hope to achieve the adequate yearly progress standards.

In the Senate, we voted to fulfill our Federal commitment to fully fund the IDEA program, which suggests that the Federal Government pay 40 percent of the costs of children with disabilities. However, while progress was made on better funding for IDEA, we did not reach the Senate goal of full mandatory funding, and this is a real disappointment to me.

We need accountability and high standards, but we also need investments to achieve those key goals. This legislation provides the framework for success. It will up to President Bush and the Congress together over the coming years to secure the investment needed to fill in this bold plan for education reform.

Mr. FEINGOLD, Mr. President, the Senate is about to vote on one of the most significant pieces of legislation that we have debated this year. The Elementary and Secondary Education Act has provided the framework for the Federal role in education for more than 35 years. The conference report currently before us, the “No Child Left Behind Act,” will chart the course for the Federal role in education for the next 6 years and beyond.

I strongly support maintaining local control over decisions affecting our children’s day-to-day classroom experiences. The Federal Government has an important role to play in supporting our States and school districts as they carry out one of their most important responsibilities, the education of our children.

Every child in this country has the right to a free public education. Every child. That is an awesome responsibility that we should have to not be shouldered by local communities alone. The States and the Federal Government are partners in this worthy goal, and ESEA is the document that outlines the Federal Government’s responsibilities to our Nation’s children, to those who educate them, and to our States and local school districts.

It is with this conference report that we must find the right balance between local control and Federal targeting and accountability guidelines for the Federal dollars that flow to local school districts throughout the United States.

I remain opposed to the new federally-mandated annual tests in grades 3-8. I am concerned that adding another layer of testing could discourage a generation of students who know how to take tests, but who don’t have the skills necessary to become successful adults. I am pleased that the conference committee retained a Senate provision to ensure that the tests that are used are of a high quality and that the conference included language to ensure that the test results are easy to understand and are useful for teachers and school districts to help improve student achievement.

I fear that this new annual testing requirement will disproportionately affect disadvantaged students. We should ensure that all students have an equal opportunity to succeed in school. I am pleased that this conference report authorizes a 20-percent increase in title I funding for fiscal year 2002 and that it authorizes additional increases for this crucial funding in each of the next 5 years, 2003-2007. I am also pleased that the conference report includes language to ensure that these dollars are targeted to students who need them the most. I will continue to work to ensure that Title I is fully funded.

I am pleased that the conference report includes language that the States will not have to implement or administer this new Federal testing mandate unless the Federal Government provides a specific amount of funding. While the true cost of this mandate is still unclear, it is clear that the Federal Government should provide adequate funding for this new requirement.

I regret that the House-Senate conference voted to strip a Senate provision that would have guaranteed full funding of the federal share of the Individuals with Disabilities Education Act, IDEA. This action, coupled with the new Federal testing mandate, could
push already stretched local education budgets to the breaking point. I will continue to work for fiscally responsible full funding of the Federal share of IDEA when the Senate considers re-authorization of that important law next year.

This debate gave Congress the opportunity to strengthen public education in America. Unfortunately, many of the provisions contained in the conference may undermine public education. The lines between public and private, between church and state, and between local control and Federal mandates. Because this conference does not provide the resources necessary to implement its goals, it will leave many children behind. For those reasons, I will vote against it.

Mr. THURMOND. Mr. President, I rise in support of the conference report to accompany H.R. 1, the No Child Left Behind Act of 2001. President Bush has provided the leadership for this landmark education reform bill. I also commend the conference members and Senate leadership on forging an agreement that revises and improves the role of the Federal Government in the education of our children.

The education of the children and youth of our Nation is a cause I have served for many years. In fact, my first job, upon graduation from Clemson, was as a teacher and coach. Later, I served as the County Superintendent of Education in Spartanburg, SC. There have been many changes over the years within the educational system of our Nation in structure, policy, technology and methods. However, there are principles which remain constant. The fundamentals of successful teaching, caring teachers, prepared students, and involved parents, have not changed. This conference report builds on those fundamentals.

This legislation reflects the principles set down by President Bush in his education reform proposal. While it does not include all that we might have wished, I believe that it will serve the students of the Nation well. The President asked us to link funding to scholastic achievement and accountability, expand parental options, maintain local control, and improve the flexibility of Federal educational programs. This conference report delivers on all of these reforms.

I am very pleased with the accountability provisions of this legislation. I believe the testing and reporting provisions are the most promising reforms. School performance reports and statewide results will give parents and educators much-needed information about their students’ progress. These provisions, along with the expanded school choice provisions, should provide our schools with sufficient incentives to make improvements.

The streamlining of Department of Education programs will allow local schools to focus on educating children rather than filing paperwork. As a former Governor, I am especially pleased that the legislation will also enhance local control by allowing local school boards more discretion in how they spend their education funds.

In addition, the legislation authorizes a number of specific programs which can respond to the needs of the people they serve. The President’s Early Reading First program will help boost reading readiness for children in high-poverty areas. The Troops-to-Teachers Program is an innovative way of recruiting experienced individuals into the classroom and helps our former Servicemembers with their transition to civilian life. Finally, I strongly supported an amendment, the "Boy Scouts of America Equal Access Act." This provision will ensure that our patriotic youth groups will be allowed access to public schools.

In South Carolina, while we are improving in our educational performance, we have a long way to go. This legislation, will greatly assist us in our goal to leave no South Carolina child behind. Again, I thank the President for his leadership on this issue. I am pleased to join in my support of this legislation, which will help improve the education of the youth and children of our great Nation.

Mr. VOINOVICH. Mr. President, if there is one thing that the Senate can agree on, it is the obligation we have to hold parents responsible for the future. Even as we recognize the importance of education, we must ask ourselves, if this government function is so important, how do we best meet this obligation?

This bill does not meet our children’s education needs in the best way possible. This bill throws money at problems that can ultimately only be resolved by more parental involvement, and it violates our Nation’s long-held tradition of federalism. Our Constitution is explicit; duties not expressly assigned to the Federal Government are assigned to the State and local level. By seeking to abolish the role that State and local governments, specifically locally elected school boards, have in our children’s education, I fear will put us on the slippery slope to the eventual federalization of all education in this country.

Despite its grave faults, the conference report to H.R. 1, the Better Education for Students and Teachers Act contains several provisions that I favor.

The bill contains a modest performance partnership provision that will help us build on the Education Flexibility Partnership Act that I worked to help pass in the 105th Congress that allows States to consolidate Federal education programs to meet local needs. H.R. 1 also expands local flexibility and control by block-granting funds, consolidating many programs, and including another amendment that I sponsored to allow local districts to spend title II funds, if they desire, on pupil services personnel.

On balance, however, these token allowances to local control are insufficient to outweigh the all out assault on local control represented by this bill. As a former Governor and mayor, I’ve seen how well State and local government is the responsibility of the people they serve. The Federal Government cannot and does not have a better understanding of how to serve the millions of students in local school districts across this great country. I therefore urge the House of Representatives to work with parents, educators and community leaders. Congress is not the national school board and any attempt by it to play that role will result in a Federal curriculum of one-size-fits-all programs that fail to prepare a nation of students for the challenges ahead.

Our forefathers specifically warned us against the urge to federalize in the 10th amendment:

> The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

Education is one such responsibility. Since our country’s creation, those at the local level have been responsible for educating our children. In fact, only in the past 35 years has the Federal Government even had much of a role in education policy, albeit a small one.

The reason for this is that the educational environments of our children greatly vary by region, just as the economies of our Nation’s regions greatly vary. Therefore, universal education solutions will always elude us.

As my colleagues know, the Federal Government currently provides approximately 7 percent of all money spent on education in America, while 93 percent is spent by local and State educators. Indeed, in spite of this limited expenditure of Federal funds, Congress is saying with this bill that the Federal Government has the right to dictate that every school district in America will test their students from grades 3 through 8.

This testing will occur regardless of how well students are performing in their particular school districts, and despite the fact that most of our states have mechanisms already in place that test students’ educational performances.

I can assure you that there are many teachers in Ohio who are going to be saying to me that we already have in place statewide standardized tests in Ohio, which were controversial enough when they were established, I speak from first-hand experience here. Yet these tests have been good means of improving the quality of programs in making and were, in fact, recently revised to be even more effective. Even these statewide tests have been criticized by local voices, however, for being too centralized and non-responsive. That is because the tradition of local control of education is zealously guarded in our Nation and will not be easily surrendered.
This bill also steps on State and local control in its provisions addressing failing schools. What this bill fails to appreciate is that many states, such as my home State of Ohio, are already addressing the needs of failing schools by increasing accountability, measuring student achievement, building the capacity of local schools and district leaders, and providing significant resource assistance to low-performing and at-risk schools.

Further, the Federal Government would tell school districts how to spend funds in a number of areas including: reading; teacher development; technology; and programs for students with limited English language skills, instead of providing States and local school districts with full flexibility to spend funds on their own identified priorities.

Many groups, from the American Association of School Administrators to the National Conference of State Legislatures are opposing passage of this conference report. This bill is large part because of its increase in the scope and influence of the Federal Government into education matters left best to our States and localities.

None of these provisions are, on their face, bad for education. What is troubling is the direction in which these measures lead us. Make no mistake, with this bill we take a giant leap forward toward federalizing our education system. We should not let Federal bureaucrats become the national school board. Besides violating a long-held principle regarding State and local control over schools, the bill's fatal flaw is that it increases authorized spending for education by more than 41 percent over last year's budget.

According to the Congressional Research Service, CRS, ESEA spending totaled $13 billion in fiscal year 2001. The total authorization level for this conference report for fiscal year 2002 is $26.3 billion. If this level of funding is appropriated, that is more than a 41 percent increase. However, according to CRS, 16 of the programs listed in this ESEA bill are listed at unspecified authorization levels, and, therefore, are not that $26.3 billion level. So the final cost to the taxpayer may well be higher.

When you consider that the House and Senate agreed to a budget resolution that included a modest increase in Federal spending over last year’s budget of approximately 5 percent, it’s obvious that if we are to fund ESEA with a 41 percent increase, many legitimate functions that are the true responsibilities of the Federal Government may not be met. Our situation has been exacerbated by a war and a recession.

The response to these concerns are, of course, “But Senator Voinovich, are you saying that our children do not deserve all that we can provide them?” My response to that shallow criticism is, in fact, “Yes, our children deserve all that we can provide them, such as a strong military, and adequate funding for transportation and health research, our nation’s workforce, unemployment insurance and all the myriad other worthy efforts in which the Federal Government engages.”

We pursue this bill and provide this unsustainable amount of funding authorized in which the Federal Government has no other obligations. In a perfect world, I would love to be able to provide this much money for education, but a perfect world isn’t governed by a budget resolution and a perfect world doesn’t come with other expensive priorities that must fit within a finite pool of dollars.

It is high-time for Congress to stand up and show that it has the courage to be fiscally responsible, to prioritize our spending on those responsibilities that are truly Federal in nature, and to make the tough choices. It is completely irresponsible to issue new debt and further burden our children in the name of preparing them for their futures, when two are irreconcilable and highlight one of the major faults of this bill.

While I realize that the conference report to H.R. 1 will pass and will likely be signed into law, I cannot in good conscience vote in favor of this legislation. It is a well-intentioned bill but it spends far too much money at a time when we can least afford it, and on priorities that are better left to our State and local governments.

Mr. COCHRAN, Mr. President, the No Child Left Behind Act provides the authorization for Federal assistance to States for the education of the children of our Nation.

I support this conference report, and I am pleased with the emphasis on flexibility it permits for State and local educators. I appreciate very much the courtesies shown to me during the consideration of this bill by the chairman, Mr. KENNEDY, and ranking member, Mr. GREGG, of the Health, Education, Labor and Pensions Committee. The conference report includes several programs which are of particular interest to me, and were the subject of an amendment I offered and was accepted by the Senate during our initial consideration of H.R. 1.

The National Writing Project is one such program. This provides teacher training in the effective teaching of writing at 164 sites located in 50 States, the District of Columbia and Puerto Rico. It has been a Federal program for 10 years, and is the only Federal assistance program aimed at writing.

Another area of interest is targeted to young children before they begin school, and helps ensure they are ready when they arrive at school. The public television program, Ready to Learn, was launched in 1994, and was initially authorized by legislation authored by the chairman and myself. The essence of Ready to Learn is a full day of non-violent, commercial-free, educational children’s television programming broadcast free of charge to every American household. This daily broadcast includes some of the most popular and entertaining programming available today such as Arthur, Clifford, and Reading Between the Lions.

Other programs that have proved to be of great assistance to local school districts do not provide grants for arts, civics, and foreign language education. These grants enable schools to provide enhanced, competitive education opportunities to students in all parts of the country.

I am especially pleased with the opportunities authorized in reading instruction and assessment. The bill provides incentives to schools to seek out programs with research based and proven methods as described by the National Reading Panel.

Also authorized is funding for the National Board of Teaching Standards, which is responsible for providing a voluntary assessment base for teachers in all disciplines. This is a very sought after resource for professional development as well as assessment. The teachers in my State, for example, are given financial incentive to seek the certification of the board. Teachers report that the process for the certification makes them better and happier teachers.

These are a few of the programs in which I’ve been personally involved throughout the consideration of the No Child Left Behind Act.

I am very hopeful that the new education authorizations and the reauthorization of effective education programs will bring better learning opportunities to all of America’s students.

Mr. NELSON OF Nebraska. Mr. President, I rise to announce my opposition to this conference report.

During my campaign for the Senate last year I promised the people of Nebraska that if George W. Bush occupied the White House, I would support him when I believed he was right, and oppose him when I thought he was wrong. In my first year in the Senate, I have worked with the Bush administration to negotiate a tax cut, craft a compromise on a Patient’s Bill of Rights, and, recently, negotiate an economic stimulus package. I have kept my promise to work with President Bush when he is right, and now I must keep my promise to oppose him when he is wrong.

As Governor of Nebraska, I repeatedly protested the Federal Government’s practice of imposing unfunded Federal mandates on the States, requiring the States to do something without providing adequate funding for them to do it.

The President’s plan will impose a massive unfunded mandate on Nebraska in the form of annual testing,
and it fails to provide relief from a previous mandate imposed by the Individuals with Disabilities Education Act. Because of these mandates, I do not believe that the President's plan will improve education in Nebraska and I am deeply concerned that it may likely cause greater financial harm.

The lack of IDEA funding is the bill's biggest failure, and my primary reason for opposing it. When Congress passed the Individuals with Disabilities Education Act in 1975, it promised to pay 40 percent of the cost of educating children with special needs. Since then, it has never contributed more than 15 percent of the funding for special education. With the States left to cover the shortfall, placing a greater strain on local property taxes.

When the Senate originally passed this bill in June, it included an amendment by Senators HARKIN and HAGEL to fully fund IDEA this year. But States are already spending in excess of $400 million over what they are entitled to pay their 40 percent share of the costs of special education. Unfortunately, the final version does not include the Harkin-Hagel plan, depriving the State of Nebraska, more than $300 million over the next five years. The failure to fulfill the IDEA mandate will cause States to dramatically cut education spending, or significantly increase property taxes. As a former Governor who has had to deal with the challenges of balancing State budgets, I cannot support a plan that leaves States to account for these increases.

This will be a difficult vote for me. The President and most of my colleagues, both Democrat and Republican, support this legislation. I know that my colleagues have worked very hard to reach this agreement and I appreciate their hard work. There are some victories to celebrate. The bill provides a significant increase in overall funding, better targeting of title I resources, greater flexibility, some additional funds, and help in mentoring the teachers that I worked on with Congressman OSBORNE.

But on balance, I do not believe that these ultimately outweigh the financial problems that the plan will create for States and the State budget, and accordingly, I must vote no on this bill.

Mr. LEVIN. Mr. President, I support, with some reservations, the Elementary and Secondary Education Act Reauthorization conference report, which the Senate is about to overwhelmingly adopt. While I support this legislation as a whole, I continue to have some concerns about testing provisions which it contains, and I believe that the Congress must monitor the impact of these provisions on students.

I also regret that the Senate provision requiring Congress to fully fund the 40 percent of special education costs, was not retained in the conference report. Keeping this commitment intact is critical and we must address this issue next year during reauthorization of the Individuals with Disabilities Education Act, IDEA.

Since 1985, the Elementary and Secondary Education Act has sought to help our K thru 12 students learn in an appropriate learning environment as well as assist school communities in meeting new and growing challenges. The work that we have concluded today seeks to help all students make progress toward reaching their full potential. It sets high standards for all children and provides flexible Federal support that focuses on initiatives that we know are effective, such as: smaller classes, high quality teachers, after-school programs, technology and technology training for teachers, targeting resources to title I for educationally disadvantaged students, support for students with limited English proficiency, an expanded reading program, After-School Programs, and guarantees of a quality education for homeless kids. Therefore, on balance, I believe this is a good bill, not just because of what it does, but because of what it does not do. We successfully defeated vouchers, block grants, the repeal of After-School programs and the repeal of funding for emergency school repair and construction.

I am especially pleased that this compromise reform legislation provides some needed support to low performing schools. Struggling schools will be identified for extra help so that school improvement funds can be targeted where they are most needed. Students would have the option of attending other schools, including public charter schools. The legislation authorizes $500 million in direct grants to local school districts to help improve low-performing schools most in need of assistance. It sets a 12-year goal for States and schools to close the achievement gaps between rich and poor, and minority and non-minority students. The bill also ensures that parents will have better information about their local schools through annual report cards and strong parent involvement.

The Reading First provisions of the legislation authorize an important new initiative that provides nearly $1 billion to States and local school districts to improve reading education, and help teachers get ready to ensure that all children become proficient readers. I am pleased that an amendment I offered, to permit funds under this program to be used for family literacy programs, was retained. The conference report also retained two additional amendments that I offered to ensure that teachers are trained to effectively use technology in the classroom to improve teaching and learning.

Though not all that I had hoped for, this bipartisan legislation contains reforms that seeks to provide all of our students with a much greater opportunity to learn and to succeed. CAMPBELL. Mr. President, today the Senate will vote to pass comprehensive education reform legislation in the form of the Elementary and Secondary Education Reauthorization Act of 2001. This important legislation contains the Native American Education Improvement Act of 2001 which I was proud to have introduced in January 2000, along with Senator INOUYE, to improve the education of Native American youth across the country. My legislation focuses on Native American education by targeting funds to the Bush administration and the conference for working with the Indian Affairs Committee to work on the Indian portion of this legislation to benefit the schools in Indian country and the education of Native children.

In 1965, Congress passed The Elementary and Secondary Education Act, ESEA, which is broad-sweeping legislation that provides funding for various educational programs in an effort to assist underprivileged students and school districts. While the original focus of ESEA was to be a supplemental source for needy public schools,
the ESSEA now provides funds to and affects virtually every public school in the nation.

As a former teacher and one who knows all-too-well the problems faced by Indian youngsters, I strongly believe that education holds the key to individual development and the promotion of native communities, and real self determination.

I believe that the Native American Education Improvement Act of 2001 is legislation that improves the conditions of operations of Bureau and tribally-operated schools.

This act represents more than 2 years' worth of committee hearings to develop a comprehensive set of reforms that address all areas of BIA and tribally-operated schools in issues that include accreditation, accountability, the recruitment of Indian teachers, and the construction of Indian schools.

I note that this legislation contains an innovative specification requiring accreditation after enactment of this act, Bureau funded schools must be accredited in the process of obtaining accreditation by one of the following: an approved tribal accrediting body; or a regional accreditation agency; or in accordance with State accreditation standards.

The act also requires a report to be completed by the Secretary of Education and Secretary of Interior in consultation with tribes and Indian education organizations leading to the establishment of a “National Tribal Accrediting Agency.”

Quality assurance mechanisms are included in this act regarding the failure of a school to achieve or maintain accreditation and any underlying staffing, curriculum, or other programmatic problems in the school that contributed to the lack of or loss of accreditation.

Indian kids around the country need a solid education that will give them the tools they need to excel in today's competitive world. With the passage of this act the Senate declares that it will no longer tolerate schools that fail, year after year, with no consequences to the schools but plenty of consequences for the children.

Mr. MCCAIN. Mr. President, one of the most important issues facing our Nation continues to be the education of our children. Providing a solid, quality education for each and every child is critical not only to the prosperity of our Nation in the years ahead, but also to ensuring that all our children reach their full potential.

Whether we work in the private sector or in government, we all have an obligation to develop and implement initiatives that strengthen the quality of education we offer our children. It is essential that we provide our children with the essential academic tools they need to succeed professionally, economically, and personally.

Unfortunately, we can no longer take for granted that our children are learning to master even the most basic skill of reading. A recent survey reported that less than one-third of fourth-graders in America are "proficient readers." In fact, 40 million Americans cannot fill out a job application or read a menu in a restaurant much less a computer menu. In this high-tech information age, these Americans will be lost and that is unacceptable.

In addition, American children lack basic knowledge of their Nation's cultural and historical traditions. For example, a recent report indicated that half of American high school seniors did not know when Lincoln was President; did not know the significance of "Brown v. Board of Education"; and had no understanding of the aims of American foreign policy, either before or after World War II.

Since the tragic events of September 11, the American people, especially our young citizens, have demonstrated through their courage and generosity that they are prepared to meet the challenges of our time. But if we are to do so, we must help them in their quest for knowledge and instruction.

We must work to ensure that our students do not continue down the path of cultural illiteracy and educational neglect. Can we afford this? Well, one major step in the right direction is to take away power from education bureaucrats and return it to those on the front lines of education—the local schools, the local teachers and the local parents.

Fortunately, the education authorization bill before the Senate today is a step in that direction. This bill provides support and guidance to our State and local communities to strengthen our schools, while also giving much needed flexibility for every State related to the use of Federal education dollars. This education bill contains many initiatives that will help ensure that more Federal education dollars reach our classrooms rather than being siphoned off by bureaucrats.

This bill also strives to improve the quality of our Nation's teaching force by allocating $3 billion for recruiting and training good teachers. We must ensure that our teachers are continually improving their skills and retain their desire to teach. We also need to ensure that we recruit the brightest and enthusiastic students into the teaching profession.

This measure helps make schools more accommodating and friendly for parents. In addition, it works to ensure that parents are better informed about the public education system by providing pertinent information regarding their child's school. Annual report cards pertaining to each school's specific performance, along with statewide performance results, will be available for public view.

One of the most important factors in our children's success in school is parental involvement. Parents are our first teachers. Our first classroom is the home, where we learn the value of hard work, respect, and the difference between right and wrong. As I have said before, the home is the most important Department of Education.

Parental involvement is the best guarantee that a child will succeed in school. When I think of the many reforms taking place across the country—namely school vouchers and charter schools—that are wisely built on this premise: Let parents decide where their children's educational needs will best be met.

This is what school choice is all about.

School choice stimulates improvement and creates expanded opportunities for our children to get a quality education. Our public school system has many good schools, but there are many schools that are broken. Instead of serving as a gateway to advancement, these schools have become dead-end places of despair and low achievement. In urban settings, the subject of educational equity for African-American and Hispanic students is at the same level as 13-year-old-white students. This is an unacceptable and embarrassing failure on the part of our public schools.

Exciting things are happening in Milwaukee and Cleveland, where school voucher programs have been put in place. There, minority school children are being given a chance to succeed. The early signs are good: test scores and performance are up.

We need more such experiments, and I am gravely disappointed that this authorization bill failed to contain such a provision. Repeatedly, I have proposed legislation for a 3-year Nationwide test of the voucher program. It would be funded not by draining money away from the public schools but by eliminating Federal pork barrel spending and corporate tax loopholes.

This is an important component that was left out of this measure. I will continue working with my colleagues on both sides of the aisle to provide parents and our students with choices to ensure that our children, no matter what their family's income, have access to the best possible education for their unique academic needs.

Finally, I am very disappointed that the conferees eliminated an important provision adopted during the Senate debate that would have ensured that our Federal government finally fulfill its obligation to fund 40 percent of the cost for meeting the special educational needs of our nation's children through the Individuals with Disabilities Act.

My dear friend and colleague, Senator HAGEL, fought valiantly for this provision but unfortunately it was watered down. This is unacceptable. Congress needs to follow the laws it makes and provide full funding for the Federal portion of IDEA. We ask our schools to educate children with disabilities, but we don't give them enough money for the expensive evaluations, equipment and services needed to do that. There
are 6 million children that receive special education funding, so let’s fully support their academic needs.

James Madison once wrote that without an educated electorate, the American experiment would become “a farce or a tragedy, or perhaps both.” Let us stop our performance in our schools. Let us return the control of education to our local communities. Let us renew our trust in our parents and teachers and do what is best for our children.

That is why I am supporting this measure today. While it could be strengthened, the bill does make needed strides to improve our Nation’s schools.

Mr. ENZI. Mr. President, I rise today to put my full support behind the conference report for H.R. 1, the No Child Left Behind Act.

It has been a true honor to serve on the conference committee for this important legislation, especially as a freshman Member of the Senate. I would first thank the leaders of the conference for their hard work and determination to complete this legislation for the President’s signature this year. Senators KENNEDY and GREGG worked with great determination on this legislation without partisan rancor, and Chairman BOEHNER and Representative MILLER showed the same determination and steadfastness.

I am pleased that Congress has finally completed action on one of President Bush’s top domestic priorities this year. President Bush and Secretary Paige deserve commendation for their commitment not only to this legislation, but also to the education of our Nation’s children. Never before has a President shown such commitment to the issue of education.

In March I addressed this body for the first time as a U.S. Senator on the topic of education. Little did I know the opportunity I would be given to be a member of the conference committee to reauthorize of the Elementary and Secondary Education Act.

At that time I stated the following: Our public schools are failing our children. And unless we address this problem now—today—we will bear the consequences for a generation or more. Let’s not forget: today’s students are tomorrow’s leaders—in business, technology, engineering, government and every other field. If even the brightest of our young people can’t compete in the classroom, how can they compete with their colleagues abroad in math and science, how will they be able to compete with them as adults in the world of business? How can we expect them to develop into the innovators America needs to maintain—and, yes, expand—her dominant role in the global marketplace?

We need to make sure every single student in America graduates with the basic skills in communications, information technology, and that which are necessary to excel in the New Economy. As a nation, we simply cannot afford to accept the status quo.

With the passage of this legislation I believe that our schools will improve. And if they fail, there will be consequences. This legislation states loud and clear that the status quo is not acceptable. Students will have the opportunities to be tomorrow’s leaders by having access to technology and other advanced programs that are needed for continued excellence. Our disadvantaged children will be given the assistance necessary to succeed in the global marketplace of the future.

In that same speech I mentioned that my home State of Nevada faces many obstacles to obtaining title I funds for our eligible children. Title I dollars are the largest source of assistance that states receive from the Federal Government.

The No Child Left Behind Act will be particularly beneficial to title I eligible students in my home State of Nevada by recognizing that families move around and children are often unaccounted for when Federal funds are dispersed from the Federal Government to States. The State of Nevada has had a hard time the past few years and, hence, when the most recent and accurate “kid counts” were not available.

It is our responsibility to ensure that title I dollars are properly and fairly sent to each State. My population update provision, that is an important part of this legislation, will ensure that this happens every year. As a member of the conference committee, I worked hard to ensure that this provision I offered as an amendment during the Senate’s consideration of this legislation was included in the final bill. This amendment requires the Department of Commerce and the Department of Education to produce annually updated data on the number of title I eligible children in each state so that title I dollars can be accurately allocated to the States.

The annual population update provision in this legislation states:

The Secretary shall use annually updated data to determine the number of public school children under section 1124, on the number of children, aged 5 to 17, inclusive, from families below the poverty level for counties or local educational agencies published by the Department of Commerce.

To further clarify this language, the following statement is included in the conference report that accompanies this legislation:

The Conference strongly urges the Department of Education and the Department of Commerce to work collaboratively to produce annually updated data on the number of public school children under section 1124, on the number of children, aged 5 to 17, inclusive, from families below the poverty level for counties or local educational agencies published by the Department of Commerce. . . .

To assist in improving student’s test scores. However, the burden ultimately lies with each school to show improvement year to year. The Federal Government cannot simply stand by and watch some of our Nation’s public schools fail to educate our children. Their futures are simply too important to waste.

Parents, teachers, and administrators will also benefit from the passage of this landmark legislation. Parents will be provided with annual report cards on the performance of the school their child attends. If the school is failing, parents will be given a choice of where to send their child to school, including charter schools. If a school is categorically or permanently failing, a parent will be given federal funds for supplemental services for their child. This includes private tutoring services by any entity of the parent’s choice.

Parents, teachers, and administrators will also benefit from the passage of this landmark legislation. Parents will be provided with annual report cards on the performance of the school their child attends. If the school is failing, parents will be given a choice of where to send their child to school, including charter schools. If a school is categorically or permanently failing, a parent will be given federal funds for supplemental services for their child.
the bill in any number of ways that they believe will most benefit their teachers. Professional development should be held in higher esteem than it has in the past. For the first time, teachers will be able to enjoy comprehensive professional development opportunities that will truly enrich their knowledge and further improve their teaching skills.

Teachers will also be given legal protections from frivolous lawsuits—a provision I have championed with several of my colleagues from the very beginning. A teacher can no longer be sued for something that he or she may do in the normal course of his or her daily duties. It is time that students and parents realize the real day-to-day responsibilities that teachers have and respect them to use their best judgment to properly remedy classroom mishaps.

Above all else, the real winners in this legislation are the students themselves. Specifically providing the most needy students with the support they need to get an appropriate education. We are providing their teachers with the tools they need to teach these students. We are providing their administrators with the training they need to be the most effective leaders they can be for these students. We are providing them with access to technology, arts and music, and many other important educational opportunities. Common sense tells us that these federal dollars will be well spent providing the most effective education system as well-rounded students prepared for the challenges of the global economy.

I am pleased with the final product that this conference committee has produced. I can truly say that the education system in this country is receiving a much-deserved and much-needed facelift because of this legislation. Nevadans should also applaud this legislation. Federal dollars will finally flow into the State at the rate they should and will be utilized in ways that will most benefit the greatest number of needy students.

The education of our children is one of the most important issues that will come before Congress. I believe that Congress has accepted this responsibility wholeheartedly with the passage of this legislation. This legislation ensures that current and future generations receive the education they deserve to succeed in this great country. I urge my colleagues to support this conference report.

Mr. CORZINE. Mr. President, I am pleased to support the conference report on the reauthorization of the Elementary and Secondary Education Act, ESEA, which expanded and improved the Federal Government’s commitment to education.

In my view, there is no more important issue before the Congress than education. As our economy becomes increasingly global and based on high technology, its future is increasingly dependent on the quality of our workforce. The better our educational system is, the stronger our economy and our Nation will be. That’s why, as a nation, we should make education our top priority.

Some have suggested that local school boards should be left alone to solve their own problems. But I disagree. In general, I do support local control of education. But local control doesn’t mean much if you don’t have adequate resources within your control. And it’s not enough to leave the problem to States, which can pit urban areas against suburban communities, a fight with no winners.

No, if we are serious about education, we need to make it a national priority. And we need to ensure that our National Government plays an active and aggressive role.

I am pleased that the conference report on the reauthorization of the Elementary and Secondary Education Act, the Better Education for Students and Teachers Act, takes a significant step to overcome inadequate resources for education. I want to commend Chairman KENNEDY and Ranking Member GREGG for their tireless work in developing this legislation.

This legislation requires States to set high standards for every student and strengthens Federal incentives to boost low-performing schools and significantly improve education achievement. It has strong accountability measures that I hope will help narrow the educational achievement gaps that threaten every child’s access to the American dream. And, it better targets funding to schools serving the neediest students, to make sure that they have the resources to hire and train well-qualified teachers, pay for additional instruction, and increase access to after-school and school safety programs.

In particular, I want to note that the final conference report contains a provision I fought to promote financial literacy. Unfortunately, when it comes to personal finances, young Americans unfortunately do not have the skills they need. Too few understand the details of managing a checking account, using a credit card, saving for retirement, or paying their taxes. It’s a serious problem and it’s time for our education system to address it more effectively.

We need to teach all our children the skills they need, including the fundamentals of earning, saving, spending, saving and investing, so they can manage their own money and succeed in our society.

I am not alone in advocating the importance of financial literacy. Federal Reserve Chairman Alan Greenspan recently said that: “Improving basic financial education at the elementary and secondary school levels is essential to providing a foundation for financial literacy that can help prevent younger people from making poor financial decisions.”

The amendment I authored, along with Senators ENZI, AKAKA and HAR-
Thanks to the incredible teachers and support staff, Kevin is making wonderful progress. This, of course, would not be possible without the funding provided by the school district.

This woman then went on to note that, unfortunately, special education costs have increased by 14 percent, 26 percent, and 11 percent over the last 3 years, while revenues have only increased by 3 percent annually. The result has been that the school district has had to use funds intended for regular programs, funding special education costs.

Another parent, whose son has Down syndrome said, “It makes me very concerned when administrators are phrasing things in a way that makes it sound like special education is denying the other kids. It’s not special education that’s denying them. It’s the funding mechanism that’s doing it.”

Like many of my colleagues, I had hoped that we would fulfill our commitments, that the Federal share of 40 percent of the average cost per pupil that we envisioned when IDEA first passed the Congress. Unfortunately, the conference committee rejected full funding of IDEA. I was very disappointed that we missed this opportunity to ease the burden on local communities, but remain committed to working to increase the Federal share of IDEA spending in next year’s reauthorization.

With this education reform bill we are taking significant strides to enhance our educational system and provide every child with the opportunity they deserve to achieve their full potential. I am pleased to support the conference report.

Mr. BURNS. Mr. President, today I join my Senate colleagues in support of the conference agreement to the Elementary and Secondary Education Act, ESERA. I worked closely with Senators GANZ, and KENNEDY for all of the long hours I know they put into this legislation, and all of the conferences for that matter.

Now, do I agree with all of the provisions in this bill? No. Does this bill contain everything? No. But I do think it is heading in the right direction, and I do look forward to working with members on many provisions contained within this bill and those not within this bill. This legislation is certainly not perfect, and I bet that much of what it contains will be revisited.

There is nothing more important than making sure our kids have the educational tools they need to get ahead in today’s competitive world. That means making sure our schools are top notch, making sure students have access to technology and up-to-date learning materials, and our teachers are equipped with the skills and tools they need to be their best.

I believe that for the most part, the conference has done a good job coming up with a plan that will enable our children to compete in tomorrow’s economy. Companies moving to a new State place a high priority on a quality education system and access to trained workers. Montana’s schools are among the best in the Nation. However, there is more that needs to be done and areas where additional improvements need to be made, such as in reading and math. In order to ensure a quality education and future for young Montanans, we must focus on critical areas.

I am pleased to see that conferences recognize the importance of rural areas and small America often require additional assistance in implementing high technology programs and other advanced curriculum. So many schools in small rural towns are isolated and technology can offer rural students opportunities that they otherwise would not have. Ensuring that students in rural areas are as technologically literate as students in more urban areas is vital. I believe the conferees have shown their commitment to improve achievement in rural areas and have made sure that rural kids will have the tools they need to participate in the complex economy of the 21st century.

Montana has done a lot in the area of distance learning. There is a capability on the children to have a good learning environment. All the funding, technology and books to help our children if they do not have a good environment in which to learn.

We must ensure that Montana parents and teachers reject control over education decisions, that Federal funds are targeted toward Montana’s needs, and that Federal rules don’t interfere with our ability to teach our children. States must be able to free themselves from Federal red tape and have the opportunity to use this flexibility to best serve their students. It is also important that, whenever possible, decisions about the education of our children should be made at the local level. Montana parents and educators know best what works for Montana kids, and I am glad to see that this conference agreement allows for that.

At the same time, we cannot ignore the fact that the Federal Government makes important investments in our children, such as educating students who live on Federal property. The conference committee has ensured these programs retain high quality and provide for not only the basic elementary and secondary educational needs, but culturally related academic needs as well.

I think the conference, while not perfect, does lay some groundwork and provides an important partnership between Federal, State, and local efforts to educate children and includes riding some Federal mandates that burden local educators. Rules that make sense in New York are often restrictive and expensive in Havre, MT. I’m glad to see that our local schools will have the flexibility they need to better educate Montana’s children.

I must say that I have some concerns over the assessment requirements contained in this bill and the funding of these assessments. In a State like Montana, where money is often hard to come by, we have a difficult time funding the few tests currently required. The Federal Government must allocate funds toward these new testing requirements, States cannot be left with an unfunded mandate.

Congress has correctly asked schools to teach our disabled children. Unfortunately, only 10 percent of the funding for such activities has come from the Federal Government. That means local school districts, always forced to squeeze shrinking tax dollars, are often times asked to pay thousands of dollars to comply with inflexible Federal rules that many times disregard small rural school districts. I am pleased that we will fulfill our promise to fully fund IDEA. While we still have a long way to go, I do believe we have made great strides, and we are heading in the right direction, toward full funding. Full funding of IDEA has been extremely important to me, and I will continue my work with educators and school boards to make sure that we fund a larger percentage of the costs of this program. I have great confidence that the Senate will also continue working to this end.

States and locals must have the funds to develop high-quality professional development programs, address teacher shortages, and provide incentives to retain quality teachers. Some of the most important provisions in this legislation benefit teachers. Teachers are our greatest educational resources and have such a great impact on a child’s life. I am glad to see that this legislation goes a long way to ensure technology and training opportunities for our teachers.

As Congress continues to consider various education programs, I will be actively involved to make sure Montana’s needs are addressed. I will fight against a “one-size-fits-all” approach that in my opinion, tends to do more harm to a quality education than good, and will fight to ensure that significant investment is provided to all children and their teachers.

Mrs. LINCOLN. Mr. President, I come to the floor today to express my support for the education reform package that is now before the Senate. After debating this issue for almost three years, I am pleased we have reached a breaking point a bipartisan package that puts our children’s future ahead of the partisan bickering that has diverted our energy and attention for too
long. In my opinion, the proposal before the Senate represents an important step in the right direction by recognizing the right of every child to receive a high quality education.

Before I describe why I think this proposal is important for our nation’s future and my home State of Arkansas, I want to look back for a moment on how we arrived at where we are today.

I doubt many of my colleagues remember the full debate in the Senate on May 9, 2000. I remember that date very well because that’s the day I joined 9 of my Senate New Democratic colleagues in offering a bold ESEA education reform plan known as the Three R’s bill.

Prior to introducing our amendment, we had spent months drafting our bill and were very proud of the finished product. That day we arranged to come to the floor as a group to talk about why we felt our innovative approach combined the best ideas of both parties in a way that would allow both Democrats and Republicans to move beyond the partisan stalemate that had stalled progress for so long.

Needless to say, we were disappointed when our amendment attracted only 13 votes. Normally, I might hesitate to remind my colleagues and constituents of a vote like that. But I felt as strongly then as I do today that the proposal we crafted provided an opportunity to improve our system of public education by refocusing our attention on academic progress instead of on bureaucracy and process.

Funding reform is one thing we believe that by combining the concepts of increased funding, targeting, local autonomy and meaningful accountability. States and local school districts will have the tools they need to raise academic achievement and deliver on the promise of equal opportunity for every child.

So as I have listened to many of the comments delivered on the floor today, I can not help but reflect back on May 9 of last year when I joined Senator Lieberman, Senator Bayh and other Senate New Democrats on the Senate floor to unveil these fundamental principles. I am gratified that many of the priorities we spoke of that day have been incorporated into the final agreement we will hopefully adopt later today.

That having been said, I know many of my colleagues played a critical role in facilitating that outcome. I especially want to express my appreciation to Senator Kennedy and Senator Gregg for their tireless efforts on behalf of our nation’s school children. As someone who has followed the program for over the current federal framework, I am very disappointed that we are once again denying the promise we made to our constituents in 1975 to pay 40 percent of the costs of serving students under IDEA.

In my opinion, our failure to live up to this promise undermines to some extent the very reforms we seek to advance. While Congress and the Administration continue to ignore the commitment we made 26 years ago, school districts are forced to direct more and more resources away from classroom instruction to pay the Federal share of the bill. I will continue to work in the Senate to reverse this record of inaction which is profoundly unfair to school districts, teachers, and the students they serve.

I want to close, by thanking all of my colleagues who spent many weeks and months negotiating this agreement. Even though that bill would not be possible. I also want to say a special word of thanks to Senators Lieberman and Bayh who demonstrated real leadership by talking about many of the reforms we are about to ratify before those ideas were very popular. They deserve a lot of credit for the final agreement they helped draft and I was honored to join them in crafting the original Three R’s proposals that is clearly right in the current circumstances.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. Gregg, Mr. President, I also thank Senator Kennedy for getting a good target formula in this bill.

One of the reasons Senator from Maine whose fingerprints are all over this bill—especially in the area of Rural-Flex and Ed-Flex, which she basically designed, and the reading programs. She has put a significant amount of time and effort into this bill, and it paid off royally.

The PRESIDING OFFICER. The Senator from Maine.

Ms. Collins, Mr. President, let me begin by saluting the outstanding leadership of Senator Kennedy and Senator Gregg. It is due to their tireless efforts, their commitment to a quality education, and their persistence and hard work that we can celebrate today the passage of landmark education reform legislation. It has been a great pleasure to work with them, with Secretary of Education Paige, and with the President to reach this day.

Unfortunately, I fell compelled to mention one aspect of this legislation that damps my excitement for its passage. Even though I believe the bill on balance represents a major improvement over the current federal framework, I am very disappointed that we are once again denying the promise we made to our constituents in 1975 to provide 40 percent of the costs of serving students under IDEA.

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Rural Education Achievement Program

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The No Child Left Behind Act includes many innovative and promising reforms. Among the improvements is the Rural Education Achievement Program which I authored. The program would benefit school districts with fewer than 600 students in rural communities. Maine has 284 school districts with fewer than 600 students. In Maine, the percentage is even higher: 56 percent of our 284 school districts have fewer than 600 students.

Rural school districts encounter two specific problems with the current system of Federal funding.

The first is that formula grants often do not reach small, rural schools in amounts sufficient to achieve the goals of the programs. These grants are based on school district enrollment, and, therefore, smaller districts often do not receive enough funding from any single grant to carry out a meaningful activity. One Maine district, for example, to comply with a requirement, needed $200 to fund a district-wide Safe and Drug-Free School program. This amount is certainly not sufficient to achieve the goal of that Federal program, yet the school district could not use the funds for any other purposes.

Second, rural schools are often shut out of the competitive grant process because they lack the administrative staff and the grant writers that large school districts have to apply for competitive Federal grants. They are not able to use the Federal Government to their advantage.

Therefore, our legislation will allow rural districts to combine the funds from four categorical grant programs and use them to address that school district’s highest priorities.

In one school district, that might mean hiring a reading specialist or a math teacher. In another, the priority might be upgrading the science lab or increasing professional development or buying a new computer for the library. Whatever the need of that district, the money could be combined for that purpose.

Let me give you a specific example of what these two initiatives would mean for one Maine school district in northern Maine. The Frenchville and St. Agatha school system, which serves 316 students, received four separate formula grants ranging from $1,705 for Safe and Drug-Free Schools to $10,045 under the Class Size Reduction Act. How do you fight drug use with $1,705? And how do you reduce class sizes with $10,000? The grants are so small they are not really useful in accomplishing the goals of the program. The total for all four programs is just over $16,000.

Yet each requires separate reporting and compliance standards, and each is used for a different—federally mandated—purpose.

Superintendent Jerry White told me that he needs to submit eight separate reports, for four programs, to receive the $16,000. Under our bill, his school district would be freed from the multiple applications and reports; paperwork and bureaucracy would be reduced, and the school would be able to make better use of its Federal funding.

Our second goal is that small rural districts is to avoid lack of administrative capacity. In some cases, the superintendent acts as the sole administrator. With such minimal administrative resources, the school district has no ability to hire a competitively trained grant writer. Here in Washington, we are surrounded by large urban school districts, each with more than 100,000 students and often having a central administrative office with specialized staff and professional grant writers.

How can rural districts with a single administrator be expected to compete for the same grant opportunities?

To compensate for the inequity, our legislation provides supplemental funding. In the case of the Frenchville district, an additional $34,000. Combined with the $16,000 already provided, the Rural Education Achievement Program would make sure the District had $50,000 and the flexibility to use these funds in the programs they need. That $50,000 can make a real difference in the education of school children in northern Maine. The district could hire a math teacher or a reading specialist, whatever it needed. The district could support professional development efforts, or engage in any other local reforms.

With this tremendous flexibility and additional funding comes responsibility and accountability. In return for the advantages our bill provides, participating districts would be held accountable for demonstrating improved student performance over a 3-year period.

The focus of the No Child Left Behind Act is accountability, and rural schools in all 50 States, as well as the special education system, the chances of his or her leaving special education are less than 5 percent. So this is a program that is going to improve the quality of life for these children, help them to become successful, and, in many cases, will avoid the need for special education and all the costs involved in providing that kind of education. These are truly investments that make sense.

Other than involved parents, a good teacher with proper literacy training is the single most important prerequisite to a student’s reading success. We also know that reading is the gateway to learning other subjects and to future academic achievement. That is why it is so important that this bill make such a national commitment to reading programs.

Reading First is a comprehensive approach to promoting literacy in reading in all 50 States. It will support the efforts of States, such as Maine, that have already made great strides under the Reading Excellence Act in promoting literacy. Indeed, I am very proud of the work the State of Maine has done. Our fourth graders lead the nation after year in reading and other subjects.

President Bush deserves enormous credit for placing reading at the top of our education agenda. The First Lady, Laura Bush, has also repeatedly highlighted the importance of reading. If a child’s reading difficulty is detected early, and he or she receives help in kindergarten or the first grade, that child has a 90 to 95 percent chance of becoming a good reader. These early intervention programs work. They are a wonderful investment.

By contrast, if intervention does not occur during the period between kindergarten and third grade, the “window of literacy” closes and the chances of that child ever becoming a good reader plummet. Moreover, if a child with disabilities becomes part of the special education system, the chances of his or her leaving special education are less than 5 percent. So this is a program that is going to improve the quality of life for these children, help them to become successful, and, in many cases, will avoid the need for special education and all the costs involved in providing that kind of education. These are truly investments that make sense.

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With the improvements in rural education, and the emphasis in this bill on reading, flexibility, and accountability, as well as a host of other reforms, I am delighted to support this reauthorization of ESEA and to see our hard work and efforts over the past year come to fruition.

I am convinced this legislation is going to make a real difference for the children of our country.

The PRESIDING OFFICER. Who yields time to the Senator from Washington.

Mr. KENNEDY. Mr. President, it is a pleasure to yield 3 minutes to our friend and colleague, the only Member of this body who has been both a teacher and a school board member and has led the country, really, understanding that smaller class sizes give the best opportunity for children to learn. She has been an invaluable member of our Education Committee and our Human Services Committee.

I yield 3 minutes to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I thank my colleague from Massachusetts. I thank Senator KENNEHY, and all of the Senate members of the hundreds and hundreds of hours they have put into making this bill a success.

So, again, I thank Senator KENNEHY and Mr. GREGG, and many others including Bethany Little, for the tremendous amount of work they have done to get us to this point.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. GREGG. Mr. President, I now yield 5 minutes to the Senator from Arkansas, who has been a key player on this bill in a variety of different areas. He worked very hard on the flexibility issues, the bilingual issues, the merit pay issues, and teacher tenure.

First, I believe we have to invest in what we know works.

Second, we have to protect disadvantaged students and make sure they get the extra help they need.

Third, we have to make sure taxpayer dollars stay in public schools.

Fourth, we have to help our students meet national education goals.

And finally, we have to set high standards and provide the resources so all students can meet them.

On balance, I believe this bill meets all of my principles.

This is a bipartisan win for our students. I am proud that as we moved forward we left behind some of the most troubling proposals: from vouchers to Straight A’s. This bill requires high standards for all children and provides supplemental support that focuses on the things that we know work, including smaller classes, high-quality teachers, afterschool programs, technology and training for our teachers, support for students with limited English proficiency, a strong Safe and Drug Free Schools Program, guarantees of a quality education for homeless students, and more resources for disadvantaged students.

While I support the bill overall, I do continue to have significant concerns about some of the mandates in the bill. I believe Congress must now closely monitor how this bill impacts students, and of course, the funding in the bill. While we have made progress in securing an additional $4 billion, I fear the funding level will be short of what our communities will need to carry out the mandates in the bill.

In part to ease this burden, I believe we must fully fund special education next year. Almost every member of our conference committee expressed a commitment on the floor and I are sure that the President will sign the bill.

But, on balance, this bill takes important steps forward to improve our public schools. While I am not pleased with every provision, I do not want the Federal Government setting the formula to measure student progress. We now have a responsibility to make sure these mandates do not end up holding children back. If this bill leads to more crowded classrooms, fewer high-quality teachers, or a focus on testing instead of learning, then we will have to revisit these mandates.

Starting in the early months of 1999, the Senate Health and Education Committee began work on ESEA. The Senate attempted to pass an ESEA reauthorization bill during the 106th Congress, but was not successful. Almost three years later, final passage is before us.

The impetus that has gotten to this point after a long and arduous process is our President. President Bush has made education his number one domestic priority, and has injected new ideas and a deep sense of passion into this debate. Without his leadership, we would not be here today.

This bill reflects the themes that were laid out by the President last year: accountability, parental options, flexibility, and funding public education. I admire his leadership and his staff and my staff, including Bethany Little, for the tremendous amount of work they have done to get us to this point.

So, again, I thank Senator KENNEHY and Mr. GREGG, and many others including Bethany Little, for the tremendous amount of work they have done to get us to this point.

The PRESIDING OFFICER. The Senator from Washington.

Mr. HUTCHINSON. Mr. President, I am so pleased today to be able to work with Senator GREGG, as he has, through all the twists and turns in the long road of this past year, continued to fight for accountability and expanded options for parents. I admire his leadership and his staff and my staff, including Bethany Little, for the tremendous amount of work they have done to get us to this point.

This legislation will finally inject new accountability into the title I program. For too long, we have provided billions of dollars in funding without any result. This bill is not perfect, but the education of our children is too vital to delay education reform.

There are a number of components that I am particularly pleased to see included in the bill. There is a strong block to the way, and this bill is not perfect, but the education of our children is too vital to delay education reform.

Under this legislation, in approximately 3,000 schools across the country, parents will have the immediate option to get help for their children through tutoring at their local Sylvan Center or afterschool program.
Because of this legislation, over 200 schools in Arkansas will now provide public school choice immediately to parents to allow them to send their children to a higher performing public school. I am very pleased with the provision called transferability that will allow school districts in the country to shift up to 50 percent of Federal funds between formula grant programs, with the exception of title I. This will allow school districts to address priorities from year to year as they see fit.

I am also very pleased with the rural education initiative, proposed and championed by Senator Collins, that will allow over 100 school districts in Arkansas to receive additional funding and flexibility over their formula funds.

As Senator Gregg mentioned, I am particularly glad to have been involved in the bilingual reforms that will now ensure fairness in the distribution of dollars by turning the bilingual programs into a grant program. It will benefit States such as Arkansas that never did well in the competitive grant competitions. For the first time, States must now set objectives for students to learn English, a component that was amazingly absent from the previous bilingual program.

I am glad to have been able to offer an amendment that allowed professional development funds for our teachers to now be used to reward the best teachers. That is a very commonsense and important reform in allowing those teacher development funds to be used in programs to reward those teachers who have the best record of performance.

This legislation is a giant step in education reform and represents a bi-partisan agreement between Republicans, Democrats, and the Senate. I am pleased to have worked on the bill and I look forward to President Bush signing it into law. I thank him for his vision and leadership. Education reform was a fleeting thought a year ago. Thanks to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I yield 4 minutes to my friend and colleague from Massachusetts, Senator Kerry. Senator Kerry understands that leadership in local schools makes an extraordinary difference. We have seen, in concrete examples of that, he has had a focus and attention particularly on having good principals in the schools. He has introduced a number of pieces of legislation. We have drawn on them heavily. He is one who is deeply concerned and involved in the education issue.

The PRESIDING OFFICER (Mr. Nelson of Florida.) The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I begin by thanking my colleague and congratulating him on his extraordinary leadership in this effort. I thank Senator Gregg also for his cooperation and leadership. Senator Kennedy, as we all know, has been fighting for and pushing for education reform for a long time. He has been our leading voice in the Senate on the subject of education. His tenacity in pursuing this in moments when even appeared to be bleak—and I thank his staff also for that—have helped to bring us to this moment.

It gives me great pleasure to come to the Senate floor today to talk about, and to lend my support to, the conference report for H.R. 1, the No Child Left Behind Act. This is groundbreaking legislation that enhances the Federal Government's commitment to our Nation's public education system; dramatically reconfigures the federal role in public education, and embraces many of the principles and programs that I believe are critical to improving the public education system.

This bill represents a true coming together of Republicans and Democrats, and both sides made important compromises in order to arrive at this point. I have come to this floor many times over the past few years to express my belief that it is time to break the partisan gridlock over education reform, and to come together among the programs, policies, and initiatives that members of both parties could agree are critical to improving our children's education. For years we have spun our wheels as we tried to reform the public education system. Republicans calling for a diminished Federal role, Democrats calling for more programs and greater funding levels. I was of the opinion that there was a significant room for consensus on public education reform, and last year I worked with 10 of my Democratic colleagues to introduce legislation that would help break the stalemate and move beyond the tired, partisan debates of the past. Our goal was the same: to lay the foundation of the bill before us today. I am extraordinarily pleased that Republicans and Democrats came together to adopt a fresh, new approach to improving public education, one that focuses on increasing student achievement and that provides increased resources and flexibility in exchange for increased accountability.

The No Child Left Behind Act provides public schools with more funding and is an investment in sending the message that accountability for results. I am convinced that a strong accountability system is the linchpin of this reform. For the first time, the Federal Government will put into place an accountability system that will hold States, schools, and districts accountable for steadily improving the learning of their children and closing the achievement gap between rich and poor and between minorities and non-minorities. The accountability provisions in this bill provide for the definition of adequate yearly progress to ensure that schools and districts are making demonstrable gains in closing the achievement gap. This legislation requires States, districts, and schools to set annual goals for raising student achievement so that all students achieve proficiency in 12 years. The bill applies performance standards and consequences not only to title I programs but to all major programs. And in addition to requiring tough corrective actions for chronically failing schools, it gives students in failing schools the right to either transfer to a better public school or obtain supplemental services.

This bill puts in place a new accountability system, which is a vital first step to improving student achievement. But implementing and enforcing the accountability system are equally as important as creating one. The Federal Government must follow through on its commitment to hold schools accountable for student achievement or the legislation that we are passing today will do little to change the status quo. I urge the administration to vigorously implement and enforce the provisions of this new law.

Another key component of this bill is the expansion of public school choice and charter schools. I strongly support increasing the educational options available to parents within the public school framework, and in fact, expanding public school choice has been one of my education reform priorities. I believe that choice and competition within our public school systems are vital ingredients to increasing accountability and improving our schools. I am pleased that the No Child Left Behind Act strengthens the Federal charter school program and authorizes the inter-and intra-district choice initiative.

The legislation also requires States and local districts to issue detailed report cards with data on school performance so that parents can be better informed about the quality of their child's schools and can make educated decisions about which school their child should attend.

This bill does an excellent job of targeting federal education funds to public schools with large numbers of poor children. The title I program was originally designed to compensate for spending gaps left by state and local education funding in aid to help level the playing field for children in low-income school districts. However, despite its important role, spending the very few dollars available for low-income schools, over the years, money has been directed to communities with extremely low poverty rates and in some instances does not reach the country's poorest schools at all. This legislation fulfills new title I funding through the Lázaro grant formula, which will ensure that the neediest communities receive additional funding.

I am extremely pleased that the conference amendments to improve school leadership and increase alternative education opportunities, which were part of the education reform bill that Senator Gordon
SMITH and I introduced during the 106th Congress. Focusing on school leadership is critical to ensuring that the ambitions reforms contain in this legislation are successfully implemented in the schools. Many of today’s principals still face a crucial school leadership crisis—one that could debilitate meaningful education reform. A good principal can create a climate that fosters excellence in teaching and learning, while an ineffective one can quickly thwart the progress of the most dedicated reformers. I can tell you unequivocally that I have never been in a blue-ribbon school that doesn’t have a blue-ribbon principal. And I’m sure that my colleagues have noticed this, too, when they have visited schools in their respective States. Without a good leader as principal, it is difficult to instigate or sustain any meaningful change and schools cannot be transformed, restructured, or reconstituted without leadership.

Our amendment addressed this critical problem in school leadership by giving States greater flexibility in the use of their title II dollars so that funding can be used to retain high-quality and to improve principal certification, or mentor new principals, and to provide principals with high-quality professional development. The conference agreement also included an amendment on alternative education opportunities. The presence of chronically disruptive students in schools interferes with the learning opportunities for other students. One way to ensure safe schools and manageable classrooms has been to require the removal of disruptive and dangerous students. While expulsion and suspensions may make schools safer and more manageable, students’ problems do not go away when they are removed from the classroom—the problems just go somewhere else. There is a consensus among educators and others concerned with at-risk youth that it is vital for expelled students to receive educational counseling or other services to help modify their behavior while they are away from school. Without such services, students generally return to school no better disciplined and no better able to manage their anger or peaceably resolve disputes. Our amendment enables States and school districts to develop, establish, or improve alternative education programs for violent or drug abusing students under the Safe and Drug Free Schools program.

This bill is a compromise, and thus, everyone can point to things that they wish were done differently. I echo the comments made by my colleagues, in particular Senator JEFFORDS, who have decried the lost opportunity to include amendments in this legislation for the Individuals with Disabilities Education Act. This bill fails to deliver on the Federal Governments commitment to fully fund special education, and it does this just as it places substantial new requirements on schools. Perhaps most disconcerting, all of this comes at a time when state budgets are in deficit. According to the National Governors’ Association, states are facing a $35 billion shortfall due to the national recession, and states have already begun paring back their education budgets. The No Child Left Behind Act contains significant, meaningful reforms, but these reforms cannot succeed without sufficient resources. We expect about a 20 percent increase in education funding this year, which is a tremendous step back. But we need to continue to make resources a priority—we need to fully fund IDEA—we must not thrust new requirements on schools without providing them with sufficient resources to implement reforms.

I also have concerns about the mandatory testing provisions contained in the bill. This legislation requires the testing of all students in reading and math in grades 3-8. I am not opposed to testing, in fact, I think that tests are important so that we know year to year how well students are achieving. It is critically important to be able to identify where gaps exist so that efforts can be focused on closing them. When used correctly, good tests provide information that helps teachers understand the academic strengths and weaknesses of students and tailor instruction to respond to the needs of students and the appropriate materials. My concern is that once we know where the gaps exist, once we know how a child needs to be helped, we will not provide the resources necessary to ensure that all students are able to reach proficiency. It is my sincere hope that Congress and the States will continue to recognize that reform and resources go hand-in-hand. Resources without accountability is a waste of money, and accountability without resources is a waste of time. The two together are key to successful reform.

I would like to congratulate the con-
ferences for their tremendous work on this legislation. I am excited and en-
couraged by the reforms in this bill. I believe that they will have a tremen-
dous impact on raising student achievement by increasing account-
ability, improving teacher and prin-
cipal quality, expanding flexibility, and increasing public school choice. This groundbreaking legislation has enormous potential. I hope that the Congress will live up to its commit-
ment to provide states and schools with the resources they need to make these reforms work.

We are now about to adopt a fresh new approach to improving public edu-
cation in a way that focuses on improving student achievement and providing incentives for improvement. Though I will add to the voice of my colleagues in the Senate, the resources are not what they need to be to guar-
antee success.

Last year, I joined with 10 of my Democratic colleagues to introduce legislation that we hoped would break the stalemate, that would change the dialog. I would like to believe that thanks to the efforts of the Senator from Indiana and the Senator from Connecticut and others, we have con-
tributed in a way that has helped to shift that dialog.

We are now providing a strong ac-
countability system which is the linchpin of reform, together with a re-
configuration of the role that the Federal Government plays in providing some resources and flexibility over the use of funds to the States in exchange for that strong accountability system. For the first time, the Federal Government is putting into place account-
ability that will hold schools, and districts accountable for steadily improving the learning of their children and closing the achievement gap between the rich and the poor, between minorities and nonminorities. I am also pleased that the law includes a mechanism to target addi-
tional funding to schools with high concentrations of low-income students. Historically, title I has always been our focus of directing Federal funds to schools with large proportions of poor students, but Congress has not always met that goal. It is our hope that this increased targeting, for which I again congratulate Senator KENNEDY, is going to be an important part of our affecting that.

Another key component is the expan-
sion of school choice in public schools together with the charter schools. I strongly support increasing edu-
cational options available to parents within the public school system frame-
work. In fact, expanding public school choice has been one of my top edu-
cation priorities. I am pleased that the No Child Left Behind Act strengthens that charter program and au-
thorizes the interdistrict and intra-
district school choice initiative.

I am also pleased that it includes sev-
eral amendments that I have proposed, one specifically to improve principals, to improve the strength of leadership. We can have all the rules we want and all the framework we want, but if you don’t have adequate leadership in the schools, it is often hard to achieve. We have a method in here to help to in-
crease that.

We also include an amendment that I have introduced to enable States and school districts to help to develop, estab-
ish, and improve alternative edu-
cational opportunities for violent or
drug offending students under the Safe and Drug Free Schools Program. That is one way to guarantee that we will ensure safe classrooms, safe schools, manageable classrooms by removing disruptive students and dangerous students and making sure that those who are expelled educational counseling or other services to help modify their behavior.

This bill, as all legislation, is a compromise. Not everything meets everybody’s eye. I do believe we have to put in to achieve the opportunity of guaranteeing full funding for individuals with disabilities, education, and we have to guarantee the resources for this act.

I congratulate Senator Kennedy and all those who have been part of this effort to bring this bill to the floor. I thank the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. President, at this time I yield 8 minutes to the Senator from Alabama who, as a member of the committee, played a significant role. This is such a complex bill. It required a lot of different people thinking about different parts of it. It has so many moving parts that it is the handiwork of one individual. It truly was the handiwork of a large number of Senators participating from both sides of the aisle. The Senator from Alabama played a major role in a variety of areas: the discipline area and the safe and drug free schools. I very much appreciate the work he did.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. Sessions. Mr. President, It is a pleasure to see this bill come up now for what I believe will be its approval. We have worked hard on it. I know it was a thrill to see the bill come out of committee with a unanimous vote under the leadership of Senator Kennedy, a member, Senator Gregg. I thought that showed good bipartisan support. It languished a bit in conference with the House, and we struggled a bit. The President had to raise the level of heat a bit, but things have moved forward. It is exciting to see this bill move toward law.

The President campaigned on education as one of his top themes. He talked about it constantly. He visited schools regularly. His wife was a teacher. He knew that commitment by continuing to press a major education bill this year which will represent one of the largest increases in funding for education in recent years. It also represents a significant policy change that will allow more freedom for the school systems that will put more money in local schools, that will help children who are being left behind and move them forward.

I believe we should recognize and salute the leadership of the Secretary of Education, Rod Paige. He comes here from Houston. He was chosen to be the superintendent of the Houston school system, comprised around 200,000 students. He believed that a 37-percent passing rate of the Texas test in Houston was unacceptable. In 5 years, with determination, sound policies and great leadership, he doubled the percentage of school children passing that test.

I say that because there are some people who do not believe that progress is possible. I have seen school systems in every state in America. There are systems where teachers, parents, and leaders have to work to achieve significant increases in productivity and change. Certainly money is not the complete answer; it is also policy change, determination, and leadership. We have too many schools where children are locked into a failing system, and they have been falling behind. Nobody even knows or cares that they are falling behind. They can’t go to any other school. They are required by law to attend this dysfunctional school.

That is just not good. The President understands this deeply. As Governor of Texas, he made education one of his highest priorities, and he has made it his number one domestic priority as President. He has helped us move forward to what I think is really historic legislation. It is an honor to be a part of it.

Testing and accountability have been a matter of some debate. I do not believe tests are accurate reflections of a child's complete ability to learn and what they know. But it is true that you can determine through a test whether a child can do fundamental mathematics, whether a child knows fundamental science, and whether a child can read or not. It is a tragedy in America that we have been moving children through the school system, even to graduation, who can’t read and write and they are making the lowest possible scores on tests. We have just accepted that. That is not a good way.

The President has said he is not going to leave any child behind, and we will make sure we achieve that goal. We are going to find out if children are falling behind. We will have a testing program in grades 3 through 8 in math and reading that will not be Federal Government-mandated tests, but state tests, and we will begin to learn. The newspaper editors, the business community, the teachers, the principals, they will all know how the kids are doing in that school system. Some schools do better than others. We need to find out which ones are doing best and identify those that are not doing well. I think that is important. As Secretary Paige says, if you love the children and you care about them and you want them to learn so they can be successful throughout their lives, you will not allow them to fail behind.

What we need to do is intervene early in the lives of children when they are falling behind—as soon as possible. Then we can make some progress. This bill says there can be supplemental services in a system that is not working and where kids are falling behind. They can get maybe $500 or $1,000 for outside tutoring for a child who is not keeping up because as you get further behind, a lot of bad things happen. Dr. Paige says that at a month, seventh, eighth, and ninth grades, if they are really behind, that is when they drop out. Normally, it is around the ninth grade. They can’t keep up, they are behind and discouraged, and they drop out.

We need to find out in the third grade, the fourth grade, and fifth grade how they are doing, make sure we then intervene, when the cost is not so great. We can increase their ability to be a functional and good student and help them go on to success. It is a lot like business management, frankly. It is just good supervision and having a system that does not allow the status quo to drift, but one where we care enough to make the tough decisions, apply tough love, to insist that children behave in the classroom, they do their homework, and teachers do their work. If teachers are not performing, they need to be held accountable, and we need to create accountability in the system. If we do so, I believe we can make real progress.

As a part of the compromise that went on in the legislation, some good language was put in to ensure that all this testing we require is paid for by the Federal Government, so it is not an unfunded mandate. We also have in the bill testing rules that guarantee States and localities will have their accountability test paid for by Washington. It will guarantee that the tests don’t mandate a single type of learning in America. I think that process worked well as we went forward.

The flexibility goal has been achieved in a number of states. Good language was put in to ensure that all the testing we require is paid for by the Federal Government, so it is not as great as I would like to see it. I have visited, in the last 15 to 18 months, 20 schools in Alabama and spent a lot of time talking with teachers, principals, superintendents, school board members. They felt very strongly we are people who have given their lives to children. They have chosen to teach and be involved in education. They have told me consistently that the Federal Government has too many rules and regulations that make their lives more difficult and actually complicate their ability to teach in a classroom. There is money, but it is only available for what the Federal Government says, not for what they know they need at a given time in their communities.

I think we need to continue to improve in the area of flexibility. We have made some real progress in that, and I think you will see progress in this bill. But it could have been greater. I think our teachers and principals will like what they see. It is a step in the right direction.

Alabama has established an exceeding flexible reading program that is being replicated by many States. Senator Kennedy’s excellent school system in Massachusetts is always on the
The President’s plan. I am glad that we are reading, which is the cornerstone of the effort of President Bush that he was able to hammer out their differences and stay focused and were able to catch up in the areas of math and these children the support they need to catch up in the areas of math and other agencies would be able to give them the support they need to catch up in the areas of math and English.

Another new opportunity provided for parents under this legislation involves public school choice. A parent whose child is trapped in a failing school will have the opportunity to send their child to another public school which is not failing and have the transportation costs paid for. This bill does not allow parents to access private schools, but it does provide an option to move their child to a better public school where they can get an adequate education.

We believe this option will put pressure on those public schools within a major school system that are failing and will give these children a viable chance to succeed.

I believe one of our most important goals is to give States and local communities more flexibility. After all, I believe that parents should have more flexibility regarding their own children. While the legislation does not provide the flexibility that many of us would have liked to have seen, it does make major improvements in freeing State and local education agencies from burdensome Federal regulations.

Currently, Federal rules mandate that funds only be used for a designated purpose. Under this legislation, all 50 States will be permitted to make significant spending decisions of up to 50 percent of their non-title I funds by being allowed to move those funds from account to account without Federal approval. This means that States and local communities can spend these funds where they feel they will get the most benefit for the dollars.

Seven States will also be permitted to consolidate 100 percent of their State activity, administrative funds, and innovative block grant funds and use them for any authorized purpose under H.R. 1. This frees up hundreds of millions of dollars for these States to use at their discretion. This will dramatically expand a State’s flexibility of them to decide to participate in the program.

Up to 150 school districts—at least three per State—could also apply to participate in even broader flexibility. They will be able to apply for waivers from virtually all Federal education rules and requirements associated with a variety of ESEA programs in exchange for agreeing to further improve academic achievement for their low-income students.

The concept is simple, the Federal Government will give them even greater flexibility in exchange for significant results.

The State of Alabama has instituted a major reading initiative that has begun to make a difference in the lives of students in our state. In fact, the Alabama Reading Initiative is becoming a model for reading programs in other States.

Massachusetts has appropriated $10 million to begin a program based on Kentucky’s efforts and Florida is beginning a pilot program in 12 school districts patterned after the Alabama Initiative.

President Bush also recognizes the importance of reading, he has described reading as “the new civil right.” Early on, he stated his goal that every child should be able to read by the third grade. One of the cornerstones of President Bush’s education plan was his Reading First and Early Reading First initiatives.

These initiatives are meant to encourage States and local schools to implement scientifically based reading programs and to augment programs...
IDEA students in the same manner as non-IDEA students, when the behavior that led to the disciplinary action is not related to the child’s disability. No child could be denied educational services for behavior that is related to their disability.

My amendment also retains many of the procedural safeguards in current law to ensure that IDEA children are treated fairly, but it allows state and local educators more flexibility in their discipline policies.

My amendment also would provide a better option for parents of children with disabilities to move their child to a better educational environment. While this option is available under current law, my language would streamline this process. The parents of the child and the school would still have to agree on this decision.

I believe this is a reasonable proposal that would allow more students with disabilities, with the agreement of the school, to attend education programs that better meet their needs.

During my meetings at schools, I encouraged teachers to write to me to share their experiences with IDEA. I received a large stack of mail. The most striking message in the letters is powerful. Real stories from educators and students are the best evidence of the need for change.

Two things are clear to me. First, current Federal IDEA discipline rules cause confusion in the classroom and even threaten the safety of students and teachers.

Second, the Federal Government needs to increase IDEA funding and meet its commitment to providing 40 percent of the national average per pupil expenditure.

President Bush’s budget included a $1 billion increase for IDEA for next year, the largest increase ever proposed by a President in his budget. He is committed to increasing this funding in future years.

This new funding will be an important step in assisting schools to meet the goals established under IDEA.

The IDEA law is filled with complex issues and problems besides discipline. One area that Secretary Paige seeks to address is the possible over-identification and disproportionate placement of minority students in special education. Secretary Paige has spoken to me about this problem and I stand ready to work with him to address it. For example, we need to look at how to distribute Federal special education funds without creating inappropriate incentives regarding referral, placement or services to children.

We shouldn’t be creating an incentive for schools to place children in special education programs that can be helped under our existing system.

The IDEA law provides many wonderful and special benefits for children with disabilities, but we can make it better. It is important that we return common sense and compassion to this problem.

I am committed to working to improve the law when it comes up for re-authorization next year. If we work together by providing more money for IDEA and give more authority to our local school officials, we can take a big step toward improving learning.

While I continue to believe that education is and must remain the primary function of State and local government, I believe this legislation will help to improve our public education system.

This legislation is far from perfect and I am sure we will have to make adjustments in future years.

But I believe that with President Bush’s leadership this legislation presents the best opportunity in 35 years to return power and dollars to the state and local school districts and to make academic achievement a priority.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I yield 2 minutes to the Senator from Arkansas. First, I remind the Senate that during the debate on this issue her amendment to increase the funding for bilingual education passed 62 to 34, and we keep our first year promise in this bill. This will mean that 400,000 limited-English-speaking children will be able to learn. It is a major achievement and accomplishment. She has educated the Senate about the change in demographics and what is happening in her part of the world. The leaders are given the opportunity to yield her 2 minutes.

The PRESIDING OFFICER. The Senator from Arkansas.

Mrs. LINCOLN. Mr. President, I come to the floor today to express my support for the education reform package that is now before the Senate. After debating this issue for almost 3 years, I am pleased we have reached a bipartisan agreement on a package that puts our children’s future ahead of the partisan bickering that has diverted our energy and attention for too long. This proposal before the Senate represents an important step in the right direction by recognizing the right of every child to receive a high quality education.

I know many of my colleagues played a critical role in fashioning this very important legislation. I especially want to express my appreciation to Senator KENNEDY and Senator GREGG for their tireless effort on behalf of our nation’s school children. As someone who has followed the progress of this bill very closely, I think each Member of this body owes the managers of this bill a debt of gratitude for bringing Senators with very different points of view together and finding common ground on this critical issue. I applaud their leadership and I congratulate your success.

I also want to say a special word of thanks to Senators LIEBERMAN and BAYH who demonstrated real leadership by talking about many of the reforms we are about to ratify before those ideas were very popular. They deserve
a lot of credit for the final agreement they helped draft and I was honored to join them in drafting the original Three R’s proposals that is clearly reflected in the bill before us.

As I noted previously, I support this bipartisan compromise because it contains the elements that I think are essential to foster academic success. It provides school districts with the resources they need to meet higher standards. It expands access in Arkansas to funding for teacher quality, after-school programs by distributing resources through a reliable formula based on need, not on the ability of school districts to fill out a federal grant application. And finally, and most importantly, in exchange for more flexibility and resources, it holds States and school districts accountable for the academic performance of all children.

I do want to highlight one component of this legislation that I had a direct role in shaping. During consideration of the Senate reform bill in May, I successfully offered an amendment with Senator Kennedy and others calling on Congress to substantially increase funding for language minority students to master English and achieve high levels of learning in all subjects. More importantly for my State of Arkansas, under the approach I promoted, funding will now be distributed to States on a per-pupil instructional spending formula based on the number of students who need help with their English proficiency.

Currently, even though Arkansas has experienced a dramatic increase in the number of limited English proficient (LEP) students during the last decade, my state does very poorly in accessing federal funding to meet the needs of these students because the bulk of the funding is distributed through a maze of competitive grants. I am pleased the conferees accepted the funding level and the reforms I advocated. This new approach represents a dramatic improvement over the current system and will greatly benefit schools and students in my State.

Ultimately, I believe all of the reforms that are contained in this bill will make an important difference in the future of our children and our nation. So I join my colleagues on both sides of the aisle to urge the adoption of this truly landmark legislation.

Unfortunately, I feel compelled to mention one aspect of this legislation that dampens my excitement for its passage. Even though I believe the bill on balance represents a major improvement over the current federal framework, I am very disappointed that we are once again denying the promise we made to our constituents in 1975 to pay 40 percent of the costs of the services of serving students under IDEA.

In my opinion, our failure to live up to this promise undermines to some extent the very reforms we seek to advance. I will continue to work in the Senate to reverse this record of inaction which is profoundly unfair to school districts, teachers, and the students they serve.

I want to close, by thanking all of my colleagues who spent many weeks and months negotiating this agreement. Even though progress has been slow at times, the way Democrats and Republicans have worked together on this bill is a model I hope we can repeat often in the future.

Mr. President, I am pleased to express my support for the education reform package now before the Senate. We have debated this issue for almost 3 years, and we are so pleased we have reached a bipartisan agreement on the package that puts our children’s future ahead of the partisan bickering that has diverted our energy and attention for way too long.

The proposal before the Senate represents an important step in the right direction by recognizing the right of every child in this great Nation to receive a high-quality education. I know my colleagues played a critical role in fashioning this very important legislation, but there are two individuals who have been absolutely incredible in this debate and in this negotiation. I especially express my gratitude to Senator Kennedy and to Senator Gregg for their tireless efforts on behalf of our Nation’s schoolchildren.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I yield 7 minutes to the Senator from Tennessee, who has played a very considerable role in this legislation, especially in the flexibility accounts, but he had input throughout the legislation and has done an exceptional job in making this a better bill.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. FRIST. Mr. President, I rise to congratulate Senator Gregg and Senator Kennedy for their leadership in pulling together a complex bill. This bill accomplishes the goals that many of us have been talking about over the last 2 years, the total length of time we have been working on this bill. Those goals included striving for more flexibility, accountability, and local control.

The events of September 11, 2001 dramatically changed our nation. As a result, the President is focused on combating forces unlike any other we have faced in our history. Nonetheless, the President has remained steadfastly committed to education reform and thanks to his efforts, today we send to him a bill that will transform the Federal Government’s role in education.

Since 1965, Federal aid has been provided to school districts for the education of disadvantaged children through title I. Despite spending $125 billion on Title I over the past 25 years, the most recent results of the National Assessment of Educational Progress, NAEP, tests for fourth-grade reading confirm that our current education system has not closed this achievement gap.

The NAEP results revealed that 37 percent of the nation’s fourth graders scored below basic. That means 37 percent of our fourth graders cannot read. As President Bush has said, too many children in America are segregated by low expectations, illiteracy, and self-doubt. In a constantly changing world that is demanding increasingly complex skills from its workforce, children are literally being left behind.

The following programs and reforms contained in the “No Child Left Behind Act” will help our schools better prepare our children for the future:

For reading first, $975 million in funds will be authorized for States to establish a comprehensive reading program anchored in scientific research. States will have the option to receive Early Reading First funds to implement research-based pre-reading methods in pre-school. Tennessee’s recently awarded $27 million grant will continue, and Tennessee will no longer have to apply for such funding. Funding to the State will be guaranteed through this new formula grant program.

On rural education, $300 million in authorized funding would be available to some of Tennessee’s rural school districts to help them deal with the unique problems that confront them.

On unprecedented flexibility, all States and local school districts will be able to shift Federal dollars earmarked for a specific purpose to other uses that more effectively address their needs and priorities. And 150 school districts choosing to participate would receive a virtual waiver from Federal regulations in exchange for agreeing to improve school achievement. I am particularly pleased that this latter initiative, known as Straight A’s, was included in the final form of the bill.

In my opinion, the most disturbing is the fact that the Nashville metro area failed to reduce the performance gap between poor students and their better-off peers: it was reduced only 2 percent in the elementary and middle-school grades, and it increased by 1 percent for high-school students.

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In my opinion, the most disturbing is the fact that the Nashville metro area failed to reduce the performance gap between poor students and their better-off peers: it was reduced only 2 percent in the elementary and middle-school grades, and it increased by 1 percent for high-school students.
That means that starting in September, students in more than 6,700 failing schools will have the authority to transfer to better public schools. Students in nearly 3,000 of those schools also would be eligible for extra academic assistance as targets for funded summer classes paid with Federal tax money. In Tennessee alone, 303 schools will be provided these services.

As to accountability for student performance, parents will know how well their child is learning, and schools will be held accountable for their effectiveness with annual state reading and math assessments in grades 3-8. States will be provided $490 million in funding for the Tennessee schools to receive approximately $53 million of these funds over the next 5 years.

With regard to improvements to the Technology and Bilingual Education programs, the Technology and Bilingual Education programs have been streamlined and made more flexible. Parents must be notified that their child is in need of English language instruction, and about how such instruction will help their child. The bill also focuses on ensuring that schools use technology to improve student academic achievement by targeting resources to those schools that are in the greatest need of assistance.

On better targeting, Senator LANDRIEU offered an amendment to S. 1 earlier this year that required better targeting of funds to our poorest schools. I supported that effort and am proud to say that this bill targets funds better than ever before. Through consolidation of programs and improved targeting of resources, we enable schools to do so much more with the 7 percent of funds they receive from the Federal Government.

As to resources for teachers, over $3 billion will be authorized for teachers to be used for professional development, class size reduction and other teacher initiatives. Additionally, teachers acting in their official capacity will be shielded from Federal liability arising out of their efforts.

Disciplined teaching is now more than just a discipline for the classroom, so long as they do not engage in reckless or criminal misconduct. And another $450 million will be authorized for Math and Science training for teachers, an initiative that is particularly important to me.

I want to take a few minutes to discuss the Math and Science Partnership program, because I am particularly concerned about the state of Science education in our country. The most recent NAEP science section results showed that the performance of fourth and eighth-grade students remained about the same since 1996, but scores for high school seniors changed significantly: up six points for private school students and down four for public school students, for a net national decline of three points. A whopping 82 percent of twelfth-grade students are not ready for college-level work in science and the achievement gaps among eighth-graders are appalling: Only 41 percent of white, 7 percent of African-American and 12 percent of Hispanic students are proficient.

The disappointing overall results for seniors on the science section of the NAEP prompted Education Secretary Rod Paige to describe the decline 'morally significant.' He warned, ''If our graduates know less about science than their predecessors four years ago, then our hopes for a strong 21st century workforce are dimming just when we need them most. I couldn't agree with the Secretary more.

I urge the appropriators to take note of these statistics and fund the Math and Science Program at the level it needs to make a difference.

In this brief statement, I can only begin to list the number of reforms within this bill. The bill:

- enhances accountability and demands results;
- it has unprecedented state and local flexibility;
- it streamlines bureaucracy and reduces red tape;
- it expands choices for parents;
- it contains the President's Reading First initiative;
- it promotes teacher quality and smaller classrooms;
- it strives toward making schools safer;
- it promotes English fluency;
- it is just a brief summary.

I want to again congratulate our President, who provided great leadership by making education reform his top domestic priority. The result is that our elementary and secondary schools will be strengthened and local teachers, administrators and parents will be better able to make sure that no child is left behind.

For the first time, Federal dollars will be linked to specific performance goals to ensure improved results. That means schools will be held accountable. And, by measuring student performance with annual academic assessments, classroom teachers and parents will have the ability to monitor each student's progress.

I want to thank Senators GREGG and KENNEDY for all they have done on this bill. Senator GREGG was forced into a new leadership role when he suddenly became Ranking Member of the HELP Committee in the middle of the 6 week debate of S. 1. Suddenly, he was charged with managing a 1,200 page education bill, which was the top domestic priority of the President. I know he and his staff, particularly Denzel McGuire, have dedicated innumerable hours to this piece of legislation and I commend them for their efforts.

I congratulate, on my staff, Andrea Becker, whose diligence, dedication, and hard work are reflected in this legislation. Senator GREGG and Senator KENNEDY worked through some strong policy differences throughout and worked together to make sure policies did not prevent passage of this landmark legislation. I thank them for their leadership. I congratulate them on passage of this bill.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. I thank the Senator from Tennessee for his kind comments, and especially for his assistance in making this bill a reality.

Could the Chair advise us as to the time remaining?

The PRESIDING OFFICER. The Senator from New Hampshire has 6 minutes remaining. The Senator from Massachusetts has 23 minutes remaining.

Mr. GREGG. How much time is remaining for the Senator from Minnesota?

The PRESIDING OFFICER. Ten minutes for the Senator from Minnesota.

Mr. GREGG. I reserve our time.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I yield 4 minutes to the Senator from Connecticut. The Senator from Connecticut has been a strong advocate in terms of accountability in schools and also investing in those children. So I welcome his comments.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. I thank the Chair and I thank my friend from Massachus- setts, who has played a pivotal role in bringing us to this moment of accomplishment. I rise today to join my colleagues in voicing my enthusiastic support for this conference report to reauthorize the Elementary and Secondary Education Act and help reinvigorate America's public education system.

This democracy of ours is a magnificent process, beautiful in its freedom, although often untidy and cumbersome in its execution. We come to one of those wonderful moments when it has worked to provide a revolutionary change in the Federal Government's relationship to public education in our country. This agreement marks a truly historic coming together of political ideologies and people behind legislation that will help us deliver a high-quality public education to the children of this Nation and, in doing so, help us deliver on the promise of equal opportunity for every American.

With this bill, we are fundamentally changing the educational equation in our country. We are saying public education is no longer a local responsibility, but it is now truly a national priority. We are saying we are no longer going to tolerate failure for our children and from the adults who are supposed to be educating them. We are saying we believe, as a matter of fact, that every child in this country can learn at a high level. And we are doing what has been long overdue—re-focusing our Federal policies and re-double our national efforts to help realize those expectations of excellence and raise academic achievement for all of our children. Reforming our Federal policies and re-double our national efforts to help realize those expectations of excellence and raise academic achievement for all of our children.

This new educational equation could be summed up in six words: Invest in reform; insist on results.
We are proposing to substantially increase Federal funding to better target those dollars to the community and students with the greatest needs, to give States and schools far more freedom in choosing how to spend those dollars and then, in exchange, to demand accountability for producing results. No longer are we in Washington going to ask: How much are we spending and where is it going? Now we will ask: How much are our children learning and where are they going?

This new approach, and the reforms we have developed to implement it, reflect the best thinking of both parties in both branches of our Government and the hard work of a lot of Members, including particularly Senators KENNEDY and GREGG in this Chamber, and Representatives BOEHNER and MILLER from the House. I want to express my appreciation to them for their leadership, their vision, and their commitment to restructure the way we fund and support public education and re-engineering our partnership with the States and local districts.

I am very proud to have had the opportunity to participate in this enormous constructive process as one of the negotiators of the Senate version of the bill and as a member of the conference committee. For that, I am grateful to Majority Leader DASCHLE and to Chairman KENNEDY, who solicited ideas and support from Senator BAYH and me and other New Democrats, even though we were not members of the HELP Committee, and broke with tradition to appoint us to the conference committee.

I am particularly proud of the role we New Democrats played in shaping the framework and ideas behind this reform plan, which incorporates many of the principles and programs of the comprehensive Three R’s plan that Senator BAYH and I, and several of our colleagues in this Chamber sponsored last year. When we started out three years ago along this road, our goal was to bring some fresh thinking to Federal education policy and to help break the partisan impasse on this critical matter, to offer a proposal that could bridge the gaps between left and right and forge a new consensus for real school reform for America’s children, and to truly reinvent the Federal role in education. With this bill, I think all of us—new and old Democrats—and the liberty to say new and old Republicans—can fairly say “mission accomplished.”

We pushed not only for more funding, but to target more of those resources to the poorest districts and to restore the traditional Federal focus on disadvantaged children. This bill does just that. We pushed to streamline the Federal education bureaucracy, reduce the strings attached to funding, empower local educators and encourage innovation. This bill does just that.

We pushed to create strong standards of accountability, to impose real consequences for chronic failure, and to demand measurable progress in closing the achievement gap between the haves and have-nots. Again, this bill does just that. Last but not least, we pushed to inject market forces deeper into our public school system, to promote more information and choice for parents, and to harness the positive pressure of competition to drive real change. This bill does just that.

However, our work is not done. This new vision will take time and money to succeed, and we must be vigilant in following through on the implementation of this legislation. Simply put, these reforms will not work if they are not matched with resources. The significant funding levels provided in the Senate and House appropriations bills of about $22 billion, an increase of over $4 billion, provide a substantial down payment in realizing the necessary investment. But we must do more. We cannot close the achievement gap on the cheap. We must make the investment a priority for the life of this bill, not just this year. I think the critical factor is for all of us to continue to work together in a bipartisan way to make sure we adequately and aggressively fund the reforms that are part of this proposal.

In the meantime, I want to applaud President Bush for working with us in a cooperative, constructive manner to transform a promising blueprint for reform into a benchmark law. This was a model of bipartisanship and a reminder of what we can accomplish when we leave our partisan agendas at the door. I hope we will soon duplicate it.

Mr. President, I wish to expand on my earlier comments to provide more historical background on the development of this conference report and explain its legislative intent.

I am extremely pleased that the bill embodies the cooperative intentions and key concepts that a number of my fellow New Democrats, particularly Senator EVAN BAYH, and I, proposed when we first introduced the Public Education Reinvestment, Reinvention, and Responsibility Act—otherwise known as the “Three R’s” bill—in March 2000. I believe that we have achieved the same core goals in this conference report. The following analysis outlines the long, complex and ultimately fruitful evolution of the bill, and the core themes underpinning its key provisions.

The need for improving the federal role in K-12 public is well established. Too many of our schools have for years been failing to give low-income and minority students the education and skills they need to thrive in our increasingly knowledge-based economy. In addition, our nation faces a large achievement gap between higher- and lower-income students, and between white students and minority students.

Data from the National Assessment of Educational Progress for 2000 makes this clear. According to the report, 60 percent of the nation’s fourth graders in poverty were reading below the basic proficiency level, compared to 26 percent of more affluent fourth graders. And the gap between children of different races and ethnicities is just as stark: 67 percent of African-American fourth grade children and 58 percent of Latino children were reading below the basic proficiency level, compared with 27 percent of white children.

These achievement gaps are unacceptable and unnecessary. Every day, more and more schools offering low-income students high standards and real support demonstrate that an underprivileged background does not consign a child to academic failure. In fact, students from low-income families can achieve at similar or higher levels than their more affluent peers. We were convinced that with the right approach, the federal government could help school districts and states spread these successes across the nation.

Any reform of the federal role in education must start with the understanding that Washington is most helpful when it empowers the localities to do their job more effectively, not when it micro-manages the running of schools and districts. Though Congress helped fuel state and local improvements through its last reauthorization of ESEA in 1994 and through its support of charter schools and public school choice, those proved ultimately insufficient to the size of the challenge before the country.

To support states and localities as they worked hard to adopt better standards, improve the quality of their teachers, and increase choice and competition in public education, the federal role had to change more profoundly.

It was this desire to spurn a more accountable, competitive and innovative public education system, and ultimately raise academic achievement among children of all incomes and backgrounds, that led my colleagues and me to propose the Three R’s bill.

In the winter of 1998, I began early discussions on the issue with my former colleague, Republican Senator SCHATZER, shared the broad, bipartisan education reform agenda could and should be developed. We convened a series of meetings with
key think tanks and policymakers—including the Progressive Policy Institute, the Education Trust, the Heritage Foundation, the Fordham Foundation and Empower America—and it soon became clear that we shared goals and approaches that could serve as the basis for a legislative blueprint.

Many of the concepts discussed in these meetings were distilled in a white paper in April 1999 on performance-based funding prepared by Andrew Rotherham of the Progressive Policy Institute in 1999, Towards Performance-Based Federal Education Funding: Reauthorization of the Elementary and Secondary Education Act. Based on this framework, my staff and that of Senator BAYH began working regularly with like-minded moderate Democrats to draft a legislative proposal. Soon thereafter, the moderate Democrats formed the Senate New Democrat Coalition, with Senator Bob Graham as the leader, and selected education reform as the coalition’s first legislative priority, with Senator BAYH and myself spearheading the effort.

On March 21, 2000, I joined Senator BAYH and other Senate New Democrats, including Senators Mary Landrieu, Richard Bryan, and Charles Robb, to introduce the Three R’s Act, S. 2254, a sweeping piece of legislation designed to fundamentally reform federal education policy to a performance-based system focused on providing states and local school districts with greater resources and flexibility in return for greater accountability for increased student academic achievement. In May of 2000, Representative Cal Dooley, a leader of the New Democrats in the House of Representatives, introduced the Three R’s companion bill, H.R. 4518, which was cosponsored by Representative Adam Smith.

To overcome a system that had grown too rigid, bureaucratic, and unresponsive to the needs of parents, the Three R’s Act called for providing states and localities with more federal funding and greater flexibility regarding how to spend those dollars. In return, educators would be held more accountable for academic results. We argued that as a nation, we should ultimately base success on students’ real educational outcomes—including test results and other outcomes other than success in the number of programs or the size of the federal allocation.

The Three R’s Act called for streamlining the number of federal education programs and focusing federal dollars and attention on a few critical educational priorities, including serving disadvantaged students, raising teacher quality, increasing English proficiency, expanding public school choice, and stimulating innovation. Overall, it would have increased federal investment in our education system by $85 billion over the next five years, targeting most of those new dollars to the poorest school districts in the nation.

In April 2000, in conjunction with the introduction of our Three R’s bill, the New Democrats held a forum on Capitol Hill to foster dialogue on the need for education reform. Participants included Bob Schwartz of ACHIEVE, former Education Secretary William J. Bennett, Amy Wilkins of The Education Trust, University of Maryland Professor Dr. Bill Galston, and Joseph Olshesfske, Superintendent of Seattle Public Schools. Although some participants offered concerns on certain provisions in the Three R’s bill, they largely cited the bill as the building block for a broad and bipartisan consensus.

In the Spring of 2000, Republican Senators Gorton and Gregg approached Senator BAYH and myself to discuss the possibility of producing just such a reform package, and together we reached agreement on a number of provisions later to appear in the Conference Report before us today, such as the concept of creating a performance-based system. We were not surprised to later learn that as a member of the Democratic Leadership Council in Texas, Sandy Kress, current education advisor to President Bush and then advisor to Governor Bush, was widely reported to be a key architect of his education plan, which was later to appear in the Conference Report for the bill.

During the May 2000 debate over S. 2, the Health, Education, Labor and Pensions Committee’s Elementary and Secondary Education Act reauthorization bill, my fellow Senate New Democrats and I successfully pushed for the introduction of provisions enhancing accountability for educational performance in the Democratic Caucus’ alternative amendment, Amtd. 3111, to S. 2. In addition, our coalition successfully pushed for a separate debate on our Three R’s proposal, which we offered as a substitute amendment, Amtd. 3127 to S. 2. That amendment was one of the few to be considered on the Senate floor before the ESEA bill was withdrawn. Though our amendment only passed 13 votes, all Democrats, its defeat could not obscure the fact that the basis for bipartisan agreement was building.

Also in June of that year, I joined with Senator Landrieu in cosponsoring S. 3645, to the Labor-HHS-Education FY 2001 Appropriations Bill, H.R. 4577, which proposed focusing $750 million in federal funds on serving the poorest school districts. Unfortunately, that amendment was tabled, and the defeat did not obscure the fact that bipartisan support for improving the distribution of federal funds to better serve all students. However, on behalf of the New Democrats, I successfully garnered inclusion of language requesting a GAO study of the formulas used to distribute federal education funds under Title I of the ESEA, including an assessment of their effectiveness in meeting the needs of the highest poverty districts. The GAO full report is expected in January 2002.

As 2000 advanced, progress on the Three R’s reform model was slowed by special interests, partisan politics, and the Presidential campaign of which I was a part. Congress failed to reauthorize ESEA on time for the first time since its enactment in 1965. Nonetheless, New Democrats and members supporting reform on the Republican side managed to take significant steps in the 106th Congress toward furthering the framework for the bipartisan compromise reached in the 107th Congress. Key among our victories were building on the consensus for greater accountability for academic results and agreeing to examine better targeting of federal resources on our nation’s most disadvantaged communities.

In August 2000, the Presidential elections went into full swing, taking up much of my time. It was encouraging for me to see both Presidential candidates adopting into their campaign platforms many of the concepts in the Three R’s bill. Sandy Kress, current education advisor to President Bush and then advisor to Governor Bush, was widely reported to be a key architect of his education plan, which was not surprised to later learn that as a member of the Democratic Leadership Council in Texas, Sandy was intrigued by many of the concepts contained in the Progressive Policy Institute’s education blueprint for a national reform plan. The Three R’s legislation in the Senate. I am pleased that President Bush embraced so many of these reforms in his blueprint for education reform.

After the election, President-elect Bush appointed two key education reformers, including Senator BAYH and Representative Tim Roemer, to Austin to discuss the reauthorization of ESEA. By including key New Democrats at this meeting, the President-elect sent a clear signal that to his administration, a bipartisan bill centered around a moderate message of reform would be a top priority.

That message proved valuable in guiding us toward a compromise this fall. On October 23, 2001, in the 107th Congress, I joined other New Democrat cosponsors in reintroducing the Three R’s bill as S. 303. The same day, the White House released a white paper outlining the Administration’s education plan, “No Child Left Behind,” which shared significant common ground with the Three R’s Act. Also that winter, Representative Tim Roemer reintroduced the Three R’s companion bill, H.R. 345, in the House of Representatives, together with 18 other New Democrat cosponsors includ- ing Cal Dooley and Adam Smith, who had introduced the first House bill.

Over the same period, Senate New Democrats were approached by Senator Gregg with the backing of the White House about the introduction of a bipartisan bill using the Three R’s as a base. In late February and March 2001, Senators BAYH, Landrieu, Lincoln, and myself began bipartisan negotiations with Sandy Kress of the White House and Representative Gregg, Hutchinson, Collins, and Frist.

The Senate Education Committee was simultaneously beginning work on
ESEA legislation, and on March 28, 2001, Senator Jeffords, Chairman of the HELP Committee, reported out of committee an education bill, S. 1, entitled “Better Education for Students and Teachers Act,” or “BEST.”

What lasting reform requires broad bipartisan support, Senator Bayh and I encouraged the White House and our Republican colleagues to bring all interested parties—many of whom had the same reform goals—together. I am appreciative of the leadership shown by Senators Lott and Daschle in uniting these efforts and to have been included in those negotiations.

However, the bill that emerged from the Senate was not as strong on accountability as the Three R’s Act. I was disappointed, for example, that concerns raised by some members of Congress and many outside groups prompted the White House and others to abandon strong accountability tools to measure the performance of all students of all racial groups. Nonetheless, I believe that the language ultimately reached, while not as strong as I would have preferred, marked a dramatic step forward in holding schools, districts and states accountable for individual and annual progress in student academic achievement.

In the first week of May 2001, this bipartisan substitute bill, S. 1, was brought to the Senate. The Senate engaged in a very lively debate on the bill for several weeks, with hundreds of amendments introduced and passed. The debate was interrupted periodically for other debates, most notably the consideration of the final conference report on the budget and tax relief bill, which itself included several education amendments. Several New Democrats, myself included, were concerned that insufficient funds were being provided for investments in important priorities such as education. An amendment to support full funding of IDEA was introduced and passed overwhelmingly by the Senate. Immediately thereafter, Senator Jeffords changed his membership in the Republican Party to independent status and the Senate was reorganized. Senator Kennedy became Chairman of the Senate HELP Committee and Senator Gregg became the Ranking Member of the Committee. Fortunately, the bipartisan working spirit was not harmed by this change, and work on the education bill continued.

During the debate on S. 1, I cosponsored with Senator Landrieu an amendment to restore the original purpose of Title I funding by prohibiting the allocation of Title I funds to school districts unless new funds were appropriated to the Targeted Grant formula, focusing these funds on the communities and schools with the greatest need. The amendment, S. Amdt. 475, passed by a vote of 56 to 36. It also included $1 billion in funding for these targeted grants in a subsequent amendment, S. Amdt. 2508, to the Senate Labor-HHS-Education Appropriations bill, S. 1536, for fiscal year 2002 which passed the Senate on November 6, 2001. The amendment, cosponsored by Senator Landrieu, Senator Cochran, and myself, passed the Senate by a vote of 96 to 0.

I also cosponsored, with Senators Tom Carper and Gregg, an amendment to S. 1, S. Amdt. 518, to make public school choice a reality for children trapped in failing schools by encouraging states and local districts with low-performing schools to implement programs of universal public school choice and eliminating many of the existing barriers to charter school start-up and facility costs. Parental choice is a crucial element of accountability, and with provisions promise to give more and more parents a real stake in their children’s education. I am proud that both concepts are incorporated in the legislation that we are considering today.

After several weeks of debate, the Senate passed S. 1. “BEST” in June 2001. Since the House of Representatives had introduced H.R. 1, entitled “No Child Left Behind Act of 2001,” in March, a conference was necessary to resolve the still significant differences between the bills. In July 2001, I was very gratified to be appointed a conferee to the conference committee of the House and the Senate, with my Three R’s cosponsor Senator Bayh. Since Senator Jeffords was not a member of the HELP Committee, our inclusion was unprecedented; and I thank Senator Kennedy for his keen understanding of the contribution that the New Democrats made to this process of forging a bipartisan compromise. We have been negotiating and working diligently on the conference report since July, and although this conference process was long and difficult, I believe the hard work has been worth-while. We have crafted a strong education bill with the potential to vastly improve our nation’s public schools. Senator Kennedy, Senator Gregg, Representative Boehner, and Representative Miller receive praise for creatively resolving differences between the bills.

Previously, accountability for federal education dollars had been focused on how a state, school district, or school spent funds rather than the results achieved. The Three R’s bill, and now the new conference report bill, shifts the focus from inputs to outcomes. This conference report embodies the performance-based accountability model put forth in the Three R’s bill for holding states, school districts, and schools accountable for increases in student achievement based on state assessments and state standards.

Of course, we have not solved all of the problems that confront education in the United States. In particular, I would like to take a moment to commend Senator Jeffords for his leadership on the issue of educating students with disabilities under the Individuals With Disabilities Education Act, IDEA, and his dedication to ensuring that Congress lives up to its commitment made in 1975 to provide 40 percent of the costs associated with educating these students. His courage to take such a strong stand on this important priority is admirable. I am hopeful that Congress can address this issue when it takes up the reauthorization of IDEA in 2002.

Nevertheless, this conference report represents a major step forward in improving and reforming our education policies and programs. The following highlights provide an overview of the concepts and policy themes that were proposed in the New Democrats’ Three R’s bill and had an impact on the new legislation.

On accountability, the heart of the Three R’s plan called on each state to adopt performance standards in all federal programs, most importantly requiring states to ensure that all students, including those in Title I schools, would reach proficiency in reading and math within 10 years. It required states, districts and schools to disaggregate test results to better focus attention and resources on the lowest performing subgroups in order to close the achievement gap that exists in our nation between disadvantaged and non-disadvantaged students, and minority and non-minority students. It further required states to develop annual measurable performance goals for teacher quality and English proficiency, and had districts and schools accountable for meeting those goals. The final agreement adopts much of this accountability structure—creating a more performance-based approach to public education.

As to flexibility, the Three R’s plan called for consolidating dozens of federal education programs into a limited number of funding streams that would greatly expand the ability of states and districts to allocate federal aid to meet their specific needs. The final agreement does not contain the level of consolidation envisioned in the Three R’s bill, it does significantly increase the flexibility of states and local districts to transfer funding from many other programs; it also created new “State Flex” and “Local Flex” experiments to provide even more freedom to consolidate funding.

Concerning disadvantaged students, the Three R’s plan would have reformed the Title I program to hold states and districts accountable for closing the achievement gap; strengthened the definition of what constitutes adequate yearly progress; and required districts and schools to turn around chronically failing schools, and ultimately restructure them, convert them to charter schools, or close them down. The final agreement builds on these reforms and adds to them, sharply increasing the amount of funding for students with disabilities so that all students must be academically proficient within 12 years, offering students in failing schools the right
to transfer to higher-performing public schools, and giving families with children in poorly performing schools the right to use federal funds for outside tutoring assistance.

Related to targeting, the Three R’s plan called for increasing federal funding for Title I and other major programs, but for targeting those resources to the districts with the highest concentrations of poverty. The final agreement includes a New Democrat amendment sponsored by Senator LANDRIEU and myself that channels most of the new Title I dollars to the poorest districts through a more targeted formula. It also changes other program formulas to better target teacher quality, English proficiency, reading, technology and after school funding to the districts and schools with the greatest need.

On teacher quality, the Three R’s plan called for consolidating several teacher quality grant programs into a single, better-targeted teacher quality grant program. Those dollars to the districts with the most teachers teaching out of their area of specialty, and holding states and districts accountable for ensuring that all teachers are deemed highly qualified by the required deadlines. The final agreement meets all three goals, requiring all teachers in a state to be qualified—not only meeting state certification requirements but also meeting rigorous content standards—by 2006.

As to bilingual reform, the Three R’s plan called for a total overhaul of federal bilingual education programs that would streamline the bureaucracy, increase federal investment to meet growing enrollment, and refocus the program’s mission on helping non-native speaking students achieve proficiency in English and other academic subjects. The final agreement adopts almost all of these reforms, including a requirement to annually assess students’ language proficiency and hold districts accountable for improving English proficiency for the first time.

Regarding public school choice, the Three R’s plan called for increasing educational options for parents within the public school framework, strengthening funding for charter schools and creating a new initiative to promote intra- and inter-district choice programs at the local level. The final agreement includes a New Democrat amendment sponsored by Senator CARPER that is based largely on these provisions, as well as Three R’s-related measures requiring states and districts to expand the use of report cards to inform parents about school performance.

I would like to turn now to a detailed discussion of some of the major titles and parts of the conference report which have been influenced by the provisions and intent of the Three R’s bill. The heart of the Three R’s plan, especially for Part A of Title I, was a comprehensive accountability system for closing the academic achievement gap that held each, district, and school responsible for improving academic performance. It called for a major investment of federal resources under Title I and better targeting of those funds to the highest poverty communities. The final agreement required that states would be required to define adequate yearly progress, or AYP, for student academic achievement so that all students would be proficient in reading and math within 10 years and each district and school would be required to show measurable progress each year—not just on average, but specifically for minority and disadvantaged subgroups. If schools failed to meet these standards, districts would be required to intervene and make improvements. If schools continually failed, districts would eventually be required to take dramatic steps to overhaul them or close them down, while providing students in those schools with the right to transfer to another higher performing public school.

Title I, Part A of the conference report incorporates much of the ideas and architecture of this system as envisioned under the Three R’s bill and substantially restructured. It authorizes $13.5 billion in funding for fiscal year 2002 while significantly reforming the funding formulas under Title I, Part A, subpart 2. It demands that states develop new annual assessment systems to better monitor student learning, and sharply redefines the definition of adequate yearly progress to ensure that schools and districts are making demonstrable gains in closing the achievement gap, and that all students are academically proficient within 12 years. And, it demands annual accountability for that progress by intervening in failing schools and districts to turn them around, and imposes tough actions on those that fail to improve over time.

Regarding assessments, the Three R’s bill maintained the requirements for state content and student performance standards and annual assessments that existed under current law, as directed under the enactment of the 1994 reauthorization of the Elementary and Secondary Education Act. Under section 1111(b)(4) of Title I, it required that states have in place their annual assessments in English language arts and mathematics by the 2002–2003 school year. It further recognized the growing importance of a high quality science education for all students, so that our nation may continue to compete in a global and increasingly high-tech, high-skill economy. As a result, it expanded current law by requiring states to develop and implement science standards and assessments by the 2006–2007 school year. States that failed to have their 1994 required assessments, and the new science assessments, in place by the 2006–2007 school year, and as required under section 1111(b)(3) for states to develop and begin implementation of science assessments in at least one grade in each elementary, middle and high school level by the 2007–2008 school year.

Title I, Part A of the Act, section 1111(3), also requires the assessment of limited English proficient students in English in reading or language arts in English if such student have been in the United States for three years, but allows districts to seek a waiver from this requirement for up to two additional years, on a case-by-case basis. The intent of the new legislation is that these waivers be used only in very limited circumstances, and by no means broadly applied in order to protect the integrity of the new program.

In order to assist states with the costs associated with the development of assessments and standards, Title VI of the Three R’s bill allowed states to use funds set aside under that title for the continue improvement and development of standards and assessments. This new Act too will ensure that

subsequent years if the failure continued. States would be required to administer assessments annually at least one grade in each the elementary, middle and high school levels. It further required in section 1111(b)(3) that states assess limited English proficient—LEP—students in the student’s native language if such language would be more likely to yield accurate and reliable information on what that student knows and is able to do in the language he’s native. It further required assessments in English for English language arts for LEP students. School districts could delay this requirement for one additional year on a case-by-case basis.

As with the Three R’s, the conference report maintains the requirement that exist under current law, as enacted under the 1994 reauthorization of the ESEA, for standards and assessments and penalizes states that fail to meet the requirement to have standards and assessments in place by the 2001–2002 school year. Under the requirement, the Secretary shall withhold 25 percent of a non-compliant State’s administrative funds. It further expands on the testing requirements called for under current law and required in the Three R’s plan. It requires, in section 1111(b)(3), that States develop and implement new annual assessments for all grades, between and including, third-eighth for mathematics, and reading or language arts, and high assessments for educators administrative beginning in the 2005–2006 school year. The Secretary may withhold administrative funds if states fail to meet deadline for the new annual assessments.

In addition the Act upholds the importance of a science education, as highlighted under the Three R’s bill, by requiring states under Title I Part A section 1111(b)(1) to establish science standards and for those standards to be in place by the 2006-2007 school year, and as required under section 1111(b)(3) for states to develop and begin implementation of science assessments in at least one grade in each elementary, middle and high school level by the 2007-2008 school year.
states have substantial resources to use for the development and administration of new annual assessments. Under section 1111(b)(3), the Act authorizes $370 million in funding for fiscal year 2002 and raises that level by an additional $10 million valid and sent fiscal year 2003, $100 million for each fiscal year 2005–2007. If appropriated federal funds fall below the specified amount in any fiscal year, states are allowed to cease the administration, but not the development, of new annual assessments.

To prevent gaming of test results, section 1111(b)(2) of the Three R's stated that in order for a school to be found meeting adequate yearly progress, it must meet annual measurable objectives set for each subgroup and it must annually assess at least 90 percent of the students in each subgroup. The conference report improves this goal by requiring schools to assess at least 95 percent of the students in each subgroup. This provision will help protect against any abuses by schools or districts in excluding certain students from annual assessments.

I believe that it is the intention of the conference report 1111(3) regarding new annual assessments in mathematics and reading or language arts, and science, that such assessments shall be interpreted by the U.S. Department of Education to mean state developed and used valid and reliable data on student achievement that is comparable from school to school and district to district. This conference report's expanded and improved focus in section 1111(3) of Title I on high-quality annual assessments will help ensure that schools and parents have a better understanding of students' levels of knowledge and the subject areas requiring improvement. Such regular monitoring of achievement also will help schools and district better achieve continuous improvement.

Regarding English proficiency assessments, Title III of the Three R's required states to develop annual assessments to measure English proficiency gains. This new Act recognizes the importance of measuring English proficiency attainment by limited English proficient students. Under section 1111, it requires that states hold districts accountable for annually assessing English proficiency (including in the four essential domains of reading, writing, speaking, and listening). States must demonstrate that, beginning no later than the 2002-2003 school year, school districts will annually assess English proficiency of all students with limited English proficiency. In addition, it is the intention of the Conference that the Secretary provide assistance, if requested, to states and districts for the development of assessments for English language proficiency as described under section 1111(3) so that states may use high quality and appropriately designed to measure language proficiency, including oral, writing, reading and comprehension proficiency. Regular and high quality comprehensive assessment of English language proficiency will help create a stronger mechanism for measuring proficiency gains and ensuring progress.

In calling for reformed accountability systems in states, Section 1111(b)(2) of the Three R's required states to end the practice of having dual accountability systems for Title I and non-Title I, requiring states to establish a single, rigorous accountability plan for all public schools. It allowed states to determine what constitutes adequate yearly progress, or AYP, for all schools, local educational agencies, and the state in enabling all children in schools to meet the state's challenging student performance standards. It also established some basic parameters on AYP, requiring it to be defined so as to compare separately the progress of students by subgroup—ethnicity/race, gender, limited English proficiency, and disadvantage/non-disadvantaged; compare the proportions of students at a standard level as compared to students in the same grade in the previous school year; be based primarily on student assessment data but may include other academic measures such as promotion, drop-out rates, and completion of college preparatory courses, except that the inclusion of such shall not reduce the number of schools or districts that would otherwise be identified for improvement; include annual numerical objectives for the performance of all groups of students; and include a timeline for ensuring that each group of students meets or exceeds the state's proficient level of performance within 10 years.

Section 1111(b)(2) of the conference report defines AYP in a manner that is consistent with the goals of the Three R's. It defines AYP as a uniform state bar or measure of progress for all students, separate for mathematics and reading or language arts, and is based primarily on assessment data. The amount of progress must be sufficient to ensure that 100 percent of all students reach the state's standard of academic proficiency within 12 years. States are required to set a minimum bar, or measure, based on either the level of proficiency of the lowest performing subgroup in the state or the lowest quintile performing schools, whichever is the lower, plus some percent increase. States may keep the bar at the same level for up to three years before raising it to the next level. However, the first incremental increase shall be two years after the starting point, and the bar shall increase at both mathematics and reading or language arts in order for a school or district to be determined meeting AYP.

However, the Conferences understand that some subgroups may make extraordinary gains but still fall below a state's uniform bar for progress. Therefore, section 1111(b)(2) of this conference report contains a "safe harbor" provision for such cases. Schools with subgroups that do not meet the bar, but whose subgroups make at least 10 percent of their distance to 100 percent proficiency (or reduce by 10 percent the number of students in the relevant sub-group that are not yet proficient), and demonstrate progress on other academic indicator, will not be identified under section 1116 as in need of improvement.

The Conferences intend that this system of setting progress bar and raising it in equal increments over a 12-year period will allow states the flexibility of focusing on their lowest performing subgroups and schools, while gradually raising academic achievement in a meaningful manner. It will further ensure that state plans outline realistic timelines for getting all students to proficiency, and provide for "backloading" their expected proficiency gains in the out years. I believe that the Secretary in approving state plans shall give close scrutiny to the timelines established by states so they may be meaningful and meet the requirements of this language—to have 100 percent of student in all subgroups reach the state's proficient standard level within 12 years.

In order to address concerns raised over the volatility of test scores, section 1111(b)(2) of the conference report allows states to establish a uniform procedure for averaging of assessment data. Under this system, states may average data from the school year for which the determination is made under section 1116 regarding the attainment of AYP with data from one or two school years immediately preceding that school year. In addition, States may average data across grades in a school, but not across subjects.

As did Three R's, the new Act recognizes that in order to maintain high quality public education alternatives, charter schools must be held accountable for meeting the accountability requirements under Title I for academic achievement, assessments, AYP, and reporting of academic achievement data. However, the legislation also recognizes the unique provisions established under individual state charter school laws. As a result, this conference report clarifies that charter schools are subject to the same accountability requirements that apply to other public schools, including sections 1111 and 1116, as established by each state, but that the accountability provisions shall be overseen in accordance with state charter school law. It further expresses that authorized chartering agencies should be held accountable for carrying out their oversight responsibilities as determined by each state through its charter school law and other applicable state laws.
To aid low-performing schools so that they may make the necessary improvements to turn themselves around, such as providing more professional development for teachers, designing a new curriculum and hiring more qualified personnel, the conference report embodies the Three R’s bill required states to set aside 2.5 percent of their Title I, Part A funds in fiscal years 2001 and 2002, and 3.5 percent of funds for fiscal years 2003–2005. States would be required to send at least 80 percent of these funds directly to local school districts for the purpose of turning around failing schools and districts.

This conference report contains similar requirements, demanding that states set aside two percent of their Title I funds received under part 2 for fiscal years 2002 and 2003, and four percent of their funds in fiscal years 2004–2007 to assist schools and districts identified for improvement and corrective action under section 1116, and to provide assistance under section 1117. States shall send 95 percent of the funds reserved in each fiscal year directly to local school districts. It further authorizes $500 million for grants to local school districts to provide supplemental assistance to any districts or address schools identified under section 1116. I believe it is the intention of these provisions that funds be directed first, at schools and districts in corrective action, and second, to schools and districts identified for improvement.

Under the Three R’s, section 1116, school districts shall identify as being in need of improvement any school that for two consecutive years failed to make adequate yearly progress, or was in, or eligible for, school improvement before enactment of the legislation. Schools identified would have the opportunity to review the school data, and if the principal believed that identification was made in error, the identification could be contested. In addition, districts would be required to notify parents of the school’s identification and what it means, what the school is doing to address the problems, and how parents can become more involved in improvement efforts.

Parents of students in schools identified prior to the enactment of the proposed legislation would be given the choice to transfer their child to a higher performing public schools that was not previously identified. If a school is identified after enactment, the districts would be required to provide the parents with the option to transfer their child to a higher performing school within 12 months of the date of identification.

Schools identified for school improvement under section 1116 of the Three R’s would be required to develop and implement school improvement plans to address the school’s failure, and to develop 10 percent of Title I of 1116. Under section 1116, schools identified shall develop and implement improvement plans and receive additional technical and financial assistance to make improvements, and must devote 10 percent of their Title I funds to professional development activities for teachers and principals. Parents of children in these schools will be given the option to transfer their child to a higher performing public school with transportation costs or services provided. The Act clarifies that, although districts are required to make AYP under section 1116, they may only use up to 15 percent of their Title I funds to pay for such costs or services. The option to transfer shall only be consistent with state law—local law or policy shall not apply—and schools receiving transferring students must treat them in the same manner as any other student enrolling in the school. It is the intent of these provisions that capacity constraints not be a barrier to public school choice and that choice be meaningful by ensuring that transportation costs or services will be provided.

Schools that fail for consecutive years to meet AYP shall continue the improvement plan and other requirements from the previous year, and shall give parents the option of receiving, and selecting, outside tutoring assistance for their child from a state-approved list of providers. Such providers may include private organizations, nonprofit organizations, and community-based organizations. School districts shall only be required to reserve 20 percent of their Title I funds under Part A, and spend up to 5 percent of their Title I funds on providing parents with the option to transfer to another school and 5 percent to provide supplemental services, with the remaining 30 percent of funds spent on the other requirements as determined by the district. District shall not be required to spend more than the reserved maximum of 15 percent on providing supplemental services and shall select students by lottery if not eligible students may be served.

It is the intention of these provisions that student in failing schools have meaningful options to choose from when enabling districts to declare the failure of the bulk of their Title I resources on making improvements in the underlying school. Just as the Three R’s demanded that tough actions be taken with schools that fail to improve, the conference report requires that schools that fail to meet AYP for four years undergo at least one corrective action. Such actions include instituting a new curriculum, replacing school leaders and some relevant staff, or reconstituting the school as a charter school. Schools that fail for five consecutive years shall continue the action from the previous year and must begin planning for restructuring. These measures are intended to ensure that districts take actions that will result in a substantive and positive change in the school, and that directly address the factors that led to failure.

The conference report embodies the intent of the Three R’s and conference that schools that continually fail to improve must, at some point, face dramatic consequences. Section 1116 requires that States that fail to meet AYP for six consecutive years be completely restructured, including instituting a new governance structure, such as a charter school or private management organization, and replace all relevant staff. These steps shall, in effect, result in the creation of an entirely new school.

I believe that the timelines established under this conference report are
rigorous but fair and will allow for true identification of low performing schools so that they may get the assistance and time they need to turn around performance, but ensure that they face comprehensive and tough penalties if they fail to make improvement.

Clarifying that identification should be based on two years worth of data, the Act requires that schools must make AYP for two consecutive years in order to be removed from improvement status, corrective action, or restructuring under section 1116. Districts may delay corrective action or restructuring for one year for a school that makes AYP for one year. It is the intention of this provision that schools that may be on the right track to better performance should not be forced to curtail current improvement actions in order to implement a new one. Rather, such schools should be expected to continue current improvement activities and monitored for progress for one additional year. If schools fail to make a second year of AYP, then they would be forced to undergo corrective action, or restructuring.

As outlined in the Three R’s, the conference report requires states to establish a similar process for identifying and taking corrective action on school districts that fail to meet AYP, and for providing parents in failing districts with access to the data they need to transfer their child to a higher performing school or receive supplemental services from a tutoring provider. Just as districts shall be required to enforce improvement, corrective action and restructure requirements, it is my belief that this conference report intends for states to aggressively monitor district performance and follow the requirements established under section 1116 regarding district improvement and corrective action. I further believe that the Secretary of Education's non-compliance powers apply to any state that fails to take action on districts identified under section 1116, or fails to take actions on schools identified under section 1116—in cases where districts within the state fail to uphold these requirements.

Regarding teacher quality, the Three R’s Title II required states to have all teachers fully qualified by 2005, meaning that they must be state certified and have demonstrated competency in the critical content areas in which they teach. The conference report adds that teaching by passing a rigorous content knowledge test, or by having a bachelor’s degree, or equivalent number of hours in a subject area. The provisions were intended to ensure that all students, particularly those in high poverty schools, were taught by educators with expertise in their subject area. It sought to address the inequity that exists in our public education system where disadvantaged students are more often taught by a teacher that is out of field, has an educational advantage over them. It also defined, in section 1119 of Title I, professional development, so that teachers and principals would receive high quality professional development that provides educators and school leaders with the knowledge and skills to enable students to meet state academic performance standards; is of ongoing duration; is scientifically rigorously designed based on research, is as focused as possible on the subject area, and is intended to ensure that all teachers have the crucial knowledge necessary to ensure that students may meet the state’s challenging academic achievement standards in all core subjects.

In addition, I believe that it is crucial that existing teachers be given the high quality professional development they need to ensure that they meet the definition of highly qualified. That is why under Part A of Title II of the Three R’s bill, and under section 1119 of this conference report, states would be required to establish measurable objectives for districts and schools to annually increase the percentage of teachers receiving high quality professional development, and to hold districts accountable for meeting those objectives. It also is why both pieces of legislation require under Part A of Title I that districts spend five percent of their Title I funds received under subpart 2 on professional development activities, and require under section 1119 that districts spend 10 percent of their Title I funds to professional development activities as defined under section 1119.

On report cards, The Three R’s, in Title IV, section 4133 of this Act requires states, districts and schools to annually publish and widely disseminate to parents and communities report cards on school level performance. It required that report cards be in a manner and format that is understandable and concise. State report cards would be required to include information on each district and school within the state receiving Title I, Part A and Title II, Part A funds, including information identified by aggregated student performance on annual assessments in each subject area; a comparison of students at the three state standard levels of basic, proficient and advanced in each subject area; three-year trend data, student retention rates; the number of students completing advanced placement courses; four-year graduation rates; the qualifications of teachers in the aggregate, individual and for those teaching with emergency or provisional credentials, the percentage of classes not taught by a fully qualified teacher, and the percentage of teachers who are fully qualified; and information about the qualifications of paraprofessionals.

District level report cards would be required to report on the same type of information as well as information on the number and percent of schools identified for improvement and information on how students in schools in the district perform on assessments as compared to students in the state as a whole. School level report cards would be required to include similar information that requires or state and district report cards as well as information on whether the school has been identified under section 1116. Parents would also have the right to know, upon request to the school district, information regarding the qualifications of their student’s classroom, and information on the level of performance of the individual student.
The Federal Government must better target Federal resources on those children who are most at risk for falling behind academically. Funds made available under this title (Title I, Part A) are targeted on high-poverty areas, but not to the degree the funds should be targeted on those areas, as demonstrated by the following: (A) although 95 percent of schools with poverty levels of 75 percent to 100 percent receive title I funds, 20 percent of schools with poverty levels of 50 to 74 percent do not receive any title I funds; and (B) only 9 percent of schools with poverty levels of 55 percent to 95 percent receive title I funds. Title I funding should be significantly increased and more effectively targeted to ensure that all economically disadvantaged students have an opportunity to excel academically.

The Three R’s plan upheld the commitment made in the 1994 law that all new funds under Title I, Part A would be distributed to states and districts under the Targeted Grant formula described in section 1125. This commitment was further codified this past June when the Senate passed an amendment to S. 1, the Senate ESEA reauthorization bill, that would prohibit the Secretary from making grants under Title I, Part A, Subpart 2 unless the goals of the Targeted Grant formula were met.

This conference report upholds the intent of the Three R’s to provide funding to the Targeted Grant formula met with much political resistance. But the Conference Committee decided to make this goal a priority, and as a result, the conference report upholds and in some cases goes beyond the Senate language in the Three R’s plan. In particular, it includes the amendment sponsored by myself and Senator MARY LANDRIEU regarding the Targeted Grant.

The conference report maintains current law formulas under subpart 2 for Basic, Concentration and the Targeted Grant formula, but applies a hold-harmless rate of 85–95 percent of the previous fiscal year allocation to each district for each of these three formulas. The conference report also removes localities that fail to meet the minimum threshold for the Concentration grant for four years shall no longer be eligible for funds under this formula.

Crucial to the priority of targeting our federal funds, are the provisions made under section 1125 to Targeted Grant and the Education Finance Incentive Grant. In particular, the language prohibits the allocation of funds under Part A, unless all new funds are distributed in authorized law since the Conference Committee decided to make this goal a priority, and as a result, the conference report upholds and in some cases goes beyond the Senate language in the Three R’s plan. In particular, it includes the amendment sponsored by myself and Senator MARY LANDRIEU regarding the Targeted Grant.

As to targeting funds, the Three R’s plan made a commitment not only to boost the Federal investment in public education, but to improve the targeting of those resources to the schools with the greatest needs. It found in Title I, section 1001, that:

The conference report changes the formula so that funding to states would be based on the total number of poor children within the State multiplied by the per pupil expenditure, the state’s effort factor, and the state’s equity factor. Most significantly for the Three R’s plan, the funds would be highly targeted to the highest poverty districts within each state.

I believe that these changes clarify the intent that new Title I funds should be distributed through the Targeted Grant formula while ensuring that Education Incentive Grants, which are provisions to better target resources to high poverty states and districts. These provisions will make for some of the most important reforms in this conference report, and will help ensure that Federal resources are targeted to our districts and schools with the greatest need, rather than diluted across districts with relatively low levels of poverty.

Title I, Part B—Student Reading Skills Improvement Grants, I believe that reading is an essential building block to learning. Title I, Part A, sections 1111 and 1116 of the New Democrats Three R’s bill put special emphasis on ensuring that all children read at or above the state proficient level in reading and mathematics within 10 years, and held states and school districts receiving federal funds accountable for ensuring that their students achieve at the proficient level in both core subjects. It further called for a significant increase in funding for Title I and under subpart 2, called for greater targeting of those resources on our highest poverty communities so that they have the funds necessary to ensure all students achieve higher levels of reading in core subjects, such as reading.

The Three R’s bill throughout its entirety, but especially in Titles I, called for targeting of resources to the poorest students and schools. With the same policy goal, the conference report in Title I, Part B, also targets resources to the poorest students. It does so by sending “Reading First” awards, authorized at $900 million level in FY02 in subpart 1 to states under a poverty-based formula that gives priority in awarding competitive grants within the state to the highest poverty areas; and requires school districts to target funds to schools with high percentages of students from families below the poverty level, or that have a high percentage of children in grades K–3 reading below grade level and that are identified for school improvement under Sec. 1116. Additionally, subpart 2 of Part B of conference report provides a new competitive grant initiative authorized at $75 million in FY02 called “Early Reading First” which funds early reading intervention targeted at children in high-poverty areas and
where there are high numbers of students who are not reading at grade level.

The intention of the Reading First programs is to place a high federal priority on reading so that students may better develop both the skills and knowledge necessary to succeed in school and beyond. These programs seek to provide students with the basic skills to reach proficiency in reading or language arts in their grade level, and to better train teachers to teach children to read. They provide the fundamental building blocks to help ensure that states, districts and schools reach their academic achievement goals set forth in this Title.

Teacher quality is also essential to student success, which is why our Three R’s legislation dramatically increased the national investment in teacher professional development in its Title II. Part A, to help ensure that all teachers are competent in their subject area, and that schools and teachers are helped to administer and use these assessments so that they can better determine each student’s level of reading and design strategies to ensure that child will read at grade level.

Throughout its entirety, the Three R’s bill emphasized greater accountability for results. This conference report encompasses this results-based approach. Additionally, Title IV, Part D, of the Three R’s bill called for much more public reporting of progress so that parents can make more informed decisions regarding their child’s education. The “Reading First Program” in Title I, Part B, Subpart 1, of this conference report provides grants to provide the Secretary with an annual report including information on the progress the state, and school districts, are making in reducing the number of students served under this subpart in the first and second grades who are reading below grade level, as demonstrated by such information as teacher reports and school evaluations of mastery of the essential components of reading instruction. The report shall also include evidence that they have significantly increased the number of students reading at grade level or above, significantly increased the percentages of students in ethnic, racial, and low-income populations who are reading at grade level, and successfully implemented the “Reading First Program” in Title I, Part B, Subpart 1 of the conference report. It is the intent of this legislation that the Secretary hold accountable states, school districts, and schools for making progress in increasing the numbers of students in all major economic racial and ethnic groups—who are reading at or above grade level by calling upon the Secretary to review the data contained in the report and may make a determination of continued funding for states. I would encourage the Department, in its review, to rigorously enforce the intended accountability for lack of performance by taking stringent actions to ensure that recipients of federal funds demonstrate results in reading gains for all students.

In regards to Title II—Preparing, Training and Recruiting High Quality Teachers and Principals, the conference report will make revolutionary changes to the Three R’s bill to streamline several programs into one performance-based program to states and districts accountable. It further requires states to set annual measurable objectives to meet that goal and to ensure that teachers and principals get high-quality professional development. States must hold districts accountable for meeting these annual objectives; districts that fail to make progress toward meeting the objectives for two consecutive years must develop an improvement plan that will enable the agency to meet such measurable objectives. States must provide technical assistance to such districts and schools within the districts. If a district fails to make progress toward meeting the objectives for three consecutive years, the district shall enter into an agreement with the state on the use of the district’s funds. Under this agreement, the state shall institute professional development strategies and activities that the district agrees to follow in order to meet the objectives and prohibit the district from using Title I funds received to fund paraprofessionals hired after the date of enactment, except that the district may use Title I funds if the district can demonstrate a significant increase in student enrollment, or an increased need for translators or assistance with parent involvement activities. During this stage of professional development strategies and activities by the state, school districts, and schools affected to enable teachers within such schools to select high-quality professional development activities.

It is the intent of this legislation that states rigorously enforce these accountability measures in regards to districts that fail to meet the goals established by the state. I would encourage the Secretary to consider as non-compliant any state that fails to take action on districts failing these goals, and urge the Secretary to take action on districts failing these goals.

It is the intent of this legislation that the Secretary hold accountable states, districts, and schools within the districts. If a district fails to make progress toward meeting the objectives for three consecutive years, the district shall enter into an agreement with the state on the use of the district’s funds. Under this agreement, the state shall institute professional development strategies and activities that the district agrees to follow in order to meet the objectives and prohibit the district from using Title I funds received to fund paraprofessionals hired after the date of enactment, except that the district may use Title I funds if the district can demonstrate a significant increase in student enrollment, or an increased need for translators or assistance with parent involvement activities. During this stage of professional development strategies and activities by the state, school districts, and schools affected to enable teachers within such schools to select high-quality professional development activities.

It is the intent of this legislation that states rigorously enforce these accountability measures in regards to districts that fail to meet the goals established by the state. I would encourage the Secretary to consider as non-compliant any state that fails to take action on districts failing these goals, and urge the Secretary to take action on districts failing these goals.

Title IV, Part D, of the Three R’s bill emphasized the importance of every child being taught by a highly qualified teacher because research consistently shows that teacher quality is a key component of student achievement. It transformed the current Eisenhower Professional Development Programs into one performance-based program that in return for greater investments, held states and districts accountable for having all teachers “fully qualified” within four years and for providing teachers and principals with high quality professional development. The Three R’s bill required states to set annual measurable objectives so that all teachers would be “fully-qualified” by the school year 2005–2006, with “fully-qualified” defined for secondary as being state certified, having a bachelor’s degree in the area that they teach, and passing rigorous, state-developed content tests. Title VII of the Three R’s bill further required states to meet the annual measurable performance objectives established in each title and imposed fiscal consequences if they did not meet their goals.

Title II, Part A—Teacher and Principal Training and Recruiting Fund of the new bill has accountability measures similar to that of the Three R’s bill in Titles II and VII and stipulates that all teachers must be “highly-qualified” by the school year 2005–2006. It further requires states to set annual measurable objectives to meet that goal and to ensure that teachers and principals get high-quality professional development. States must hold districts accountable for meeting these annual objectives; districts that fail to make progress toward meeting the objectives for two consecutive years must develop an improvement plan that will enable the agency to meet such measurable objectives. States must provide technical assistance to such districts and schools within the districts. If a district fails to make progress toward meeting the objectives for three consecutive years, the district shall enter into an agreement with the state on the use of the district’s funds. Under this agreement, the state shall institute professional development strategies and activities that the district agrees to follow in order to meet the objectives and prohibit the district from using Title I funds received to fund paraprofessionals hired after the date of enactment, except that the district may use Title I funds if the district can demonstrate a significant increase in student enrollment, or an increased need for translators or assistance with parent involvement activities. During this stage of professional development strategies and activities by the state, school districts, and schools affected to enable teachers within such schools to select high-quality professional development activities.

It is the intent of this legislation that states rigorously enforce these accountability measures in regards to districts that fail to meet the goals established by the state. I would encourage the Secretary to consider as non-compliant any state that fails to take action on districts failing these goals, and urge the Secretary to take action on districts failing these goals.
The conference report establishes a different definition of what constitutes a “highly-qualified” teacher, found in Title I, Sec. 1119, than was proposed in the Three R’s definition of “fully qualified” teacher, found in Title II, Part A. However this definition still retains a strong focus on ensuring all teachers meet a high state standard of demonstrated content knowledge. Specifically, the “No Child Left Behind Act” defines “highly-qualified” teachers as teachers that are state certified and:

1. In the case of a newly hired elementary school teacher, has a bachelor’s degree and has demonstrated, by passing a rigorous state test, subject knowledge and teaching skills in reading, writing, mathematics, and other areas of the basic elementary school curriculum.

2. In the case of a newly hired secondary school teacher, has a bachelor’s degree and demonstrates a high level of competencies in the subject area taught by passing a rigorous state academic subject area test, or completion, in the subject area(s) taught, of an academic major, graduate degree, or equivalent course work for an undergraduate major, or advanced certification.

3. In the case of a veteran elementary or secondary school teacher, holds a bachelor’s degree and has passed a rigorous state test, or demonstrates competencies in the subject area taught by passing a rigorous state academic subject area test, or completion, in the subject area(s) taught, of an academic major, or graduate degree, or equivalent course work for an undergraduate major, or advanced certification.

As called for in Title II of the Three R’s bill, the conference report distributes funding to states through a formula based 65 percent on poverty and 35 percent on student population, and to school districts through a formula based 80 percent on poverty and 20 percent on student population. This targeting formula is the same as that proposed in S. AMDT 474 by Senator LANDRIEU and adopted this summer into S.1, the Senate education committee.

Title II, Part A of the conference report also requires local school districts to provide assurances that they will target funds to schools that have the lowest percentage of highly qualified teachers, or the largest class sizes, or are identified for school improvement under Title I.

Research shows that poor and minority children are more likely to be taught by a teacher who is teaching out of field—without a major or minor in the field they are teaching. Obviously, this is a disadvantage to students as well as teachers. The emphasis on targeting under the Three R’s and expanded upon in this bill, will significantly help our nation’s poorest districts, who often face the greatest obstacles to recruiting and retaining highly-qualified teachers.

As called for in Title II of the Three R’s bill, the conference report also consolidates teacher education programs into one program for the purposes of assisting state and local educational agencies with their efforts to increase student academic achievement through such strategies as improving teacher and principal quality, providing high quality professional development for teachers and principals, and recruiting and retaining highly qualified teachers and high quality principals. Similar to Title II of the Three R’s bill, the conference report requires districts to provide high quality professional development for teachers, principals and administrators so that they are better prepared to raise students’ academic achievement and meet state performance standards.

Title II, Part A, section 3 of the conference report also encourages innovative training and mentoring partnerships between local school districts and universities, non-profit groups, and corporations and business organizations to provide resources to states to reserve 2.5 percent of the funds they receive under this subpart for competitive grants to local partnerships involving higher education institutions and school districts to provide high quality professional development activities for teachers and principals and high quality leadership programs for principals. This mirrors the educator partnerships explored in Title I of the Three R’s bill. The intent of such partnerships is to provide a better linkage between institutions that prepare teachers and the need for high-quality and on-going professional development to teachers and principals in order to meet the intent of this language to ensure that this title authorizes over $3 billion for the purposes of assisting state and local educational agencies with their efforts to increase student academic achievement through such strategies as improving teacher and principal quality, providing high quality professional development, and to provide assistance to maintain and upgrade skills of teachers, the conference report distributes funding to districts with the recruitment and retention of high quality teachers.

However this definition still retains a strong focus on ensuring all teachers meet a high state standard of demonstrated content knowledge. Specifically, the “No Child Left Behind Act” defines “highly-qualified” teachers as teachers that are state certified and:

1. In the case of a newly hired elementary school teacher, has a bachelor’s degree and has demonstrated, by passing a rigorous state test, subject knowledge and teaching skills in reading, writing, mathematics, and other areas of the basic elementary school curriculum.

2. In the case of a newly hired secondary school teacher, has a bachelor’s degree and demonstrates a high level of competencies in the subject area taught by passing a rigorous state academic subject area test, or completion, in the subject area(s) taught, of an academic major, graduate degree, or equivalent course work for an undergraduate major, or advanced certification.

3. In the case of a veteran elementary or secondary school teacher, holds a bachelor’s degree and has passed a rigorous state test, or demonstrates competencies in the subject area taught by passing a rigorous state academic subject area test, or completion, in the subject area(s) taught, of an academic major, or graduate degree, or equivalent course work for an undergraduate major, or advanced certification.

As called for in Title II of the Three R’s bill, the conference report gives states and school districts significant flexibility in how they can use federal education funds to meet the goal of having all teachers highly qualified within four years. Such flexibility allows states to reform teacher/principal certification; develop alternative routes to certification for mid-career professionals; provide support to new teachers and principals (such as mentoring); provide professional development; promote reciprocity of teacher and principal certification between states; encourage and support training for teachers to integrate technology into curricula; develop merit-based performance systems; and develop differential and bonus pay for teachers in high-poverty schools/districts. This flexibility also extends to the local level, and helps realize the goal proposed in the Three R’s bill to provide states and local with maximum flexibility to address the problem of recruiting and retaining highly-qualified teachers and meeting the goal of ensuring all children are taught by a qualified teacher.

Title II, Part B—Mathematics and Science Partnerships respond to the recognition of a national deficit in the number of teachers with demonstrated content knowledge in math and science. The Three R’s bill sought to address this problem by requiring states to set aside 10 percent of the funds they received under Title II, Part A to establish partnership grants—between states, institutions of higher education, local educational agencies, and schools—that supported professional development activities for mathematics and science teacher training; providing sustaining professional development for math and science teachers; increasing the subject matter knowledge of mathematics and
science teachers by bringing them together with scientists, mathematicians and engineers; encouraging institutions of higher education to share equipment and laboratories with local schools; and developing more rigorous math and science curricula, and providing teachers in the effective integration of technology into the curricula.

Matching the focus on accountability for results in the Three R’s bill, Part D of Title II of the new bill emphasizes accountability and calls for recipients to develop measurable objectives, and to report to the Secretary on the progress of meeting the objectives of increasing the number of math and science teachers receiving professional development; on improved student academic achievement based on state math and science assessments or the International Math and Science Studies; and on other measures such as student participation in advanced courses. The bill calls on the Secretary to consult and coordinate with the Director of the National Science Foundation with respect to these programs.

The intent of this Part of the conference report is to improve the pre-service recruitment and in-service training of teachers in mathematics and science, and to encourage partnerships with institutes of higher education, scientists and engineers who are employed in other sectors to ensure that teachers have adequate subject knowledge by teachers in mathematics and science where the problems of out-of-field teaching are greatest.

In relation to Title II, part D—Enhancing Education Through Technology Schools, the Three R’s bill requires that it is necessary but not sufficient to increase schools’ access to computer hardware; to be an effective educational tool, technology must be integrated into the core curricula and subject knowledge by teachers in mathematics and science where the problems of out-of-field teaching are greatest.

The primary goal of the conference report’s Title II, part D, as stated in its purpose section, is to improve student academic achievement through the use of technology in elementary and secondary schools, to ensure that every child is technologically literate by the time they finish the eighth grade regardless of their background and to encourage the effective integration of technology and teacher training and curriculum. The conference report requires states to develop state technology plans which must include an outline of the long-term strategies for improving student academic achievement and local applications for grants must include a description of how they will use Federal funds to improve academic achievement aligned to challenging state academic standards. These parallel the goals under the Title I, part D, of the new law’s Title VI which emphasized that technology should be an integrated means to higher achievement, not an end unto itself. It is our intent that achieving this emphasis remains a high priority. Additionally, the conference report’s Title VI calls for rigorous review local applications and performance in making any future awards.

The Findings Policy and Purpose section of Title VI of the Three R’s bill, section 6001, found that technology can produce far greater opportunities to enable all students to meet high learning standards, promote efficiency and effectiveness in education, and help to immediately and dramatically reform our nation’s educational system. It also noted that so far federal and state educational technology programs have focused on acquiring educational technology hardware, rather than emphasizing the utilization of the technologies in the classroom and the training and infrastructure required to support the technologies, the full potential of educational technology has rarely been realized. It also noted that the new emphasis on the use of technology to states and localities for the implementation and support of a comprehensive system that effectively uses technology in elementary and secondary schools to improve student academic achievement, to encourage private-public partnerships to increase access to technology; to assist states and localities in the acquisition, maintenance and improvement of technology infrastructure to increase access for all students, especially disadvantaged students; to support initiatives to integrate technology into curriculum aligned with state student academic standards; to provide professional development of teachers, principals and administrators in teaching and learning via electronic means; to support electronic networks and distance learning; to use technology to promote parent and family involvement, and most importantly to support rigorous evaluation of programs and their impact on academic achievement. These points clearly indicate that the conference report is closely aligned with Title VI—High Performance and Quality Education Initiatives of the Three R’s bill. The intent of this legislation is to make sure that technology programs are not just about access to hardware, but are effectively integrating technology into activities that are part of the core curricula and to assist students in improving academic achievement aligned with state content and performance standards and that this intent is carried over into the new law. The Department in overseeing these provisions should be expected to place strong emphasis in ensuring that these goals are achieved.

The Three R’s emphasizes targeting of resources to the poorest children and schools. This goal was expanded upon in the new law’s Title II, Part D, as funds are allocated to the states based 100 percent on what the state received under Title I, Part A. Additionally, of the total state funds distributed to locals, 50 percent shall be distributed through a state formula based on Title I, Part A, and the remaining 50 percent shall be distributed via competitive technology plans. The access to Federal funds shall give priority to high need areas. The intent is that states shall determine which school districts, because of their size, receive an insufficient amount of formula funds, to implement efficient and effective activities, and provide with supplemental competitive grants.

Title II, part D of the new law requires states to submit applications for technology funds and that such applications shall include long-range strategies and provide with supplemental competitive grants.
technology literacy, that incorporate the effective integration of technology in the classroom, curricula, and professional training of teachers. Such plans shall also contain a description of: the state goals for using advanced technology to improve student achievement aligned to challenging state academic standards; the steps they will take to ensure that all students and teachers in high-need school districts have increased access to technology; the progress and accountability measures the state will use to evaluate the effectiveness of the integration of technology; how incentives will be provided to teachers who are technologically literate to encourage such teachers to remain in rural and urban areas; and how public and private entities would participate in the implementation and support of the plan. We intend that in administering this effort, that the Department of Education require that state effectively integrate technology in their classrooms and curricula, and provide adequate professional development for their teachers, with the goal of improving student academic achievement in core subjects.

The specific intent in the new Title II, part D is that each local application for technology grants shall include a description of: how the school district will use federal funds to improve the academic achievement, including technology literacy, of all students and to improve the capacity of all teachers to provide instruction through the use of technology; what steps they will take to ensure that students and teachers in high-need School districts have increased access to technology; how they will promote teaching strategies and curriculum which effectively integrate technology into instruction leading to improvements in student academic achievement as measured by challenging state standards; how it will provide ongoing professional development for teachers principals administrators, and school librarians; and how to further the effective use of technology in classrooms and library media centers; and the accountability measures and how they will evaluate the extent to which the technology has been integrated into the curriculum, increasing the ability of teachers to teach and increasing the academic achievement of students. All of these elements are consistent with the Three R’s that technology shall not be introduced for teachers but deeply integrated into the curricula and teaching strategies to foster an enhanced learning environment. We intend that the Department of Education shall aggressively enforce the requirements that states and school districts develop a comprehensive technology plan in place; that the use of technology in the classroom foster a learning environment which will improve academic achievement in the core subjects, and not just increase access to technology hardware.

The Three R’s emphasis on improving accountability by setting measurable annual goals and standards for student achievement, and evaluating and measuring progress achieved can be seen in the new Title II part D’s requirements for state and local applications. These require states to develop: state goals and standards for using advanced technology to improve student achievement aligned to challenging state academic standards; steps to ensure that all students and teachers in high-need school districts have increased access to technology; and accountability measures the state will use to evaluate the effectiveness of the integration of technology. We intend that, just as in other areas of this Act, the Secretary of Education provide oversight and assist states in the development of rigorous and measurable goals and standards regarding the use of technology to raise student academic achievement, and to develop evaluations of the impact of technology on student academic achievement.

Additionally, one of the allowable uses under state activities in the new Title II, Part D is the development of enhanced performance measurement systems to determine the effectiveness of education technology programs funded under this title, especially their impact on increasing the ability of teachers to teach and enable students to meet state academic content standards. We intend that states and districts develop measurable annual goals and standards to integrate and use advanced technology to improve student achievement, and expect that this option be exercised wherever possible by applicants and strongly encouraged by the Department of Education.

Title II, Part D—Enhancing Education Through Technology requires that state plans and local applications allocate 25 percent of the funds to be reserved for high quality professional development for teachers, school librarians and administrators to assist them in integrating the technology and core curriculum. This mirrors the intent of the Three R’s Title II, Part A—Teacher and Principal Quality and Professional Development, which calls for teachers to receive high quality professional development and to be trained in the areas that they teach, and specifically the Three R’s Title VI, section 6006 which calls for high quality professional development for teachers in the use of technology and its integration with student performance standards.

Regarding Title II, Part A—Teacher and Principal Training and Recruiting Fund, the Three R’s proposal called for a radical restructuring of Federal programs serving limited English proficient, or LEP, students. This restructuring streamlined the existing competitive Bilingual Education Act programs into a single performance-based formula grant for state and local educational entities to help LEP students become proficient in English.

Title III of this new Act also consolidates the Bilingual Education Act, as well as the Emergency Immigrant Education Program, and authorizes $750 million for one formula program to states and school districts; the federal appropriations reach $650 million. The intent behind this legislation is to recognize that a substantial level of federal resources are essential in order to provide funding to districts to meet the needs of LEP and immigrant students efficiently.

The Three R’s focused resources to those most in need and allocated funds to states based on the number of LEP students, and required states to send 95 percent of the funds received to school districts so that they may better assist such students. Similarly, the conference report provides funding in Title
III (Part A, subpart 1) to states via a formula based 80 percent on the number of LEP children in the state and 20 percent on the number of immigrant children. Additionally, the conference report calls for 95 percent of the funds to be used for grants to eligible entities at the local level. Districts that receive funds based on their number of LEP students. However, to ensure that funds are not diluted, the Act requires that states shall not make an award to districts if the amount of grant would be less than $50,000.

Under the Three R's Title III, section 3109, states were required to establish standards and annual measurable benchmarks for English language development that are aligned with state content and student academic achievement standards; develop high quality annual assessments to measure English language proficiency, including proficiency in the four recognized domains: speaking, reading, writing, and comprehending, and develop proficiency performance objectives based on the English language development standards set to increase the English proficiency of LEP students; describe how the state will hold districts or schools accountable for meeting English language proficiency performance objectives, and for meeting adequate yearly progress with respect to LEP students as required in Title I, section 1111; describe how districts will be given the flexibility to determine the scientifically research based manner that each district determines to be the most effective; and describe how the state will provide assistance to districts and schools. Section 3108 further required states to certify that all teachers in any language instruction program for LEP student were fluent in English to help ensure that students in language instruction programs are taught by the most qualified educators.

We find that these requirements will ensure that states emphasize language proficiency that ensures a comprehensive understanding of the English language so that students have the oral, written, listening, and comprehension skills necessary to successfully achieve high-levels of learning in our schools and later in the American workforce.

In turn, under sections 3106 and 3107, school districts were required to describe how they would use the funding to meet the annual English proficiency performance objectives and how the district would hold schools accountable for meeting the performance objectives. Under Title VII, section 701, states that failed to meet their performance objectives after the consecutive years would have 50 percent of their state administrative funding withheld. And, states that failed to meet such performance objectives after four consecutive years would have 30 percent of Title VI programmatic funds withheld.

Title III, section 3105 of the Three R's further required the Secretary of the U.S. Department of Education to provide assistance to states and districts in the development of English language standards and English language proficiency assessments. The intent is that the Department provide support to ensure high quality plans, performance objectives, and English language assessments.

The conference report, contains nearly the same accountability provisions and requirements. Title III, section 3113, requires states to establish standards and objectives for raising the level of English proficiency that are derived from the four recognized domains of speaking, listening, reading, and writing, and that are aligned with achievement of the challenging state academic achievement standards in section 1111; to hold districts accountable for annually assessing English proficiency as required under Title I, section 1111; and hold districts accountable for meeting annual measurable objectives under Title I, section 3122, for annual increases in the percentage of LEP students attaining proficiency in English, and for making adequate yearly progress as required under Title I, section 1111 while they are learning English.

Section 3122(b) requires states to identify school districts that have failed to meet their annual measurable objectives for two consecutive years and ensure that such districts develop and implement an annual improvement plan to ensure that the district shall meet the objectives and addresses the factors that prevented the district from achieving such objectives. For districts that fail to meet the annual objectives for four years, states shall ensure that districts modify their language instruction program; determine whether to terminate program funds to the district; and replace educational personnel relevant to the district's failure to make progress on the annual objectives.

States shall be held accountable for meeting the annual performance objectives for Title III under Title VI, section 6161 of this Act. The Secretary is required to, starting two years after implementation, annually review whether states have met annual measurable objectives established under Title III. If states have failed to meet such objectives for two years, the Secretary may provide technical assistance to states in developing an improvement plan to constructively feedback to each failing state. In addition, the Secretary shall submit an annual report to the Congress listing the states that have failed to meet the objectives under Title III.

Title III of the Three R's bill gave districts the flexibility to determine what method of instruction to implement. This conference report also gives districts the flexibility to design English language instruction programs that best meet the needs of their limited English proficient students. It further, as did the Three R's bill, eliminates the requirement that 75 percent of funding be used to support programs using a child's native language for instruction to give districts the flexibility they need to meet new proficiency goals.

One of the fundamental goals of the Three R's bill was to provide better information to parents and progress of their child's education. Title III (section 3110) of the Three R's bill required parental notification of each student's level of English proficiency, how it was assessed, the status of the student's academic achievement, and the programs that are available to meet the student's educational needs. Title III further required that states give parents the option to remove their student from any language instruction program. States were required to provide parents with timely information, in manner and form understandable to the parents, about programs under Title III and notice of opportunities to participate in regular meetings regarding programs developed.

Similarly, the conference report, under Title I (section 1112), requires districts to provide parents notification of their child's placement in a language instruction program; give parents the right to choose among various programs if more than one type is offered, and have the right to immediately remove their child from a language instruction program. The Title further allows districts to develop parent and community outreach initiatives and training so that parents may be more active in their child's education. As with the Three R's bill, the intent of the provision is to provide the maximum information about performance and programs to parents, and the Department must take steps to ensure this.

Title IV, Part A—Safe and Drug Free Schools of the Conference Report was influenced by concepts in the Three R's bill. The Three R's bill sought to more directly focus resources and activities on the improvement of academic achievement. This conference report progresses that goal in the Title IV, Part A—Safe and Drug Free Schools Program, stressing activities that will foster a learning environment that supports academic achievement. The conference report requires states to describe how they will fulfill this goal in their comprehensive plan and their application to the Secretary. Local applications must also assure that the activities will foster a safe and drug free learning environment that supports academic achievement. Additionally, following another major intent of the Three R's bill (in both Titles VI and VII), increased accountability and evaluation is called for in Title IV Part A in the conference report. The activities shall be based on an assessment of objective data and assessment of need. Established performance measures will be used to hold districts accountable, be periodically evaluated to assess their progress based on the attainment of these performance measures. National
reports are required every two years by the Secretary and reports by states and school districts are required on an annual basis. The Three R’s bill in Title II, Part A and Title VI, Sec. 6006, highlighted increased professional training for teachers, principals, and other staff related to student achievement and dealing with disruptive students and those exhibiting distress. Similarly, the conference report contains greater awareness and support for training activities.

On academic achievement, the purposes of Title IV Part A—Safe and Drug Free Schools in the conference report are to support programs that prevent violence in and around schools; prevent the illegal use of alcohol, tobacco and drugs; involve parents and communities; and that are coordinated with related federal, state, school and community efforts and resources. Under the conference report, a school district can use funds to develop, implement and evaluate comprehensive programs and activities which are coordinated with other school and community-based services and programs that foster a safe and drug-free learning environment that supports academic achievement. The overall goal of the programs in the conference report’s Title IV Part A is to foster a safe and drug-free learning environment which supports academic achievement. This embodies similar principles in the Three R’s bill in Title VI, sections 6001 and 6006 and the general intent of the Three R’s bill in focusing all activities on the improvement of academic achievement for all children.

Related to accountability and evaluations, Title VI of the Three R’s bill emphasizes that programs should be evaluated to determine if they are effective in achieving the goals of improving safe learning environments. The conference report allows up to $2 million for the Secretary to conduct a national impact evaluation for the “Safe and Drug Free” programs under Title V Part A. National reports are required every two years by the Secretary and state and school district reports are required on an annual basis. The conference report also requires states to implement a Uniform Management Information and Reporting System that would include information and statistics on truancy rates; the frequency, and incidence of alcohol, violence and drug related offenses resulting in suspensions and expulsion in elementary and secondary schools in states; the types of curricula, programs and services provided, the incidence and prevalence, age of onset, perception of health risk and perception of social disapproval of drug use and violence by youth in schools and communities. Title V Part A of the conference report also requires that state and school district applications must contain a statement of the performance measures for drug and violence prevention programs which is based on objective data and the results of on-going state and local evaluation activities. They shall also provide a statement of the performance measures for drug and violence prevention programs that will be used in evaluations. Under the conference report, programs in this Title will be periodically evaluated to assess their progress based on performance results that shall be used to refine, improve and strengthen the program and to refine the performance measures. Such evaluations shall be made available to the public on request. These provisions follow the intent of the Three R’s bill to increase accountability and evaluation in all major activities with the understanding that education reforms cannot be achieved without continual, thorough evaluations of their effectiveness and making such evaluations available to parents and the public. The Department shall act to ensure that quality evaluations are implemented.

The Principles of Effectiveness Activities part of the new act requires that activities shall be based upon an assessment of objective data regarding the incidence of violence and illegal drug use in the elementary and secondary schools, and communities to be served, including an analysis of the current conditions and consequences regarding violence and illegal drug use, delinquency and serious discipline problems. In addition, activities shall be based on established performance measures aimed at ensuring that the elementary and secondary schools and communities to be served by the program have a drug-free, safe and orderly learning environment; be based upon scientifically based research that provides evidence that the program to be used will reduce violence and illegal drug use; be based on an analysis of data reasonably available at the time of the prevalence of risk factors and include meaningful and on-going evaluations. It is our intent that the Department act to ensure a high quality assessment effort fully consistent with the requirements. Regarding streamlining and targeting, the Three R’s bill consolidated a number of national competitive grant programs—such as in Title VI—into state and school district formula programs to drive more resources to school districts and to concentrate resources in the poorest areas. The Safe and Drug Free Schools program in Title V Part A of the conference report, utilizes a formula that is nearly the same as that established under the Three R’s bill, with positive improvements. Title V, Part A distributes funds to states through a formula that is based 50 percent on school age population and 50 percent on Title I Concentration Grants, which requires districts to have at least a 15 percent poverty level, or 6,500 low income students. Eighty percent of the funds received is to be distributed to school districts via a formula distribution that is the same as that contained in the Three R’s bill, with 60 percent based on poverty in Title I, Part A, subpart 2, and 40 percent on school enrollment. The Act further allows states to reserve, not more than 20 percent of the total amount received for competitive youth violence prevention programs to school district applications and, other entities for activities that complement and support district safety activities. Such activities shall especially provide assistance to areas that serve large concentrations of low-income children, or rural communities. This provision further targets funds to areas of need and the Department is expected to adopt guidelines for the flexible program effort that assure quality and creativity.

On professional training, Title II, Part A of the Three R’s bill also called for increased professional training for teachers, principals and other personnel, with the goal of providing them with more expertise to create safer environments and to assist and identify students, as well as obtain greater ability to help students reach academic achievement goals. Specifically, Title VI, section 6006 of the Three R’s allowed localities to use funds to provide professional development programs that provide in-service training to discipline children in the classroom, how to teach character education; and provide training for teachers, principals, mental health professionals, and guidance counselors in order to better address alcohol, tobacco, and illegal drug use; and to deal with disruptive behavior, such as exhibiting distress through substance abuse, disruptive behavior, and suicidal behavior. With the similar goal of having trained personnel work with children, Title VI, Part A of the conference report allows for drug and violence prevention professional development and community training. It further, under National Programs under Title V Part A, provides for the development and demonstration of innovative strategies for the training of school personnel, parents and members of the community for drug and violence prevention activities.

Title IV, Part B—21st Century Community Learning Centers of the conference report contains a similar focus to that of the Three R’s bill. A major intent of the Three R’s bill was to ensure that all ESEA programs, more directly focus on the academic performance of students, and that accountability for these programs be strongly linked to increased performance toward that goal. Specifically, Title VI Sec. 6006 of the Three R’s bill required localities to spend 25 percent of the funds they received, under a new major federal program that was focused on spurring academic achievement through innovation, on providing high quality, academically-focused after school opportunities to students.

This conference report further that provides the Secretary with greater authority in academic achievement a primary element of the modified 21st Century Community Learning Centers program. Title...
IV, Part B also enhances the aim of greater accountability as set forth in the Three R’s—Title VI Sec. 6005 and Title VII, Part A. The legislation provides significantly increased funding for entities providing students with opportunities continued academic enrichment before and after school, and during the summer. Such opportunities are intended to help students, particularly students who attend low-performing schools, meet state student performance standards in core academic subjects. And, building on the focus of the Three R’s bill to demand greater results in return for greater investment, the conference report calls for the 21st Century activities to be evaluated and monitored for their effectiveness, and requires states to consider those results and apply a series of fiscal sanctions if performance does not meet performance goals. Additionally, the Act carries forth the intent of the Three R’s bill to target the funds to those in the greatest need. Portions of the conference report distributes funds to the states based on their share of Title I, Part A and requires states to give priority for competitive grants to recipients serving low-income communities in need.

The purpose of 21st Century programs in Title IV, Part B of the conference report is to provide opportunities to communities to establish or expand activities before and after school that: (1) offer academic enrichment, including providing tutorial services to help students, particularly students who attend low-performing schools, to meet state and local student performance standards in core academic subjects; offer students a wide array of educational options available by creating supplementary programs, and activities. Another primary purpose of the Three R’s bill is to foster academic enrichment before and after school, and during the summer.

The conference report in Title IV Part B are allocated to the states based 100 percent on Title I, part A subpart 2, thereby targeting these funds on a poverty basis. Additionally, the conference report in Title IV Part B requires states to provide competitive grants to applicants that seek to serve students who primarily attend schools eligible for schoolwide programs in Title I, those schools with at least 40 percent low income students, and other schools with the highest percentage of low income students.

Regarding accountability and the Three R’s bill in Title VI Section 6007 and 6008, it follows this intent, by requiring states to conduct a comprehensive evaluation of the effects of their 21st Century program and activities and requires that state applications describe the 21st Century programs and activities. The conference report follows this intent, by requiring states to conduct a comprehensive evaluation of the effects of their 21st Century program and activities.

Title V, Part B of the conference report contains major influences from the Three R’s bill. A primary policy goal of the Three R’s bill was to provide additional innovation and effective, voluntary public school choice options for children and parents with the belief that market forces and choice in integrated into the public framework will result in a stronger system for students who primarily attend schools with greater accountability as set forth in the Three R’s bill. A primary policy goal of the Three R’s bill was to provide additional innovation and effective, voluntary public school choice options for children and parents with the belief that market forces and choice in integrated into the public framework will result in a stronger system for students who primarily attend schools with greater accountability as set forth in the Three R’s bill.
participating and on the overall quality of participating schools and districts.

I believe that the language under section 1116 of Title I, granting parents the option to transfer their student out of a school identified for improved or corrective action to a higher performing public school, will be meaningless unless the federal government actively supports and encourages programs such as the Charter School Programs and the Voluntary Public School Choice program under Title V to expand the creation of new alternative public education opportunities.

That is why I also am pleased that the agreement contains the Per Pupil Facility Financing and Credit Enhancement Initiatives, which will help charter schools facing financial burdens due to their lack of bonding or tax raising capabilities. As a result of their inability to raise resources, charter schools must spend more of their resources on operating costs, and fewer dollars on educational needs, such as hiring qualified teachers. To ensure that charter schools better spend their own resources on academic activities, and to address the special financial problems of charter schools, Part B, section 5205(b) directs the Secretary to make competitive awards to states as seed money for the development of innovative programs providing annual financing to charters schools on a per-pupil basis for operating expenses, facility acquisition, leasing payments, and renovation. The language authorizes $300 million for Part B, but designates $200 million for subpart 1, Charter School Programs, other than 5205(b), and the next $100 million in funding for the purpose of meeting the Per Pupil Facility Financing provisions in section 5205(b). Once funding levels for Part B, subpart 1 reaches $300 million, any new funding above that level will be equally split between 5205(b) and subpart 1, the charter start up program.

To provide clearer understanding of this funding arrangement, I proposed, along with Senator GREGG, the following language:

Charter schools are public schools, yet lack the bonding and taxing authority traditionally available to school districts to finance their facilities. As a result, charter schools are forced to use operating revenues that are intended to be spent in the classroom to pay rent or to make debt payments for facilities. States have the primary obligation to address this inequity. To stimulate state incentives, this conference report authorizes a limited-term federal role in encouraging states to establish or expand per pupil facilities aid programs.

Conferees support significant funding increases for the charter school program in order to address the following priorities, as quickly as possible, for the per-pupil financing program, a program that assists charter schools in meeting their operating needs, so that charter schools and students may be better spent on academic activities.

Title V, Part B, Subpart 2 of this conference report includes language from an amendment, S. Amdt. 518, to the Senate bill, S. 1, which Senators CARPER, GREGG, and I cosponsored to provide funding for a competitive program awarded by the Secretary to entities that develop innovative credit enhancement initiatives that assist charter schools in acquiring, constructing and renovating facilities. This language was included in the Appropriations agreement for FY 01, but was never authorized under the ESEA. The program is authorized at $150 million, and will provide critical funding for charter schools for renovations and repairs of facilities.

It is my belief that these provisions, combined with the strong public reporting requirements under section 1111 of Title I, will ensure that parents have tools and the options available to make real educational choices.

Title VI—Flexibility and Accountability of the conference report contained a number of similar concepts as the Three R’s Act. The report’s plan established a clear accountability contract for Federal assistance: the federal government would provide far more resources and more flexibility than ever before to states and localities, and in return, states would uphold accountability for countable, measurable results. The bill significantly streamlined a wide range of Federal programs into a limited number of priority areas, especially under Titles II, III and VI, reduced the strings attached to those funds, and gave states and local districts broad latitude to focus those funds on their most pressing needs.

The conference report embraces the goal of greater flexibility and puts it into practice, so that local educators can best utilize federal resources to meet their specific challenges and do what is necessary to improve academic achievement. The conference report is not as streamlined as the Three R’s plan. But it does consolidate a number of large and small programs, especially under Titles II and III, and provides States and local districts with additional flexibility to transfer funds from different accounts to target local priorities. It also creates two pilot programs to give States and local districts more discretion to merge and consolidate federal funding.

Regarding Three R’s consolidation and transferability, Title VI—High Performance and Quality Education Initiatives of the Three R’s consolidated several Federal programs (21st Century Community Learning Centers, Technology programs, Innovative Programs block grant, and the Safe and Drug Free Schools program) into one formula program to States and local districts for the purpose of: (1) providing supplementary assistance for “School Improvement” to schools and districts that have been, or are at risk of being, identified as being in need of improvement under section 1116 of Title I; (2) providing additional funds to local districts and schools for innovative programs and activities that transform schools into “21st Century Opportunity...
Section 6123, allows States to transfer up to 50 percent of their State administrative and activity funds among the following Federal programs: Part A of Title II—Teacher and Principal Quality, Part D of Title II—Technology, Part A of Title IV—Safe and Drug Free Schools, Part B of Title IV—21st Century Community Learning Centers and Part A of Title V—Innovative Programs, Block Grants.

In addition, just as the Three R’s linked the flexibility of flexibility is linked to the attainment of adequate yearly progress under section 1111 of Title I, school districts that are making AYP may transfer up to 50 percent of the following Federal program funds: Part A of Title II—Teacher and Principal Quality, Part D of Title II—Technology, Part A of Title IV—Safe and Drug Free Schools, and Part A of Title V—Innovative Programs, Block Grants. School districts that have been identified under section 1116 as being in need of improvement may only transfer 30 percent of the program funds, but shall only transfer funds into their set aside under section 1003 for turning around low-performing schools and into section 1112 activity funds. States and districts may transfer funds into Title I, but no funds may be transferred out of Title I. School districts in corrective action may not transfer any funds.

In addition, the conference report creates new programs for innovative schools and districts to further expand opportunities for greater flexibility. Subpart 3 of Title VI gives the Secretary authority to award “State Flexibility Demonstrations” to up to seven states, and allows them to consolidate their state activity and administration funds under the following Federal programs: Part A of Title II, Part D of Title II, Part A of Title IV, Part A of Title V, and section 1004 of Title I. To be eligible, states must also have four to 10 local districts that agree to participate and that will also consolidate similar funds and align them to the State Flexibility Demonstration. At least half of these local districts must be high poverty. Selected states would receive maximum flexibility in spending consolidated funds on any educational purpose authorized under the Act. States that failed to make AYP for two years would have their demonstration terminated.

States participating a demonstration must still meet all the accountability requirements from any of the programs from which funds are consolidated, including meeting the requirement in section 1119 in Title I and Title II that all teachers be highly qualified by the end of the 2005-2006 school year. The Act creates a similar demonstration program for localities. 150 districts (70 of which much come from the seven State Flexibility Demonstration States) may apply for a local flexibility demonstration from the Secretary; however, there shall only be three districts participating in any State (except for the State Flexibility Demonstration States). These local districts would be allowed to consolidate funds from Part A of Title II, Part D of Title II, Part A of Title IV, and Part A of Title V. Participating districts would also have flexibility over the use of funds for any educational purpose under this Act. School districts that failed to make AYP for two years would have their demonstration terminated.

Regarding state accountability, in return for substantial federal investment and flexibility over the use of funds, the Three R’s demanded that States be held accountable for greater academic achievement for all students. Title VII of the bill required that States that failed to make adequate yearly progress under section 1111, or its established annual measurable performance objectives under titles II and III be sanctioned. Specifically, it requ

Although I believe that more improvements could be made to better hold State accountable for academic progress, I do believe that the conference report contains strong requirements under sections 1111 and 1116 of Title I, Part A of Title II, and subpart 2 of Part A of Title III, to hold districts and schools accountable for meeting the goals of this Act. Specifically, the conference report requires the Secretary to thoroughly examine the data collected from the State assessment systems and factor such information into future discussions on accountability measures for States, which should include consideration of the use of fiscal sanctions to hold those States that continually fail to meet their definitions of adequate yearly progress and fail to improve the academic achievement of all students accountable.

Furthermore, the reporting requirements for state and district report cards in section 1111, and annual reports by States to the Secretary, in section 1111, annual reports by the Secretary to Congress in section 1111 and section 6161, and the information provided under the National Assessment of Educational Progress as outlined in section 6302, will provide an unprecedented stream of annual information on academic achievement for parents, communities and the public. This unprecedented stream of annual information, combined with the substantial increase in public school choice provided to parents in Title I, section 1116, and Title IV, Part B, under the Charter Schools Program, and the Voluntary Public School Choice Programs, will provide an infusion of the market forces of transparency, accessibility,
and competition into our nation’s public school system. This dynamic will create for some of the greatest accountability that can exist—accountability by parents.

Regarding the National Assessment of Educational Progress—NAEP—of fourth and eighth grade reading and mathematics. States shall not be penalized based on their performance on the NAEP, but it is the intent that public knowledge of state performance will help drive states to develop more rigorous content and student academic achievement standards and assessments.

Mr. President, I want to end by briefly thanking my fellow Conference members and their staff for their hard work on this historic conference report, particularly Elizabeth Fay with Senator BAYH, Danica Petroshius with Senator KENNEDY, Denzel McGuire with Senator GREGG, Sally Lovejoy with Representative BOEHNER, Charles Barone with Representative MILLER, as well as the entire Conference Committee staff. And, I would like to give a special thanks to Sandy Kress of the White House for all of his efforts in this process, and to Will Marshall and Andy Rotherham of the Progressive Policy Institute as well as Amy Wilkins of the Education Trust for their policy expertise. Finally, I want to thank my own staff for their hard work, particularly Michele Stockwell, Dan Gerstein, and Jennifer Bond.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. I yield 3 minutes to my friend from Iowa, the champion for the disabled, the leader in our full funding for IDEA. He has also been a leader in terms of school construction. On so many of these issues, we have profited from his intervention.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRAHAM. I thank Senator KENNEDY and Senator GREGG for including provisions which I think are extremely important. One is the elementary and secondary school counseling program. I believe a lot of this violence is because kids are not getting good counseling. I thank them for keeping this in.

The second is the effort and equity formula for title I. It is important that States put in more money and equalize their funding so our poor kids get the money they need in the schools.

I thank Senator KENNEDY and Senator GREGG for keeping these two provisions in the final bill.
School failure there would be a one-size-fits-all prescription. That was school vouchers. The Senate and the conferees have wisely not adopted this approach.

However, there still remains the issue of intelligent process to determine why schools fail. The reality is, anyone who has spent time in a variety of schools, as I know our Presiding Officer and I have had the opportunity to do, there are a variety of reasons why a school might be considered failing. Some of the reasons have to do with what is happening inside the school. Some of those reasons have to do with the neighborhood, the environment, the circumstances from which the students come and which adverse circumstances they bring to the schools.

For instance, it might be that an absence of effective health care causes students to come to school with a limited ability to learn. It may be because of nutritional restrictions. It may be because there are not sufficient activities in the communities to support what is happening inside the school. This legislation recognizes that and provides a diagnostic process in which, when a school is identified largely based on the testing process, there will be a determination made as to what the reasons were for that specific school failing to educate its students.

This will put new responsibilities on a variety of institutions. It will put responsibilities on the community to provide resources through things such as public health services as well as nongovernmental agencies such as the United Way, YMCA, and the Boys and Girls Club, and on the Federal Government to bring to bear its agencies, particularly the Health and Human Services, to provide assistance in dealing with the kinds of the classroom reasons why schools are failing.

Again, I commend the conferees for their good work. I point out that this is an important chapter, but we have more work to be written in this book that will require the cooperation of all groups I have referred to in order to see we comprehensively deal and provide the appropriate description to why that specific school is failing.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. When I think of teacher recruitment, principal recruitment, rebuilding schools, or full funding, I think of the Senator from New York. I yield to the Senator from New York for 2 minutes.

Mrs. CLINTON. Mr. President, I thank our chairman for his extraordinary work. I also appreciate the leadership of my colleagues in the Senate. I thank the entire committee that has worked so hard for nearly a year and has finished the work in a conference that has resulted in a bill which will in many respects increase the opportunities of our students will have for achieving the kind of educational levels for which every child deserves to strive.

We know this bill is far from perfect. However, we do know we have made a step forward. I appreciate greatly the targeting of title I funding, particularly for the highest need school districts in the State of New York. We will see an increase in title I funds and a 40-percent increase in teacher quality funds. For our neediest communities, that means a dramatic improvement in the resources available to focus their attention on those children for whom this bill is intended.

I share the disappointment of many of my colleagues that we were not able to bring about the full funding of special education. That is the No. 1 issue in New York that I hear about, whether I am in an urban, rural, or suburban district. I pledge to work with my colleagues in a bipartisan manner and to work with the administration so that next year when we reauthorize IDEA, we also fully fund it and make good on the promise to the American people more than 25 years ago.

I also appreciate the kind words of the chairman about teacher and principal recruitment, which was one of my highest priorities. If we do not attract and keep quality teachers in our classroom, everything that is in this bill will not amount to very much. We have to be sure we get the teachers and principals we need.

I am glad we have taken this step forward. I hope my colleagues will continue to support education for every child.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Senator Gregg, we will try to do this again.

First of all, I thank my colleagues for their fine work. Second, it is a little frustrating for me. There are many provisions in this bill that I had a chance to work on and to write. I am proud of that, I want to say to the Senator and especially my conservative friends that this is a stunning unfunded mandate. You are taking the essence of grassroots political culture and school districts and telling every school district and every school to test every child in grades 3, 4, 5, 6, and 7—

not just title I but every child in every school.

I have heard discussions about national priorities. This bill now makes a national priority. Bucatac is a national priority. But the only thing we have done is have a Federal mandate that every child will be tested every year, but we don't have a Federal mandate that every child will have the same opportunity to do well in these tests. If they do not do well, they will need additional help.

Colleagues, just because there is money for the administration of the tests doesn't mean this isn't one gigantic unfunded mandate.

Look at this in the context of recesses, hard times, and the cutbacks in State budgets and cutbacks in education. Look at this in the context of our now adding a whole new require-ment and telling every district they have to test, having high stakes and holding the schools accountable.

My colleague from New Hampshire said: Senator WELLSTONE, you are talking about the IDEA program, but that is really SFSEA, and that is separate from title I.

That is not what I hear in Minnesota. I thank Senator HARKIN for championing this cause. What I hear at the local level is if we lose to Minnesota the $2 billion they would have gotten if we made it mandatory on a glidepath for full funding over the next 10 years, and $45 million this year, I was told we would put 50 percent of that into children with special needs. But then we could have additional dollars for other programs. Right now, the Federal Government has not lived up to its promise. We are now taking our own money that we could be using for after school, for teacher recruitment, and we have to spend that money; whereas, we would have that additional money available if you would just provide the funding for IDEA. You can't separate funding for IDEA from any of the other educational programs.

This is not just about the children who have a constitutional right to have the best education. That is Senator HARKIN's, and it is his soul. He has made that happen.

This is also about all the other children and support for educational programs at the local level. Title I money has gone up. But in the context of economic hard times and all the additional families and children who are becoming barely eligible, I will tell you something. I know that some Senators do not like to hear this. We are in profound disagreement on this.

In our State, we are going to hear from school board members and teachers, and we are going to hear from the educational community. They are going to say to us: What did you do to us? You gave us the tests, and then you gave us hardly anything that you said you would give us when it came to IDEA. You didn't provide the resources. You made this a giant unfunded mandate. You say you are going to hold our schools accountable, but by the same token, you haven't been accountable because you have not lived up to your promise.

They are right. I think there is going to be a real negative reaction from a lot of educators. In Minnesota, we have hard economic times. We are cutting back on education. We are laying off teachers.

I have two children who teach in our public schools. I have been to a school about every 2 weeks for the past 11 years. I believe I know this issue well. We are seeing all of these cutbacks. Minnesota is going to say: Why didn't you live up to your promise? You have given the tests and all this rhetoric about how it is a national priority, and I don't believe the Bush administration is going to make this a commitment next year. I do not know that you do.
Frankly, they now have this education bill. This was our leverage, which was to say we can't realize this goal of leaving no child behind—not on a tin cup budget—not unless you make this commitment. And there will be no education bill until this commitment is reformed unless we live up to our commitment of providing the resources. And we have not.

I was in a school yesterday—the Phalen Lake School. I loved being there. On the last side of St. Paul, I don't think one of the students comes from a family with an income of over $15,000, or maybe $10,000 a year. It is just a rainbow of children with all kinds of culture and history. They are low-income children in the inner city.

Do you know why I went. They raised money to help the children in Afghanistan. The President asked them to do so. They are all beautiful. I loved being there. But do you want to know something else? You cannot have the children need because there are teachers who tell me what they need. They need the resources for more good teachers and to retain those teachers. They need to come. Kindergarten ready to learn without becoming an academic achievement. We have 2 trillion in tax cuts, and $35 billion or $40 billion in the energy bill as tax cuts for producers. Where is the commitment to developmental care from this Congress?

I know what they need. They need more afterschool programs. They need a lot more Title I money—not just 33 percent of the children are poor but many more children, and more help for reading and smaller class size. They need all of that. We could have provided them a lot more, and we didn't.

I will vote no. I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

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

The PRESIDING OFFICER. The Senator has 5 minutes 48 seconds.

Mr. GREGG. Mr. President, I again thank Senator KENNEDY and all the members of our staffs. I went over that in some length, and I specifically thanked our staff yesterday. I want to renew my thanks for their efforts. It has been extraordinary.

I also thank other members of the committee who worked with me from both sides of the aisle, and also the White House for its assistance.

I think it is important to note as we go into the final moments of this debate that we would not have gotten to this point unless we had the President, who understood how to lead on an issue of national importance.

The fact is that President Bush understands almost in a visceral sense—it totally absorbs him and his wife—that children are being left behind because our educational system is not working, and that we need fundamental reform of that system in order to try to improve it.

He came into office and was willing to lay out a very clear path for us as a Congress and as a Government to follow in trying to assist in the Federal role in elementary and secondary education. Because he was willing to lay out a framework which is, No. 1, child-centered rather than bureaucracy-centered; that empowers parents and gives parents, especially of low-income children, an opportunity to do something when their children are locked into failing schools, gives those choices gives the accountability standards that show us whether or not the academic achievement is being obtained.

In the end, what we are doing with this bill essentially is creating opportunities for local school districts, States, and especially parents to take advantage of using their Federal dollars in a more effective way to educate the low-income child, and hopefully have that child be competitive with his or her peers.

In the end, we also understand that it will be the responsibility of the parents, of the schoolteacher, of the principal, and of the school system that is locally based to make the tough decisions and do whatever it is necessary to produce the results and have the children compete.

At least that is the Federal role. We are now setting up a framework which will greatly assist parents, schools, and teachers in accomplishing that goal of making the low-income child competitive in America so they can participate in the American dream.

I especially want to thank the chairman of the committee for his efforts and for his courtesy during the markup of this bill.

The PRESIDING OFFICER. The Senator from Massachusetts.

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

The PRESIDING OFFICER. The Senator has 5 minutes 26 seconds.

Mr. KENNEDY. I yield myself an additional 2 minutes of the leader's time.

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

Mr. KENNEDY. Mr. President, we have had a very good discussion and debate today and yesterday. I expect we will have an overwhelming vote in support of the conference report by Senators from all different parts of the country who have varying views on educational issues. We recognize this is an important step forward.

I want to acknowledge, as I have on other occasions, the strong leadership of President Bush. This was a unique undertaking on his part. I can remember, as I am sure the Senator from New Hampshire, being in this Chamber 2½ years ago when we had 3 weeks of debate in the Chamber and were unable to come to any kind of common position. We were facing the fact that the program that reaches out to the neediest of children was effectively going to be awash at sea.

That has changed. The President deserves great credit for that. Credit also goes to the able chairman of our conference, Congressman BOEHNER, our leader over in the House on education issues. There are many contributors to this conference report, but GEORGE MILLER brings a special commitment to education, as does my friend and colleague from New Hampshire, Senator GREGG.

The reason this issue is so important is that it affects every family in this country; it is one that goes back to the earliest times of our Nation. Our Founding Fathers understood the importance of educating the whole of the people. It isn't just an accident that the first public schools were developed in this country. It was a really fundamental commitment that all the children were going to be educated. Virtually all the constitutions of our States are committed to the States ensuring a quality education for all the children of this Nation. That has not always been the case.

We have seen the great social movements that have taken place in this Nation. We understand the drive of parents for a quality education. It was at the heart of the women's movement. It was not only the right to vote, but the women's movement understood that young ladies, young girls ought to be able to receive a quality education. It took a long time, and now it would be unthinkable if we said we were going to educate everyone but women in our society.

Then it became the principal civil rights issue in the 1950s. Long before Dr. King and others spoke about civil rights, the principal civil rights issue was, were minorities going to be able to gain an education by opening up the doors of education? It became the principal civil rights issue. We understand why we have seen the progress we have made for the disabled in recent times. We have heard the statements by the Senator from Iowa, the Senator from Nebraska, and the Senator from Vermont about trying to assure a quality education for those students, which really follows a national concern and commitment that has been part of our tradition. We have
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not always reached that commitment. But I think, when history examines where we have been and where we are going, those who have followed this issue will believe this is a historic piece of legislation and one that deserves the support of all of the Members of this Senate.

The legislation before us today is a blueprint for progress in all of the Nation’s schools. It proclaims that every child matters—every child, in every school, in every community in this country. That is why this legislation is so important. School improvement and school reform are not optional; they are mandatory for us to achieve if we are going to meet our responsibilities to the next generation. When we fail our students, we fail our country. We cannot expect the next generation of Americans to carry the banner of progress and opportunity if they are not well prepared for the challenges that lie ahead.

The defining issue about the future of our Nation and about the future of democracy, the future of liberty, and the future of the United States in leading the free world. No piece of legislation will have a greater impact or influence on the future of our children.

In conclusion, what are we really trying to do? Now that we have put this issue into some kind of framework, we are assuring American families this is what this legislation is really all about. It is a commitment to our students to achieve high standards. Extra help will be there for students in need. We are committed to high-quality teachers. We are committed to extra help in mastering the basics. We are committed to reducing the dropout rate. We are committed to providing guidance counselors. We are committed to assist young children who need mental health counseling. We are committed as well to the advanced placement—foreign language, Advanced Placement (AP) history, civics, economics, the arts, physical education, and the gifted and talented, and character education.

We have the pathways to American excellence. We are saying to families: If your child is doing well, with this legislation your child will do even better; if your child is failing in the public schools, with this legislation they will get the help they need.

This is the challenge for the schools: Refocusing on our schools, having high standards, high expectations. We are going to insist on teacher training and mentoring, high-quality teachers in every classroom, smaller class size, early reading support, violence and drug prevention programs, more classroom technology, after-school opportunities, high-quality bilingual instruction, new books for school libraries, and greater parental involvement.

This is the third and the important final dimension. This is the policy we are going to be giving parents in States and local schools all across this country so that they will know what the achievement is for all the students, not only their own but the other children who are in the classes, including children with disabilities and those with limited English proficiency, and minority and poor children. They will be able to find out what their graduation rates are, what the quality is of the teachers in those classrooms in high-poverty and low-poverty schools, and the percentage of highly qualified teachers.

This is our commitment. We are challenging the children in this Nation. We are challenging the schools in this Nation to challenge the parents in this Nation. As has been pointed out in the course of the debate, finally, we are going to challenge ourselves. Are we in this Congress going to make this kind of an opportunity real for all children in America, not just a third, but for all children to move along? That is a battle that is going to be fought on this Senate floor day in and day out over the years in the future. Are we going to expect that the parents are going to meet their responsibilities in fulfilling this kind of a promise?

Those are the kinds of challenges we welcome. But we are giving the assurance to the American families that help is on the way.

This legislation deserves our support. I hope we will have an overwhelming vote on its adoption.

Madam President, I ask for the yeas and nays.

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

Mr. KENNEDY. Madam President, I ask unanimous consent that at the conclusion of this vote, the staff be entitled to make technical amendments.

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

Mr. LOFT. Mr. President, soon we will vote on passing H.R. 1—the Better Education for Students and Teachers, BEST, Act. As everyone knows, President Bush campaigned last year with a promise to do all that he could in the realm of education so that we as a nation would “Leave No Child Behind.”

The Republican majorities in the Senate and the House responded to the President’s focus on comprehensive education reform by putting it at the top of the agenda in both chambers. They accomplished in both the Senate and the House—S. 1 and H.R. 1—were both named the Better Education for Students and Teachers Act. It is the conference report to that legislation that we are about to vote on, pass, and send to the President for him to sign into law as he promised.

President Bush recognizes that with almost 70 percent of our fourth graders who are unable to read at even a basic level, our children were and are at risk of being unable to compete in an increasingly complex job market. We all recognize that the ability to read the English language with fluency and comprehension is essential if individuals, old and young, are to reach their full potential in any field of endeavor. As the saying goes: Reading Is Fundamental. And again, as President Bush has said, none of our children should be left behind because they can’t read.

Reforming our schools has always sought to maximize local control and flexibility over both education policy and federal funding while requiring schools to be accountable for the ultimate performance of their students. School accountability means schools must respect the rights of parents to know about their child’s performance as well as the quality of a child’s instructors and learning environment.

That is why the most significant change under the new law is that parents are empowered with new options. For the first time, parents whose children are trapped in failing public schools will be able to demand that a local school district give them a portion of the money available for their child under the Title I Disadvantaged Children program—approximately $500 to $1,000—so the parents can use it to get their child outside private tutoring support. Such tutorial support can come from public institutions, private providers or faith-based educators. Groups such as the Sylvan Learning Center, Catholic schools, the Boys & Girls Clubs, and a variety of other agencies will be able to help these children to speed up in math and English. This provision has the potential to fundamentally impact the way low-income children are educated in America.

Not only will parents have the right to demand money for tutoring assistance for their children, but whenever their children are trapped in failing public schools they will also be able to demand that their child be able to attend another public school which is not failing and to have their child’s transportation costs to the new school paid for by the local school district. This ensures parents are able to access better performing schools for their children.

So, while the bill does not allow parents to access private schools as some have proposed, it does allow a parent to get their child out of a failing public school and move them to a public school where they can get adequate education and to have their child’s transportation costs to the new school paid for by the local school district. This provision gives parents a viable option for giving their child a chance to succeed not just in school, but in life.

Groups of concerned parents and educators will also have enhanced rights under the BEST Act. The bill creates a major new expansion of self-governing Charter Schools. Charter Schools enable parents, educators, and interested community leaders to create schools...
outside the normal bureaucratic structure of moribund educational establishments and much of the red tape contained in local, state, and federal regulations. This legislation will significantly expand the opportunity for parents, foundations, and other groups to create schools and help them succeed without interference from education bureaucrats and politicians who are hostile to Charter Schools.

One of our primary goals in this bill as Republicans was to give states and local communities significantly more flexibility over the management of Federal dollars they receive, and to pared down the amount of red tape that comes with the Federal dollars. While not as strong as we would have liked, there are a series of initiatives in this bill that offer significant help in this regard.

State and local governments, and local school districts, will be able to move up to 50 percent of their non-title I funds from one account to another without Federal approval. This means funding for teacher quality, technology innovation programs, safe and drug-free schools, and other programs would all be open to movement of Federal funds—other than title I funds—to account depending on where a State or local community, and not Washington, DC, feels that it can get the most benefit from the dollars.

In addition, 150 school districts—at least three per State—would be able to apply for waivers from virtually all Federal education rules and requirements associated with a variety of ESEA programs, in exchange for agreeing to obtain higher than required levels of achievement for their low-income students. This provision gives local communities dramatic new flexibility in running their schools.

Seven whole States, if they volunteer, may participate in a demonstration project that would allow Federal funds—other than title I funds—to be used by the State for any educational activity authorized by H.R. 1. Therefore, States would have greater control over such funds as the innovative block grant program, State administration component of title I, State administration/State activities components of title I, Part B and other Federal funds.

Another significant accomplishment of this bill is the streamlining and consolidation of the number of Federal education programs, which often led to confusion and duplication of efforts. Under current law there are 55 Federal education programs for elementary and secondary schools. This bill makes a down payment on further consolidation by reducing the total number of programs to 45, despite creating several new programs in the bill. This consolidation, although not as dramatic as one would like, is a significant improvement.

The bill also includes reforms to improve teacher quality and training. It includes the Teacher Empowerment Act which takes numerous existing professional development programs for Teachers and the current Class Size Program and merges them into one flexible program which allows local districts to use the funds as they see best for the hiring of teachers, improving teacher professional development, or providing merit pay or other innovative ways to reward and retain high quality teachers.

The bill continues the initiative in current law called the Troops to Teachers program that encourages retired members of the Armed Services to become teachers. The bill also directs that 95 percent of the Federal funds targeted for teacher quality go directly to local school districts. And while the bill provides funds to be used for the recruitment of hiring qualified teachers, it explicitly prohibits funds from being used to plan, develop, implement or administer any national teacher or professional test or certification. In other words, Federal funds cannot be used to create a national teacher certification system.

Teachers are given legal protection under the Teacher Liability Act contained within the bill which will shield teachers, principals and other school professionals from frivolous lawsuits. It is a major piece of legislation which states that teachers and other school professionals have the ability to maintain discipline, order, and a proper learning environment in the classroom without having to fear losing their home or their life savings.

H.R. 1, the BEST Act, also reorganizes bilingual education initiatives so that the emphasis is now on teaching English rather than separating children who do not speak English and putting them into an atmosphere where they never actually learn English. It also gives the parents of bilingual children the right to demand information about the classes and instructional programs that are placed in. Most importantly, they are given the right to object to their children's placement or classes to ensure that their children do not end up being locked in a limited-English situation. This is one of the bill's most significant achievements as it involves much needed reforms to a program critical to the success of students with limited English proficiency. It provides accountability to a program which has been mistrusted and mismanaged.

The final major accomplishment of H.R. 1 is that it imposes stringent accountability standards on schools and their performance with the goal of assuring that low income students are as well treated as their peers. In accomplishing this goal, the bill specifically prohibits federally sponsored national testing or Federal control over curriculum. It sets up a series of tests to ensure that any national test—like the NAEP, which is used for evaluation purposes is fair and objective, and does not test or evaluate a child's views, opinions, or beliefs.

The bill also includes a trigger mechanism so that State based testing requirements are paid for by the Federal Government, not states or local school districts, thus avoiding an unfunded mandate.

Finally, the bill contains several provisions which are important to ensure that Federal funds are used appropriately and objectively without bias. The bill denies Federal funds to any school district that prevents or otherwise denies participation in constitutionally-protected voluntary school prayer. Funding is also denied any public school or educational agency that discriminates against or denies equal access to any group affiliated with the Boy Scouts of America. It requires that the Nation's Armed Forces recruiters have the same access to high school students as college recruiters and job recruiters have. Schools will also be required to transfer student disciplinary records from local school districts to a new private or public school so discipline and safety issues are fully appreciated and anticipated by administrators, teachers, parents, and, of course, new classmates at their new school.

President Bush's agenda for education reform as embodied in this bill serves as a framework for common action, encouraging all of us, Democrat, Republican, and Independent, to work in concert to strengthen our elementary and secondary schools to, as the President says, "build the mind and character of every child, from every background, in every part of America."

Madam President, I do want to say, since we are about to begin the vote, how much I appreciate the outstanding leadership and work that has been done by Senator Gregg and Senator Kennedy. Without their indomitable spirit, it would not have happened. We are indebted to them.

I yield the floor.

Mr. DASCHLE. Mr. President, it has been said that free schools save us as a free Nation. I believe that this education bill will strengthen our schools, and strengthen our Nation long into the future.

Much has happened since we began work on this bill to update Federal elementary and secondary education programs.

We were well on our way to reaching a bipartisan consensus on this bill last spring when control of this institution changed.

That unprecedented shift could have thrown this effort into the limbo of partisan gridlock. But we continued to move forward and in June, we passed a strong, bipartisan bill.

Then came the terrible events of September 11 and, a month after that, the anthrax attacks.

Even as we focused on urgent national security concerns, from strengthening the airlines to making sure our military has what it needs to dismantle the terrorists’ networks, members of the education conference
I am disappointed, however, that this bill does not provide full funding for the Individuals with Disabilities Education Act, or IDEA. Senator Jeffords is right: we made a commitment more than 25 years ago to provide 40 percent of the cost of this program; so far, we have failed in that commitment. We need to do better.

Though we finish this bill today, the work of improving our children’s schools does not end. This bill lays out a blueprint for reform. But we know that real reform cannot occur without real resources. Our schools face real challenges: the generation now passing through our schools has surpassed the Baby Boom in size, and school enrollments are expected to rise for the next decade; a large part of the teaching corps is getting ready to retire. Schools will have to hire more than 2 million new teachers over the next decade; diversity in the classroom is increasing, bringing new languages, cultures, and challenges; technology is revolutionizing the workplace and our society as a whole. Schools must keep up with the pace of change, by helping students gain important skills in technology, and by taking advantage of technological capabilities to advance learning for all children.

The first test of whether we are serious about meeting those challenges and keeping the commitments this bill makes will occur this week, when we take up the Labor-HHS appropriations bill.

The details of that bill are still being finalized, but we expect it will provide communities with an additional $1 billion to meet their new responsibilities under these programs. We must make sure that money is there not only next year, but every year.

This bill meets many of our greatest education challenges in word. I hope that this and future Congresses will ensure that the resources are there to meet them in deed.

That is the only way that we can strengthen our schools and move our Nation closer to becoming a land of opportunity for every child.

It is with this understanding that we still have work ahead of us, I give this bill my strong support, and I urge my colleagues to do so as well.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. Wellstone, Madam President, actually, I think I have said what I wanted to say. I feel as though I was speaking for a lot of people in Minnesota and around the country.

My colleagues, I have figures I will leave everyone in terms of our national commitment. In 1979, close to 12 percent of the Federal budget was dedicated to education. It is now down to 7 percent.

If we just were where we were in 1979, 30 some years ago, we would be allocating an additional $21 billion to education today. I have heard colleagues say that this is all about equal opportunity for every child. There is nothing I believe in more. I know Senators can agree to disagree.

If I had one vision, one hope, one dream, that I can say more for Minnesota and the country than any other, it would be that every child, starting with the littlest of the children, regardless of color of skin, urban/rural, income, gender, every child would have the chance to reach her or his full potential. That is the goodness of our country.

When I was in Phalen Lake school yesterday, that was the goodness of that school, those teachers and what they were trying to do under incredibly difficult circumstances. I wish I could believe that this bill lived up to that promise. When I look at the resources, it doesn’t.

Make no mistake about it, a test every year doesn’t give our schools the resources to either recruit or to retain more teachers. A test every year does not lead to smaller class size. It doesn’t lead to better lab facilities. It doesn’t lead to more reading help for children who need the help. It doesn’t lead to better technology. It doesn’t lead to more books. It doesn’t lead to making sure the children are prepared when they come to kindergarten. Many of them are so far behind. It doesn’t mean we will have after-school programs. It doesn’t mean any of that.

I am all for accountability. I am all for testing and accountability to see how the reform is doing. I am not for the argument that the actual testing represents the reform.

We have done one piece, the accountability. We haven’t given our children and our schools and our teachers the resources they need.

Mr. Nickles. I have shouted it from the mountaintop 1,000 times on the floor: Mr. President, you cannot realize the goal of leaving no child behind, the mission of the Children’s Defense Fund, on a tin cup budget. That is what you have given us.

I vote no.

The PRESIDING OFFICER. All time having expired, the question is on agreeing to the conference report to accompany H.R. 1.

The yeas and nays have been ordered. The clerk will call the roll.

The senior assistant bill clerk called the roll.

Mr. Reid. I announce that the Senator from Hawaii (Mr. Akaka) is necessarily absent.

Mr. Nickles. I announce that the Senator from North Carolina (Mr. Helms) and the Senator from Alaska (Mr. Murkowski) are necessarily absent.

I further announce that if present and voting the Senator from North Carolina (Mr. Helms) would vote “no.”

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 87, nays 10, as follows:
On page 4, in the item for section 1121, strike “secretary” and “interior” and insert the following: “Secretary” and “Interior”.

On page 5, in the item for section 1222, strike “baseline” and insert the following: “Early Reading First”.

On page 6, in the item for section 1504, strike “close up” and insert the following: “Close Up”.

On page 6, strike the item for section 1708.

On page 12, in the item for section 5441, strike “Learning Communities” and insert the following: “learning communities”.

On page 14, in the item for section 5506, strike “mination” and insert the following: “Termination”.

On page 25, line 31, strike “Any” and insert the following: “For any”. (a)

On page 32, line 2, “part” insert the following: “the State educational agency”.

On page 33, after line 35, insert the following: “(K) Accountability for Charter Schools. —The accountability provisions under this Act shall be overseen for charter schools in accordance with State charter school law.

On page 34, lines 2, 15, and 31, strike “State” and insert the following: “State educational agency”.

On page 38, line 29, strike “section 6204(c)” and insert the following: “section 6113(a)(2)”.

On page 40, line 22, strike “State” and insert the following: “State educational agency”.

On page 46, lines 8, 19, 23 (each place it appears), and 27, strike “State” and insert the following: “State educational agency”.

On page 48, line 23, strike “(b)(2)(B)(vii)” and insert the following: “subsection (c)”.

On page 49, line 11, strike “(2)(I)1” and insert the following: “(2)(I)”.

On page 70, line 34, strike “subsection (b)” and insert the following: “subsection (c)”.

On page 71, line 23, strike “(d)” and insert the following: “(e)”.

On page 72, line 6, strike “(e)” and insert the following: “(f)”.

On page 73, line 22, strike “section” and insert the following: “part”.

On page 76, line 1, strike “DEFINITIONS” and insert the following: “DEFINITION”.

On page 79, line 23, strike “the No Child Left Behind Act of 2001” and insert the following: “under any title of this Act”.

On page 80, line 4, strike “the No Child Left Behind Act of 2001” and insert the following: “under any title of this Act”.

On page 81, line 4, strike “the No Child Left Behind Act of 2001” and insert the following: “under any title of this Act”.

On page 82, line 9, strike “DEFINITIONS” and insert the following: “DEFINITION”.

On page 83, line 10, strike “terms ‘firearm’ and ‘school’ have” and insert the following: “term ‘school’ has”.

On page 84, line 11, strike “(c)” and insert the following: “(d)”.

On page 85, line 20, strike “(c)” and insert the following: “(d)”.

On page 86, line 25, strike “section 701 to read as follows:

TITIE IX—GENERAL PROVISIONS.

SEC. 901. GENERAL PROVISIONS.

The concurrent resolution (H. Con. Res. 288), as amended, was agreed to.

Mr. DASCHLE. I yield the floor.
December 18, 2001

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Mr. KERRY. I thank the Chair.

I was at this time going to ask unanimous consent to move to the small business bill. I am not going to do that at this point in time, having had a conversation with the majority leader, a conversation with Senator BOND and other Senators. But I say to my colleagues on the other side of the aisle that we have been for several months trying to get emergency assistance through the normal lending process of the Small Business Administration to the small businesses that have not been helped. We have helped airlines. We have been talking about help for the insurance companies. We have a lot of small businesses. We always hear the speeches on the floor of the Senate extolling the virtues of the people who really make the businesses of our country grow; the places where all of the growth of the Nation exists—not in the Fortune 500 companies but in the small businesses.

Many of those businesses simply need a small tide-over with access to credit that they have been denied because of the downturn in the economy.

If you talk about stimulus, helping small businesses at this point in time is one of the most important ways we can invigorate our economy.

I hope and plead with my colleagues on the other side of the aisle. I have yet to have the administration come to us and say, here is the way we can improve your bill, or here is a change we really would like besides getting the bill altogether, or simply not spending any money on small businesses.

In fact, by creating lending through the program that 63 of our colleagues have joined as cosponsors, we would, in fact, be making loan guarantees. This is not direct lending. These are loan guarantees that would be made at a less expensive rate than the disaster assistance loans currently being made. This is a way to get much more leverage for the dollars we invest.

Santorum

Thomas

Thompson

Thurmond

Voinovich

Warner

NOT VOTING—3

Akaka

Harms

Murkowski

The PRESIDING OFFICER. On this vote, the yeas are 54, the nays are 43. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. REID. Madam President, I ask unanimous consent that when the Senator from Massachusetts, Mr. KERRY, finishes his brief remarks the Senate recess until 2:30 today for the party conferences.

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

The Senator from Massachusetts.

EMERGENCY ASSISTANCE FOR SMALL BUSINESS

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) and the Senator from Alaska (Mr. Murkowski) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 54, nays 43, as follows:

[Rollcall Vote No. 372 Leg.]

YEAS—54

Baucus

Bayh

Burns

Bingaman

Boxer

Breaux

Byrd

Cantwell

Carnahan

Carper

Chafee

Clinton

Collins

Conrad

Corzine

Daschle

Dayton

Dodd

Dorgan

Durbin

Feingold

Feinstein

Graham

Harkin

Keating

Kerrey

Landrieu

Leahy

Levin

Lieberman

Lincoln

Mikulski

Miller

Murray

Nelson (FL)

Nelson (NE)

Reed

Rockefeller

Schumer

Snowe

Stabenow

Torricelli

Wallstone

Wyden

NAYS—43

Aliard

Allen

Bennett

Brownback

Brownning

Burns

Campbell

Cochran

Craig

Crapo

DeWine

Domenici

Ensign

Enzi

Fitzgerald

Frist

Graham

Grassley

Gregg

Hagel

Hatch

Hutchison

Inhofe

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Dayton

Dodd

Dorgan

Durbin

Feingold

Feinstein

Graham

Harkin

Keating

Kerrey

Landrieu

Leahy

Levin

Lieberman

Lincoln

Mikulski

Miller

Murray

Nelson (FL)

Nelson (NE)

Reed

Rockefeller

Schumer

Snowe

Stabenow

Torricelli

Wallstone

Wyden

NAYS—43

Aliard

Allen

Bennett

Brownback

Brownning

Burns

Campbell

Cochran

Craig

Crapo

DeWine

Domenici

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

The Senator from Massachusetts.

EMERGENCY ASSISTANCE FOR SMALL BUSINESS

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) and the Senator from Alaska (Mr. Murkowski) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 54, nays 43, as follows:

[Rollcall Vote No. 372 Leg.]

YEAS—54

Baucus

Bayh

Burns

Bingaman

Boxer

Breaux

Byrd

Cantwell

Carnahan

Carper

Chafee

Clinton

Collins

Conrad

Corzine

Daschle

Dayton

Dodd

Dorgan

Durbin

Feingold

Feinstein

Graham

Harkin

Keating

Kerrey

Landrieu

Leahy

Levin

Lieberman

Lincoln

Mikulski

Miller

Murray

Nelson (FL)

Nelson (NE)

Reed

Rockefeller

Schumer

Snowe

Stabenow

Torricelli

Wallstone

Wyden

NAYS—43

Aliard

Allen

Bennett

Brownback

Brownning

Burns

Campbell

Cochran

Craig

Crapo

DeWine

Domenici

Ensign

Enzi

Fitzgerald

Frist

Graham

Grassley

Gregg

Hagel

Hatch

Hutchison

Inhofe

The PRESIDING OFFICER. On this vote, the yeas are 54, the nays are 43. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. REID. Madam President, I ask unanimous consent that when the Senator from Massachusetts, Mr. KERRY, finishes his brief remarks the Senate recess until 2:30 today for the party conferences.

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

The Senator from Massachusetts.
I urge my colleagues on the other side of the aisle—and I see the minority assistant leader is here. I hope we can try to break through on this small business bill this afternoon and find a way to reach some kind of compromise so those 65,000 colleagues could have their interests met.

I thank the Chair. I yield the floor.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:30 p.m.

Thereupon, at 1:06 p.m., the Senate recessed until 2:31 p.m. and reassembled when called to order by the Presiding Officer (Mr. CARPER).

The PRESIDING OFFICER. The assistant majority leader.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The assistant majority leader.

ORDER OF PROCEDURE

Mr. REID. For the information of all Senators, we have two Senators who are on their way to the Chamber. The Democratic conference has taken longer than was anticipated. They should be here momentarily. I ask unanimous consent that, pending their coming to the Chamber, Senator SITKOWSKI be recognized as in morning business for up to 6 minutes.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

The Senator from New Hampshire is recognized.

MTBE

Mr. SMITH of New Hampshire. Mr. President, we are moving into the season of festivities. Hopefully, we will get an opportunity to celebrate the holidays. Unfortunately, for many in my State of New Hampshire and in other States across the country, this is a holiday season filled with the anxiety that comes with knowing their water is contaminated.

This contamination is caused by a Federal mandate that I believe is wrong. Another year has gone by and Congress has still done nothing to right that wrong.

Over the past few years, a good deal of the Nation has learned firsthand of the damage that MTBE has done to our drinking water supply. That certainly is true of many communities in New Hampshire where it has become a crisis where people cannot even drink their water or shower with it.

I have been fighting for the past 2 years to get the Senate to vote on a bill that will solve this problem. I am pleased that last week the majority leader made a commitment to me that the Senate would at least vote on this issue before the end of next February. I am tracking this for you. Until that day arrives, though, I plan to come to this Chamber on a regular basis, while we are in session, to remind Senators of the terrible impact that MTBE has on our Nation and on so many thousands of people and to remind them that it is very important that we act now.

For the past 2 years, I have met with a number of small businesses and families across New Hampshire who have been devastated by this problem. They cannot sell their homes. They cannot drink their water. They cannot shower with water. They have filters in their basements to get the MTBE out of the water.

According to the New Hampshire Department of Environmental Services, there may be up to 40,000 private wells with MTBE contamination. Of those, 8,000 may have MTBE contamination of above State health standards. This is what we have to deal with. I know it is nice to say we can make money by replacing MTBE with ethanol and all that. That is fine. Make all the money you want. But we need to get this issue resolved. In many instances, the State has had to provide bottled water to my constituents. They are installing and maintaining extremely expensive treatment equipment. These costs are high. Particularly hard hit have been communities in the southern tier of my State: Arlington Lake in Salem, Frost Road in Derry, Green Hills Estates in Raymond, and so many more. But I want to briefly tell you a story about one particular site in Richmond, NH. It is in the north part of the State. It is a beautiful area, and the type of beauty for which New Hampshire is so well known.

In August, I visited the Four Corners Store and several surrounding homes in the town of Richmond. It is called the Four Corners Store because it is at a rural crossroad, like so many in America, and takes up one of the four corners. Common sense is very pervasive in New Hampshire.

Mr. and Mrs. Stickles are the store’s proprietors. They had purchased that country store a few years ago, they believed the MTBE contamination problem had been solved. They do have new underground storage tanks and are completely in compliance with the law. Unfortunately, the MTBE plume from years ago still persists. A number of the nearby homes are having their wells polluted. It has contaminated a number of homes near the Four Corners Store.

I met with the owners of the store and visited those homes. The Goulas and the Frampton families were kind enough to invite me into their homes. They showed me the treatment systems that had been installed by the State. They shared their concerns about their health and their children’s health. At one of the homes lives a young couple with small children.

First and foremost, there are carried about by the long-term health impacts on their children. They told me about the daily inconveniences of having to deal with this contamination in their wells. They were told the water was safe for showers; however, showers should only be used with cold water for 4 minutes, and well ventilated. That is what they were told. So take a cold shower and make sure it is well ventilated.

It is outrageous that we would stand by and allow this to continue in our country while the debate rages about replacing the MTBE additive with ethanol. Let’s get real. We need to deal with this problem now. I intend to fight for these constituents throughout the rest of this session and also early into next year until we get this legislation passed. It is not right. Sometimes you have to speak out when things are not right—that somebody should make a profit at the expense of somebody else getting sick and not being able to use their water.

Making a profit is wonderful. That is the American way. I am all for it. But we do not need a guaranteed MTBE market. We do not need a guaranteed ethanol market. We do not need a guaranteed profit.

Let the market play, but we have to be able to replace MTBE with something, and we cannot mandate that it be ethanol. It is not right for those of you in ethanol States to make the people in my State have to suffer.

It seems to me the passage of this bill should be easy. I tried for weeks and months and years to reach an accommodation. I have debated every Senator who deals with ethanol privately and publicly, behind the scenes and in committee, but we cannot seem to get agreement.

I urge my colleagues from all States to join with me to pass this legislation now so we can get the MTBE out of the wells in New Hampshire and many other wells and water supplies throughout the country.

The PRESIDING OFFICER. The time of the Senator from New Hampshire has expired.

The Senator from Iowa.

AGRICULTURE, CONSERVATION, AND RURAL ENHANCEMENT ACT OF 2001—Continued

Mr. HARKIN. Mr. President, parliamentary inquiry: What is the order before the Senate right now?

The PRESIDING OFFICER. The pending business is the amendment No. 2608 offered by the Senator from Montana to the substitute.

Mr. HARKIN. We are on the farm bill and the pending business is an amendment offered by the Senator from Montana, Senator BURNS; is that correct?
He said: Sure, we will go to it right away. So they are willing in a bipartisan way, The Republican leader of the Agriculture Committee on the House side said to me this morning: If you pass the bill, we are ready to go to conference today, tonight, tomorrow and begin to work this thing out.

I am disappointed and saddened, not for me but for our farm families, especially in my State of Iowa and all over this country, who are being held hostage for whatever reason I can’t discern.

Mr. DORGAN. I wonder if the Senator from Iowa will yield for a question.

Mr. HARKIN. I yield for a question without losing my right to the floor.

Mr. DORGAN. Mr. President, I share the disappointment of the Senator from Iowa that we were not able to invoke cloture today for the second time. My belief is that we have a couple of major amendments remaining to be offered. In fact, the authors of one of them are both Senators. Sen- ators ROBERTS and COCHRAN. There is an alternative amendment to the commodities title which I understand they will offer. I hope at some point to offer an amendment that does some targeting, and my hope is that we can make some progress and move ahead.

I still don’t understand what the filibuster is about. My hope is that if we have major issues, let’s move ahead with the amendments, and have debates on the amendments.

It is the case, is it not, that Senators ROBERTS and COCHRAN simply have a different idea with respect to how the commodity title ought to be applied and so they are intending to offer an amendment? I ask the Senator from Iowa if he has some notion of when that amendment would come; has he consulted with the authors of that amendment, and so that consultation disclose to us about when that amendment would be offered?

Mr. HARKIN. I am sorry. I was conversing with a member of the Senate Agriculture Committee. I missed the question.

Mr. DORGAN. I was asking the Senator from Iowa if he has been able to consult with the authors of the other major amendment on the commodities title about when that might be offered. My hope is we could just proceed with the amendments, dispose of the amendments, at which point I hope we will reach the end of the consideration of this bill and be able to report out the bill.

Has the Senator consulted with the major authors of that amendment, and what might we expect from that consultation?

Mr. COCHRAN. Mr. President, if the Senator would yield without losing his right to the floor, I will respond.

Mr. HARKIN. I am glad to yield without losing my right to the floor for a question.

The PRESIDING OFFICER. Without objection, the Senator from Mississippi.

Mr. COCHRAN. Mr. President, we have indicated to the manager of the bill that we would be prepared to offer the amendment now and have a time agreement on the Cochran-Roberts amendment. I have suggested 2 hours evening divided, at the end of which either a motion to table or an up-or-down vote would be in order.

Mr. REID. Reserving the right to object, we just received a call from one Senator; and we have to find out how much time that Senator wants to speak in opposition to this amendment. We could do that real quickly. We can’t do it right now.

Mr. MCCAIN. I say to the Senator, that is very encouraging news. We will get to that. I see the Senator from Arizona is speaking. The floor is held up by an amendment. I would like to ask him, if I could, without losing my right to the floor for right now, is the Senator willing to debate the amendment that he laid down last week?

Mr. MCCAIN. I am correct, without losing your right to the floor. I will be glad to enter into a reasonable time agreement, including a half hour equally divided.

Mr. HARKIN. Mr. President, I ask unanimous consent that the pending amendment be laid aside; that the Senator from Arizona be recognized to debate his amendment that is pending; that the time be limited to a half an hour equally divided, at the end of which either a motion to table or an up-or-down vote would be in order.

Mr. REID. Reserving the right to object, we just received a call from one Senator; and we have to find out how much time that Senator wants to speak in opposition to this amendment. We could do that real quickly. We can’t do it right now.

Mr. MCCAIN. May I ask the Senator to yield for a question?

Mr. HARKIN. Yes.

Mr. MCCAIN. Would it be agreeable to start the debate? I will be glad to
agree to any time limit that is agreeable to the other side on this amendment—5 minutes, half an hour, whatever is agreeable to the Senator from Iowa.

Mr. HARKIN. I am willing, obviously, as the Senator knows, to enter into this time agreement. We seem to have an objection over here. I see the Senator from Arkansas.

Mr. HUTCHINSON. There are Senators who have expressed interest in this amendment and who wanted to speak. I will object to any time agreement until we are able to check with those Senators to see how much time they require.

Mr. COCHRAN. Why don’t we start debate on the McCain amendment, as the Senator suggested? He will agree to any time agreement. It is just a matter of how many people want to talk in opposition to it. And we can get unanimous consent that on the disposition of the McCain amendment we proceed to consideration of the Cochrane-Roberts amendment, with 2 hours of debate evenly divided.

Mr. HARKIN. Mr. President, the problem is if we start the McCain amendment and people start filibustering, we will have another filibuster going here. The Senator from Arizona has been forthright.

Mr. McCaIN. If the Senator will yield for another question, if it appears to be a filibuster, there is nothing I can do about that. We are going to move forward with the bill.

Mr. HARKIN. The Senator from Arizona is a gentleman. I appreciate that. I wonder if we can then agree—I will yield the floor and the Senator from Arizona will be recognized. I will ask unanimous consent that on the disposition of the McCain amendment, the Senator from Mississippi be recognized to offer his amendment; that there be a time agreement on the amendment of the Senator from Mississippi, with 2 hours evenly divided.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Reserving the right to object, will the Senator repeat the request?

Mr. HARKIN. I ask unanimous consent that when I yield the floor, the Senator from Arizona be recognized to speak on his amendment; that on the disposition of the amendment of the Senator from Arizona, the Senator from Mississippi, Mr. COCHRAN; be recognized to offer his amendment; that there be 2 hours for debate on the Cochrane amendment, evenly divided, and at the end of that time, there be a vote on or in relation to the Cochrane amendment, without further amendment. The PRESIDING OFFICER. Is there objection?

Mr. DORGAN. Reserving the right to object, I would not expect a second degree, but I think it would be important to see this amendment that Senators ROBERTS and COCHRAN intend to file. I would not expect a second degree to be offered.

Mr. HARKIN. I assume the amendment is the same as was filed on Friday; is that right?

Mr. COCHRAN. Yes. In response to the Senator, the amendment is at the desk, and it has been there. It is the same one discussed Friday. There were no changes since that time, to my knowledge.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The PRESIDING OFFICER. Mr. President, I call for the regular order with respect to the Cochrane amendment.

Mr. COCHRAN. Yes. In response to the Senator from Iowa, the Senator asked on his amendment; that on the amendment that Senators ROBERTS and COCHRAN intend to file, I would not expect a second degree to be offered. The Senator from Arizona, the Senator spoke on his amendment; that on the amendment that Senators ROBERTS and COCHRAN intend to file, I would not expect a second degree to be offered.
All other acceptable market names for fish are determined by the FDA in cooperation with the National Marine Fisheries Service after review of scientific literature and market practices. What are the effects of this import restriction? Any protectionist measure, blocking trade and relying only on domestic production will increase the price of catfish for the many Americans who enjoy eating it. One in three seafood restaurants in America serve catfish, attesting to its popularity.

This trade ban will raise the prices wholesalers and retail customers pay for catfish, and Americans who eat catfish will feel that price increase—a price increase imposed purely to line the pockets of Southern agribusinesses and their lobbyists who have conducted a scurrilous campaign against foreign catfish for the most parochial reasons.

The ban on catfish imports has other grave, immediately visible effects. It patently violates our solemn trade agreement with Vietnam, the very same trade agreement the Senate ratified by a vote of 88 to 12 only 2 months ago. The ink was not dry on that agreement when the catfish lobby's congressional allies slipped the catfish amendment into a must-pass appropriations bill.

A lot of things come over the Internet these days. This is one called the Nelson Report. The title of it is the “Catfish War.” It talks about an obscure amendment to the agricultural bill that puts the U.S. in violation of the Vietnam BTA barely days after it goes into effect, and it is not just a bilateral problem. The labeling requirement goes into effect, and it is not just a bilateral problem. It is evidence to support claims that Vietnamese government and industry officials have alleged that the U.S. Trade Representative had committed an injury to their country.

Unfortunately, this protectionist campaign against catfish imports has global repercussions. Peru has brought a case against the European Union in the World Trade Organization because the Europeans have claimed exclusive rights to the word “sardine” for trade purposes. The Europeans would define sardines to be sardines only if they are caught in European waters, thereby threatening the market for sardines in the Western Hemisphere. Prior to passage of the restrictive catfish-labeling language in the Agriculture appropriations bill, the U.S. Trade Representative had committed to file a brief supporting Peru’s position before the WTO that such a restrictive definition unfairly protected European fishermen at the expense of sardine fishermen in the Western Hemisphere. As the Peruvians, a large number of American fishermen would suffer the effects of an implicit European import ban on the sardines that are their livelihood.

Yet as a direct consequence of the passage of the restrictive catfish-labeling language in the Agriculture appropriations bill, the USTR has withdrawn its brief supporting the Peruvian position in the sardine case against the European Union because the catfish amendment written into law makes the United States guilty of the same type of protectionist labeling scheme for which we have brought suit against the Europeans in the WTO.

Mr. President, I obviously do have a lot more to say. I know the opponents
of this amendment have a lot to say as well. I would take heed, however, to the admonishments of the managers of the bill, the Senator from Iowa, the Senator from Mississippi, and I would be glad to enter into a time agreement so we can dispense with this amendment fairly quickly.

I do not know how both Senators from Arkansas feel, but I would propose a half hour—Mr. President, I ask unanimous consent to engage in a colloquy with the Senators from Arkansas.

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

Mr. MCCAIN. I ask the Senator from Arkansas, is he prepared to have a time agreement?

Mr. HUTCHINSON. I say at this time I am not prepared to enter into a time agreement. There are a number of Senators, and I don’t know how long they need to speak. An original agreement was for 10 minutes. I think this is a good time for full and open debate, and it is not in the best interests to enter into a time agreement.

Mr. MCCAIN. I thank the Senator from Arkansas. I know he would probably like to filibuster this bill. I think he agrees we would want to have an up-or-down vote as he described. We are prepared to only use another 20 minutes on this side. I hope the Senators from Arkansas can find out who wants to speak for how long and see if we can establish a time agreement. We need to move on with the important Cochran and Roberts amendment to the farm bill.

Mrs. LINCOLN. Will the Senator yield?

Mr. MCCAIN. I am happy to yield.

Mrs. LINCOLN. Speaking for myself, I agree with the Senator that we can probably get through debate rapidly. I think the Senator from Mississippi, and Senator Hutchinson, and there may be a few other Senators who want to speak, but I don’t foresee it taking a good deal of time, and we could conclude our comments rapidly.

Mr. MCCAIN. I thank the Senator from Arkansas for her courtesy. I yield the floor.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. HUTCHINSON. I am delighted to engage in this debate. As my colleagues listen to the facts concerning the Vietnam basa and the impact on the domestic catfish industry, they will see things in a different light. I voted for the Vietnamese Free Trade Agreement. I believe in free trade. I believe in fair trade. I also believe in accurate labeling and that the American people ought to know what they are buying.

We heard the term “catfish lobby” used frequently last week and today. It has an ominous ring to it. I am not sure that the catfish lobby is. I know this: I have thousands of people who are employed in the catfish industry in Arkansas. I was in Lake Village, AR, on Saturday. Chicot County is one of the poorest counties in Arkansas—one of the poorest counties in the United States, as a matter of fact. We had 70 or 80 catfish growers who were present on Saturday. I didn’t see agribusiness. I didn’t see wealthy landholders. I saw a group of small farmers and women struggling to survive in an industry that has been one of the bright spots in one of the poorest spots in the United States in the last decade.

One of the farmers came up and said: I way that industry the last 5 years—and handed me spread sheets. When they talk about us being wealthy catfish growers, I will show my books. He had a net profit last year of $9,000. This is a part of the country where the median household income is $19,000, about half of what it is in the State of Arizona.

I take exception when we talk about the catfish lobby as if it were a powerful, wealthy, devious, insidious group. This is a large, potentially destroys the aquaculture industry in the State of Arkansas. This industry has been in distress over the last year because of the influx of Vietnamese fish mislabeled as catfish. The Vietnamese basa and the impact on our Nation’s catfish farmers, a provision that simply said the Vietnamese basa would not be labeled “catfish.” It is a different fish. This language attached to the Agriculture appropriations bill has also been included in the farm bill that passed the House of Representatives. Put in the bill was language that would limit the use of the common name “catfish” for the Vietnamese basa. Importers have hijacked the common name of catfish and applied it to a species of fish that is not closely related and is not what we commonly consider catfish.

The domestic catfish industry has spent millions and millions and millions of dollars to try to educate the American public as to the nutritional value and the health and safety conditions in which farm-grown catfish are raised. All of that investment the domestic catfish industry has made has been hijacked by importers who see a quick way to profits.

The language in the appropriations bill corrects this mislabeling of fish and misleading of American consumers. This limitation will give our domestic catfish producers a reprieve from unfair competition and mislabeling. I share Senator McCain’s belief that competition is good when it is open and a competitive market benefits our Nation’s economy and consumers. However, misleading consumers and mislabeling a product is wrong. To allow it to continue at the expense of an entire industry is unfathomable.

The States of Arkansas, Mississippi, Alabama, and Louisiana produce 95 percent of the Nation’s catfish. If you look at the broad area of aquaculture, 58 percent of fish grown in the United States are catfish. This is a huge aspect of fisheries in general in the United States, and 95 percent of those are grown in these four Southern States, as a matter of fact. We had an up-or-down vote as he described. We are prepared to only use another 20 minutes on this side. I hope the Senators from Arkansas can find out who wants to speak for how long and see if we can establish a time agreement. We need to move on with the important Cochran and Roberts amendment to the farm bill.
catfish due to labeling that allows them to be called basa catfish. These Vietnamese basa are being imported at record levels.

The chart to my right demonstrates what has happened. As late as 1997, imports of Vietnamese basa were almost nonexistent. Yet if you look at 1998 and 1999, and particularly this year, they have grown exponentially. In June of this year, 668,000 pounds were imported into the United States. Over the last seven months, imports have averaged 382,000 pounds per month.

To put this in perspective, in all of 1997 there were only 500,000—one-half million—pounds of Vietnam basa imported into the United States. If ever, it is predicted that 15 million to 20 million pounds could be imported next year.

The Vietnamese penetration in this market in the last year has more than tripled. Vietnamese catfish imports have grown from 7 percent to 23 percent of the total market. As a result of that incredibly fast increase of penetration into the American market from 7 percent to 23 percent, American catfish growers have seen their prices decrease 15 percent just in the last few months in 2001 alone.

For those who argue this is the result of a competitive market, let me offer a few facts. When the fish were labeled and marketed as Vietnamese basa, when they imported it and put "Vietnam basa" on it, or they just put "basa" on it, sales in this country were limited, almost nonexistent. Some importers were so creative that they tried to label basa as white grouper, still with very little success. It was only when these importers discovered that labeling it as catfish added a lot of appeal that sales began to skyrocket and imports began to skyrocket. Try this, and it didn't work. Try this, and it didn't work. And try catfish, because of the great investment this domestic industry made, and sales took off.

Although the FDA issued an order on September 19, stating that the correct labeling of Vietnamese basa be a high priority, the FDA is allowing these fish to retain the label of "catfish" in the title. Whether it is budget constraints or lack of personnel, it is obvious that inspections have been lacking in the past and the inclusion of the term catfish in the title only serves to promote confusion.

Prior to this ruling there were numerous instances where the packaging of these fish was blatantly misleading and even illegal. This illustration shows how Vietnamese companies and rogue U.S. importers are trying to confuse the American public.

Names such as "Cajun Delight," "Delta Fresh," and "Farm Select," lead consumers to believe the product is something that it is not. "Catfish" in large letters, "Delta Fresh"—no one would suspect it is from the Mekong Delta.

The total impact of the catfish industry on the U.S. economy is estimated to exceed $4 billion annually. It has gone up dramatically. Approximately 12,000 people are employed by the industry.

When you talk about the catfish lobby and say it in such sinister terms, please think about the 12,000 people—thousands of them—in the delta of Arkansas, the poorest part of this Nation, who are employed in this industry. That is the support that is lost.

It is estimated that 25 percent of my catfish farmers in Arkansas will be forced out of business if this problem is not corrected.

Catfish growers of this country have invested millions of dollars educating the American public about the nutritional attributes of catfish. Through their efforts, American consumers have an expectation of what a catfish is and how it is raised.

They have an expectation that what they purchase is indeed a catfish. Here you will see an official list of both scientific names and market or common names from the Food and Drug Administration. Almost all of these fish can contain the word catfish in their names under current FDA rules.

All of these fish in this one order can use the term "catfish" under current FDA rulings. It is the same order, if you look at the channel catfish. The basa are here at the bottom. In fact, you will find that while they are of the same order as Senator McCain rightly pointed out, they are of a different family and a different species; that is, channel catfish and the basa—totally different species. Even more importantly, when we look at trade issues, they are a totally different family. Whether you look at the channel catfish. The basa are here at the bottom. In fact, you will find that while they are of the same family and more closely related than the channel catfish and the basa—totally different species. Even more importantly, when we look at trade issues, they are a totally different family.

Try this, and it didn't work. Try this, and it didn't work. Try this, and it didn't work. Try this, and it didn't work. Try this, and it didn't work. Try this, and it didn't work. You see that "catfish" and they don't pay any attention to the package. They are currently allowed to use that term.

In fact, you will notice, if you look a little farther down on the chart, the Atlantic salmon and the lake trout are of the same family or more closely related to the channel catfish than the basa. Ask those who are from the States where Atlantic salmon is an important fishery product whether they would appreciate lake trout being allowed under FDA rules to be labeled "Atlantic salmon." Those two fish are more closely related than the channel catfish is to the basa. You can see that the Atlantic salmon and the lake trout are of the same family while channel catfish is of a different family entirely.

Most people are not able to make those distinctions and are being misled when they see that word "catfish" put on the package.

When the average Arkansan hears the word "catfish," the idea of a typical channel catfish comes to mind. Yet when they show up at the restaurant and order a plate of fried catfish, that same channel catfish is what they expect to be eating.

One cannot blame the restauranteur who is offered "catfish" for a dollar less a pound for buying it. However, in many cases they do not realize that what they are buying is not really channel catfish.

It is obvious that this confusion has been exploited and will continue to be exploited unless something is done to correct the obvious oversight that is jeopardizing American jobs.

Further, American catfish farmers raise their catfish in pristine and closely controlled environments. The fish are fed pellets consisting of grains composed of soybeans, corn, and cotton seed. These facilities are required to meet strict Federal and State regulations.

In fact, this upper picture is a very accurate reflection both of U.S. farm-raised catfish—what it looks like—and the conditions in which it is grown. I think everyone knows the conditions in which it is grown. I think everyone knows the conditions in which it is grown. I think everyone knows the conditions in which it is grown. I think everyone knows the conditions in which it is grown. I think everyone knows the conditions in which it is grown. I think everyone knows the conditions in which it is grown.

There is, I believe, a pretty good indication of the comparison, and most assuredly a comparison of the two different fish that are involved. One is Vietnam basa, a different species and a different family from United States farm-raised catfish, channel catfish.

I understand that my colleague from Arizona has a strong desire to promote competitive markets and encourage trade, but markets must be honest and trade must be fair.

I again emphasize that these are people's livelihoods. Congress acted properly limiting the use of the common name "catfish." This action was warranted because exporters in Vietnam and importers in the United States have used the term "catfish" improperly and unfairly to make inroads into an established market. This provision does not exclude Vietnamese basa from being imported. Let me emphasize that it does not violate any trade agreements.

There can be as many Vietnamese basa fish imported into the United States as the laws allow if it is properly labeled as Vietnamese basa. My objective under the provisions that were included in the Agriculture appropriations bill was to ensure that labeling is accurate and truthful.

That language ends the practice of purposely misleading consumers at the expense of an industry in one of the poorest parts of the Nation.
Some people may argue that the restriction of the use of the name “catfish” to members of the family Ictaluridae runs counter to past international seafood trade policy, and may hinder our progress of increasing trade. In fact, that is the very argument that has been strongly opposed by American producers. We do not dispute that; in the cases of the scallops and the sardines, these nomenclature restrictions are unfair.

However, both of these examples—and I suspect the Senator from Texas will talk about these examples and try to make it identical to the issue of catfish; and, in fact, it is not at all—are based on groups of animals that are much more related taxonomically than are bassa and channel catfish. Channel catfish and the Vietnamese basa are classified in different taxonomic families—Ictaluridae for channel catfish and Pangasidae for basa. On this and other examples, the families are entirely different for the channel catfish and the Vietnamese basa.

This is a very distant relationship, analogous to the difference between gi-raffe and cattle, which differ at the level of family within the mammal grouping. However, the scallop issue involves members of a single molluscan family, the Pectinidae. That is, the molluscs at issue in the French case differ only at the genus—and species level.

The European Union sardine issue likewise involves members of a single family of fish, the Clupeidae. Again, the fish species allowed by the United Nations Food and Agriculture Organization’s Codex Alimentarius standard to be sold under the common name “sardine” differ only at the genus—that is shown here on the chart—and species level, not at the family level.

The Vietnamese basa and the American channel catfish are in different families. They are only in the same order—Siluriformes—which has more than 2,220 different species in it. This order is characterized by the presence, as Senator McCain has said, of barbels or whiskers. Some will say: If it has whiskers, then it is a catfish. I heard my colleague make that statement. So should all of these fish be allowed to be sold as catfish—these 2,000 different species? Do you think it is all right with channel catfish, which differ at the level of family, the Ictaluridae, which is the family of catfish and bassa, to sell the nurse shark labeled as catfish? They have the barbels or the whiskers. They have the pictures here to show that. Do you not think that would be a little bit deceptive for the nurse shark to be labeled as catfish?

Now think about if that nurse shark were raised in salt water under health inspection conditions that only require the producer to sign a piece of paper that states that health standards are being upheld.

Now imagine that because of the way this nurse shark is raised—it is cheaper, significantly cheaper. What if that nurse shark, raised in salt water under health inspection conditions was allowed to be sold as catfish? Is that fair trade? That is exactly analogous of what is being done today when Vietnamese basa is being labeled as catfish. It is not fair trade.

Now imagine they tried to sell it as nurse shark and couldn’t develop a market—understandably—but suddenly, when they labeled it as catfish, they saw their market grow by not 100 percent, not 400 percent, but 700 percent. Because they took the nurse shark and labeled it as catfish, wouldn’t that be considered deceptive and considered unfair? The answer is obvious.

This is exactly the case that our catfish farmers in Arkansas, Mississippi, Louisiana, and Alabama are facing. And it is not fair.

Black drum fish have whiskers. That should not be labeled as catfish. Sturgeon have whiskers and barbels. It is not fair to label a fish. The blind fish, the blind cave fish uses whiskers or barbels to feel its way around, but no one would suggest they should be marketed as catfish.

That is why we introduced S. 1894 on October 3, 2001. Many of us, including my colleague from Arkansas, Senator Lincoln, came to this Chamber and described the situation in great detail at that time. Nothing was hidden. We had an open and full debate. Afterwards, we worked to include this needed legislation in a number of bills, finally being successful in getting it into the Agriculture appropriations bill.

I remind my colleagues, again, as they will hear of the wealthy catfish growers’ and agribusiness. They will hear of the catfish lobby. Two counties in Arkansas that grow the most catfish are Chicot County and Desha County.

In Chicot County, 33.8 percent of the residents live in poverty—$33.8 percent. The median household income in Chicot County is $19,604. That is the average household income.

In Desha County, 27.5 percent of the residents live in poverty, with the median household income being $23,361.

By contrast, in the State of Arizona, 15 percent of the residents live in poverty. That is one-half the poverty rate of Arizona. And the median household income in Arizona is $34,751—$15,000 per family more than Chicot County.

I would not suggest that we should try to hurt, destroy, undermine, or undercut industries in the State of Arizona because they are prospering more than these two poor counties in the State of Arkansas. But, I assure you, I am going to stand in this Senate Chamber and fight for the thousands of people who are employed in this industry and the one ray of light in that delta economy.

When they talk about large agribusinesses and wealthy catfish growers, it should be remembered that 70 percent of the catfish growers in the United States qualify under the Small Business Administration as small businesses. And many of that 70 percent are fighting for their survival.

So, Mr. President, and my colleagues, I ask we keep very much in mind that this is not a free trade issue. This is a fair trade issue. It is a truth-in-labeling issue. It is calling Vietnamese bassa what they are—basa—and allowing that term “catfish,” which has been part of an important educational and nutritional campaign in this country, to not be kidnapped by those importers that seek to make a quick buck.

I ask my colleagues to vote down the McCain-Gramm amendment.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. LINCOLN. Mr. President, I thank my colleague from Arkansas for being in this Chamber and so eloquently describing the issue with which we are dealing, particularly in our home State of Arkansas, particularly in the State of Arizona, the Delta region of Arkansas that has been so hard hit by the unfairness of the influx of trade from the Vietnamese bassa fish.

I thank the Senator from Arizona for his continued leadership and his work in keeping us focused on making sure we are on the straight and narrow and that we are doing business in the Senate in the way that business should be handled. He is always there working diligently in that regard.

Today I rise to respectfully oppose the amendment that Senator McCain has offered on catfish and, again, thanking him for his leadership and doing many things in keeping us focused on the issues that are so important. I respectfully disagree with him on this one.

Our distinguished colleagues who support this amendment argue that this issue is about free trade. They argue this amendment is about preserving the integrity and the spirit of our trade agreements, in particular, the bilateral agreement with Vietnam this body approved earlier this fall. And they are right on both of these points, but not for the reasons they describe.

This issue does touch on free trade and on the integrity of our agreements. It touches on the fairness of trade and on the trust that we ask our citizens in this country to put into our trade agreements.

For global market liberalization to succeed, it must be built on a strong foundation of rules. This rules-based market system must be transparent and fair. It must be reliable and it must encourage market confidence. And many of that 70 percent are fighting for their survival.

That is the reason we worked so hard to negotiate our trade agreements within the auspices of a stable, multilateral institution such as the WTO.
we do not work within a reliable, predictable rules-based system, then people lose faith in the promise of free trade and the free trade agenda is undermined. I do not think anyone in this body with the state of the economy wants to undermine the opportunities that free trade brings to this great Nation.

Many of our farmers have lost faith in our promises of free trade because they sense that their trading partners are not playing by the same rules. The House barely approved TPA last week in large part because rural Members and their constituents have lost faith in free trade. Our catfish farmers are now having to confront this issue of fairness and trust. They are having to confront imports of a wholly different kind of fish that is brought into this country but that is labeled as catfish.

Let’s remember what it is we are talking about when we talk about catfish. As a young girl, I learned how to shoot a bow and a arrow and talk about the bill we had introduced on the floor. This in my comments when we did bring up this amendment on the floor and talked about the bill we had introduced.

The channel catfish and the basa fish are members of the same family; once again, closer relatives than the channel catfish and the basa. So if we are prepared to say that the basa can be sold under the label of “catfish,” then lake trout can be mscerad as Atlantic salmon. I imagine many of my colleagues in this body would disagree with that.

Here is another one: A cow and a yak are members of the same family; once again, closer relatives than the channel catfish and the basa. So if we are prepared to say that the basa can be sold under the label of “catfish,” then we are more justified in saying that yak meat can be labeled and sold as New York strip steak. Or how about a camel or a giraffe? Both are members of the same order as a cow so just as close as the channel catfish and the basa fish. I suppose our opponents believe that an importer ought to be able to label a camel or a giraffe as beef and deceive the consumers into thinking that they are buying filet mignon. Of course, it would be absurd to let a business deceive a consumer in such an egregious manner of nothing more than outrageous deception.

Do not let the other side fool you by suggestions that all fish are the same. It is not true, not any more than saying all four-legged mammals can be sold as beef. We established as law that this is a part of our heritage in Arkansas and in the Mississippi Delta region.

Some of us have in mind a specific kind of fish, the catfish that we grew up catching and eating. If we look at the chart, which has been shown to you by my colleague from Arkansas, which was prepared by the National Warmwater Aquaculture Center in Stoneville, MI, we see, as my colleague pointed out, what catfish consumers in this country think of as classified taxonomically under the family known as Ictaluridae.

It is a week before Christmas, a time when we should all be focused on family and getting home to our families so we can celebrate this Christmas. Let’s look at this family column of what we are talking about. Look at the Ictaluridae area of the family column, more specifically known by its genus species as the channel catfish, which is what we are talking about today. In contrast, the basa fish that is being imported and labeled as “catfish” is classified under the family name here known as Pangasiidae. So not only are the channel catfish and the basa fish not members of the same genus species, they are also not members of the same family. They are only members of the same taxonomic order.

To get an idea of what this means or of how different these fish are, let’s look at classifications of other items that we buy on the market. I mentioned this in my comments when we did bring up this amendment on the floor and talked about the bill we had introduced.

An Atlantic salmon and a lake trout, as my colleague mentioned, are members of the same family. So they are closer relatives than are the channel fish, catfish, and the basa fish. I suppose if we are prepared to say that basa would be sold under the label of “catfish,” then lake trout can be masqueraded as Atlantic salmon. I imagine many of my colleagues in this body would disagree with that.

As was mentioned by my colleague, we are talking about the Mississippi River Delta region of Arkansas where I grew up, one of the poorest regions in the Nation, one of the areas where our catfish farmers have contributed significantly to the economic viability of our Mississippi Delta counties, an area which has already been hit hard by the downturn in the rural economy which occurred over 4 years ago or better.

At a time when terribly low prices of other crops have been sending more and more farmers into bankruptcy, our catfish farmers have been able to scrape out a living by carving out a new market for the economy. These are farmers who in years past have left row cropping, who have found an environmentally efficient way to take their lands, their productive lands, and put them into aquaculture, thereby not only looking at the environmental impact statement that they can make, the economic impact they can make, because they will hire more individuals and put more individuals to work, but also carving out a niche in the economy that needed to be filled.

So many of these farmers and workers once worked in production of other crops. As we have seen, the market for those crops has gone in the tank. There wasn’t a very proud commercial market in catfish to speak of, but these farmers and these workers, after finding it nearly impossible to make a living in other crops, saw an opportunity to develop a market and build an industry. That is exactly what they have done over the last 15 to 20 years. They have built from scratch this market for aquaculture. So many of these communities, these farmers, their families and related industries invested millions and millions of dollars into building a catfish industry and into developing a catfish market. It has taken years, but they have done it. They are still doing it.

But now, just as they are seeing the fruits of their years of labor and investment, just as they are finding a light at the end of the rural economic tunnel, they find themselves facing a new and even more devious form of unfair trading practice. The people importing these Vietnamese fish see a market for these products and take advantage. It is irrelevant to them that what they are selling is not really catfish.

Why are they doing it? Because the catfish market in America is growing. The fish looks like catfish and is a Tilapia from another country. And, as Senator McCain from Arizona mentioned, it is wholesome and healthy. It is safe. But as in any other crop in this Nation, as we continue to demand of our producers in this great Nation that they produce the cleanest fish of any market, the product safest—economic product, we must be willing to stand by them, whether it is in an incredibly good farm bill, which the chairman has produced, or whether it is in trading practices to ensure that we stand by our producers.

American-raised catfish is farm raised and grain fed, grown in specially built ponds, cared for in closely regulated and closely scrutinized environments that ensure the safest supply of the cleanest fish a consumer could purchase.

Some basa fish are grown in cages in the Mekong River in conditions that are far below the standards which our catfish farmers must meet. Do consumers know that? Are they aware of the product they are getting? It is an unfair irony that our catfish farmers, many of whom left other agricultural pursuits, find themselves once again in the headlights of an onslaught of unfair advantage. It is irrelevant to them that what they are selling is not really catfish.
are coming off the welfare rolls in one of the poorest regions in the country. One of the farmers from Arkansas whom I know, a gentleman named Randy Evans, is a Vietnam veteran himself who has sunk his life savings into his catfish farm. Another year like the last one, he tells me, and he will be out of business. His story is a common one.

Another farmer, Philip Jones, also from Arkansas, decided to quit farming in 1991, 4 years ago because it was too tough to make a living and decided to throw his and his wife’s savings into the catfish business. Now, as Randy Evans, they face losing all of their savings and going out of business if the catfish labeling issue is not resolved.

To hear the other side describe, the troubles these farmers are facing couldn’t possibly have anything to do with increasing sales of basa as catfish. They are out to destroy the labeling stage. Imports represent only 4 percent of the catfish market. But that’s only if you look at the entire catfish market. What they don’t tell you is that basa imports are primarily in the frozen filet market, which is the most valuable market within the catfish business. And within the frozen filet market, basa imports have tripled—tripled—each of the last couple of years—from 7 million pounds to 20 million pounds annually.

Looking at that trend line, it is easy to understand how imports of these misleadingly labeled basa fish will very soon have a devastating effect on the catfish industry; that is, unless something is done to bring some fairness to the marketplace.

My colleagues and I felt that this problem could best be resolved by addressing the unfair trading practice where it occurs—at the labeling stage. That is exactly what the language included in the Agriculture appropriations bill does, which was signed into law by President Bush on November 28, just 3 weeks ago. It simply prohibits the labeling of basa fish as “catfish” that is in fact not an actual member of the catfish family “Ictaluridae.”

We are not trying to stop other countries from growing catfish and selling it into this country. We simply want to make sure that if they say they are selling catfish—then that is what they are really doing. It does not violate the “national treatment” rules in our trade agreements, nor should it violate our bilateral agreement with Vietnam, as some may argue. That is because the language included in the Agriculture appropriations law applies to anybody who tries to mislabel fish as “catfish,” whether that mislabeled fish has been grown in Asia or in Arkansas.

I have heard some people mention a case involving sardines and the European Union. In that case, the EU is trying to limit the label of “sardines” to a specific genus species that is harvested in the Mediterranean. That case is different from ours for three reasons.

First of all, the European action violates an applicable international standard that is binding on the EU under the Technical Barriers to Trade Agreement. There is no applicable international standard that applies to catfish. So one of the main objections to the EU sardines case is not even relevant to our case. Second, EU action would change the way sardines imports had already been handled. So the EU action represented an about-face of sorts against the way the sardines importing industry had been doing business. This is different from basa imports that have only recently begun to deluge our market. So there is no existing way we have dealt with the catfish labeling issue. We are establishing that manner right now.

Third, as I mentioned earlier, the EU action would limit the label of sardines to within the specific genus species that is harvested in the Mediterranean. So sardines that are within the same taxonomic family as the European sardines would be labeled. This is different from our case because we’re talking about fish that is not even a member of the same taxonomic family.

And do not let others sell you on the argument that we would violate the “national treatment” and most-favored-nation provisions of our trade agreements. Our language focuses only on the types of fish, not on the place of origin, so it would apply equally whether the fish is grown in Asia or in the Mississippi Delta.

If our trading partners want to raise catfish of the “Ictaluridae” family overseas and import it into this country under the label of “catfish,” then they can do that. Our language does not seek to stop them. It only requires them to deal with the consumer honestly. It only prohibits them from deceiving the consumer.

This is about truth and fairness and that is exactly what the language included in the Agriculture appropriations law accomplishes. So our colleagues on the other side of this issue are right when they say this is about preserving the integrity of our trade agreements.

What is at stake is whether we will honor the spirit of a rules-based global trading system that relies on transparency and fairness. Will we encourage our farmers and workers to trust increased trade? If so, then vote against the amendment.

I, once again, would like to go to and reconfirm that this is not an issue of campaign finance reform. This is an issue of jobs—jobs in an area of our country that has traditionally suffered unbelievable poverty and unemployment.

These are about hard-working families, in an area of our country that, again, has been downtrodden for years. It is about encouraging diversity in an industry, particularly agriculture, where we have seen our agricultural production, our great Nation, and the farmers who have been farming away the equity in their farms that their fathers and grandfathers and great-grandfathers built up before them because we haven’t provided them the kind of agriculture policy that could sustain them in business. It is providing the diversity that when row crops can’t provide that stability, they can diversify into aquaculture, into an area where they can employ in preserving the environment, and they can make an effort at building a part of the economy that needs to be built in this great Nation.

I thank the Senator from Arizona again for his leadership and for always coming forward to try to set us straight. I respectfully disagree with him. I ask my colleagues to join me in supporting the people of the Mississippi Delta, the farmers of this Nation who have been willing to diversify and to seize a marketplace that needed to be seized, and to give them fairness so that once again the American farmer, the American producer, can have faith in the integrity of the free trade that our Nation stands behind on their behalf.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, surely God must be smiling that we are here on December 18th talking about catfish. I would like to try to address all these issues that have been raised as quickly as I can and get to the bottom line of what this issue is about.

Let me first say I take a back seat to no man or woman on the subject of catfish. I have eaten as many or more catfish than anyone in the Senate. In fact, as a boy growing up on the Chattahoochee River, I can remember buying catfish from people along River Road who had had up a sign: “Our catfish slept in the Chattahoochee river last night.”

I think it is an incredible commentary on how poorly we understand trade that we have heard an endless debate today about what the income level of Vietnamese producers are; nobody has mentioned catfish consumers. Is there anybody here who would be willing to wager whether the average catfish consumer in America is substantially poorer than the average catfish producer? Nobody would make that wager. Nobody thinks there is any question about it.

The amazing thing about the debate on trade is that nobody cares about the consumer. The consumer is absolutely important in the debate. The trade debate is basically about single-entry bookkeeping. Nobody looks at all the agricultural products that the Vietnamese buy from America. Nobody looks at all the jobs that creates. Nobody looks at the fact that every American dollar that goes to Vietnam, or any other country, for that matter, comes back to America in purchases. We are focused on single-entry bookkeeping, and in this sort of naive world of the Senate trade debate, the end of all activity in the world.
talk about free trade. But when is the last time Kroger or Safeway bought anything from you? They have never sold anything to a grocery store. I am engaged in absolutely one-way unfair trade with the grocery store. The grocers buy me, but they don't buy things from me. If I listen to the logic of this debate, we should be putting up barriers to people getting in the grocery store because of unfair trade.

Maybe I have been following these debates for too long, but I thought the end of all economic activity was consumption. Does no one care about what impact this provision will have on consumers? Does anybody doubt that limiting competition in the sale of catfish will hurt poor people? It will, and it will hurt them everywhere—not just in Arkansas, not just in Texas, but everywhere.

I also do not understand why we use the word "people" in Arizona being richer than people in Arkansas. On that logic, why don't we simply have amendments to redistribute wealth? I do not think any of that is relevant.

My point is that no one can dispute that the consumer of catfish is poorer than the average producer of catfish. So if we are here choosing up sides based on income, we would all be against the provision that limits competition in catfish. But obviously, that is not what we are about.

Let me try to address some of the issues that have been raised. First of all, many comments have been made today that I do not think comport with existing regulations and laws. I have here a September 27 directive by Phillip Spiller, who is director of the Seafood Center for Food Safety and Applied Nutrition, about labeling of Vietnamese catfish. I will ask that it be printed in the Record when I get printed in the RECORD when I get printed in the RECORD when I get printed in the RECORD when I get.

Mr. MCCAIN. They don't look as though to them, but it is.

It seems to me all of the arguments we are hearing today come down to an argument against trade. The question turns on what is in a name.

Imagine for a moment that Alaskan king crab were required to be labeled as "giant sea spiders." Just imagine that I am in France and I don't want these Alaskan crab that are brought into France because they are good, relatively inexpensive, and highly sanitary. I am not interested in customer loyalty, in producing channel cat. What would the argument be then?

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In terms of dirty conditions, where is the evidence? The State Department was asked to go out and look at how the Vietnamese catfish are grown, and they have come back and tell us that there are health conditions highly sanitary. It is interesting that at this very moment, the Chinese are beginning to produce channel cat from American strains. There is no evidence to suggest that the Vietnamese could not ultimately produce channel cat. What would the argument be then?

It seems to me all of the arguments we are hearing today come down to an argument against trade. The question turns on what is in a name.

Mr. McCAIN. Will the Senator yield? Shouldn't we change the name of one of those?

Mr. GRAMM. My point.

Mr. McCAIN. They don't look as much alike as the catfish shown in the pictures, yet we will make sure that the term "catfish" is removed. I don't want the term "catfish" to be removed, one of those, should clearly not be called "catfish."
them anything but the same thing unless the objective was to try to reduce or remove one of the products from the market?

Now, we produce Alaskan king crab. It is a superior product. I don't know whether we produce it better or poor. I know anybody who has enough income to afford Alaskan king crab likes to eat it. I do. But if I were in France and I were in the crab business and I didn't want to compete against Alaskan king crab, what would I do? I would say this is not a crab. I would say that our French crab is a superior product and this Alaskan king crab is an inferior product that is being foisted off on French consumers by French chefs.

What about the Florida stone crab that is so expensive and that people like so much? Now, I will say, and I speak with some authority, poor people do not eat stone crabs because it is expensive. It is very expensive. And it is very, very good. If I am in France, I have this crummy little crab they grow in France. It is good, but it does not compare to the Florida stone crab or the Maryland blue crab—I sing its virtues—or the Alaskan king crab. I don't know how much he loves us, but he gave us this great variety of crabs. If I am a French crab grower—a "water man" as they call it on the eastern shore of Maryland—I might start a campaign because I want to compete against these crabs by going to a French parliamentarian.

Do you think that parliamentarian would stand up and say: Although the American crab is better and cheaper, we don't want them in France because we think consumers in France are not paying enough for crab. We want to literally steal the crab right out of their mouths. We want to rip them off.

Do you think you would stand up and say: Sir, I am a low-income person. I am looking at every penny. I am working. I have gotten off welfare. I am going to the grocery store to buy a product: catfish. So I go to the catfish counter, and I see catfish. It looks kind of high in price. Then I see basa over here. It looks like catfish, but I don't know what "basa" is.

Is forcing sellers to call a product by a name that has nothing to do with our common knowledge of the product an insurmountable obstacle to trade? I believe that is. I believe that any trade panel impaneled anywhere in the world would rule that this practice is an unfair trade practice. If scientists say it is a catfish, why don't we say it is a catfish? Why would we say it is not a catfish? If there were no significant imports of Vietnamese catfish, would we be in a debate about whether this is catfish?

If this were a gathering of ichthyologists—the name for people who study fish—would we be debating whether this catfish is a catfish? No, we would not be debating it. We are debating it because people want protection. I understand why they want it. I am not saying some people may not be hurt by protection efforts. I am saying they are hurting the ability of a competitor to compete.

But my point is this: We are the greatest exporting nation in the world. Protectionist efforts are being directed at us all over the world. Similar debates are occurring in every parliament and every congress on Earth. In fact, right now there are efforts in the European Community to change our ability to market U.S. scallops. And the French have tried to label foreign scallops as not being scallops. I can't pronounce the French name for scallops. Why are they doing that? Is not a scallop a scallop? Quite frankly, even though the French scallops are smaller, they are superior to ocean scallops. Why are they doing that in France?

Mr. MCCAIN. Mr. President, is the Speaker aware that the suit was brought against France for exactly that—mislabeling scallops? The United States is one of them. WTO ultimately ruled against the French and changed the regulation, as they will rule against this. But it would take years to do it.

Mr. GRAMM. Why do the French want to say a scallop is not a scallop? Because they wanted to cheat French consumers. They wanted to make French consumers consume domestically produced scallops rather than being able to buy scallops from around the world. Why is concern focused only on the people who produce things and not the people who consume things? How extraordinarily different that world view is. Quite frankly, when I look to the future, it frightens me that at the very time when we are seeing developing countries start to develop and developed countries are restricting trade, we are the greatest trading country in the world, with the largest export and the largest import base of any country on the planet. Yet somehow something is said to be wrong.

I am reminded of Pericles, who gave the funeral oration each year in Athens to honor those who had died during the Peloponnesian War. Other than the Gettysburg Address, probably the most famous speech was Pericles's funeral oration. It is very interesting that of all the things Pericles could have chosen to show the greatness of Athens, he picked out trade, and specifically, imports. He didn't put exports, although he could have said that if you go all over the world you will find products from Athens. But he didn't say that. He said: "Because of the greatness of our city, the fruits of the whole earth flow in upon us, so that we may eat of the goods of other countries as freely as of our own." To Pericles, that fact represented the greatness of Athens.
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But yet, in America, the greatest, richest, freest country in history, we are debating a proposal that a catfish is not a catfish because catfish are too cheap and we want to restrict competition by forcing people who produce catfish in America to call it something other than catfish. Quite frankly I think that is a problem.

Let me make a couple of other points.

What is a red snapper? I thought I knew what a red snapper from the gulf was. I am sure the Presiding Officer, if I asked him to draw a picture of a red snapper, would draw the same picture of a red snapper: a red fish that is kind of flat. But if you asked Senator MARRINER or Senator MURKOWSKI to draw a red snapper, they would draw a very different fish because, in fact, the red snapper of the gulf coast is a very different product from the red snapper of Alaska. Should we pass a law that says you are not a catfish unless you call it something else? Would that make any sense? I have already talked about crab, and the example of the French parliamentarian. Can you imagine the great passion in Washington in making the argument—an argument that quite frankly, would be a better case than we have here? The difference between the Alaskan king crab and the crummy little French crab is far starker than the difference between these two catfish. All over the world today, this very same debate is going on about what is crab and what is not crab, what are scallops and what are not scallops, or what is a sardine and what are not sardines. Does this debate serve any purpose other than to cheat people, to limit trade, and to produce declining living standards?

Finally, let me say that this effort won't end with seafood. Is pima cotton the same thing as short-strand cotton? Is the cotton produced in Arizona and West Texas the same cotton that is produced in Georgia and central Texas? Is Egyptian cotton the same as U.S. cotton? Could we not find ourselves in a similar debate over, literally, buying sheets?

I have a son who is getting married on the 19th of January. I have become an expert on bedding. When you want to give somebody the nicest sheets, you get sheets made of pima cotton or Egyptian cotton, because that is long-strand cotton. And you look for a large number of threads per square inch. If the States Senate and Congress by legislation what catfish is for the purpose of trade—even though scientists classify catfish differently—is it hard to imagine that we might actually see a proposal that says Egyptian cotton is not cotton or Chinese or anybody else will put us out of the catfish industry. But God did not guarantee that people have a right to do that. It is a proposal that someone would go to impede trade. The purpose of this effort to prevent the use of the name "catfish"—the name used by fisheries scientists—for imported catfish is to impede trade. Catfish at the end of the day, is important to our trading partners in Vietnam. We could cheat them. And we could cheat catfish consumers, who probably would never know it. The millions of people who eat catfish have no idea what is going on here today...

I am guessing that some catfish producers are looking over my shoulder and sending letters back to Texarkana or the Golden Triangle—where people grow cotton. As Senator GPO GRAMM cares about catfish producers. Yet nobody is looking over my shoulder asking whether I care about the catfish consumer.

This is how bad law is made. Even though nobody other than a few catfish producers is ever going to know how senators vote, I urge my colleagues to vote with Senator MCCAIN because this is an important issue. If we start changing names to impede trade, who is more vulnerable to this kind of cheating than the United States of America? If we can do this to Vietnamese catfish, it can be done to every agricultural product that we produce.

In fact, it is being done to our beef exports today in Europe using phony science. The scientific community says growth hormones have no impact. Yet the Europeans, for protectionist reasons, have reached the conclusion they do. And it sounds at the moment, saying that a catfish is not a catfish for a quick benefit to the Europeans, for protectionist reasons, is dangerous business. It may seem now, at 4:35 on the 18th of December, when we should long ago have gone to our homes and made merry with our families—as trivial as it sounds at the moment, saying that a catfish is not a catfish for political reasons is dangerous business. It may benefit the Vietnamese, it may benefit some catfish consumers, who nobody cares about—in a couple of States today, but it could hurt every State in the Union and every consumer in the world tomorrow.

That is why Senator MCCAIN is right on this issue.

I yield the floor.

Mr. LOTT. Mr. President, I understand that Senator MCCAIN is offering an amendment to the farm bill which will remove any such restriction on the sale of catfish. It is a key issue to the States that have had a federal right to sell catfish since the early 1990s. Vote No, and you are voting for the States.
American catfish farms and processing facilities bring jobs and benefits to many people living in the communities of the Mississippi Delta, one of the poorest regions in America. I fear that the McCain amendment will undo much of the hard work by private businesses, and government officials to bring economic development to this region.

I have heard from catfish producers and processors in Mississippi, Arkansas, and Louisiana regarding the unfair marketing of the Vietnamese basa fish as a “catfish” in stores and markets across the entire country. I agree with their arguments that by permitting this Vietnamese fish to be imported and marketed as a “catfish,” the Food and Drug Administration, FDA, is allowing customers to be misinformed and defrauded. Domestic catfish industry officials rightfully fear they will lose revenue and that their businesses and workers’ livelihoods will be endangered.

The scientific fact is that the basa fish is not closely related to the North American channel catfish and thus should be commercially and legally identified as a separate variety of fish so that American consumers are fully informed as to what they are buying.

The Vietnamese basa fish and the North American channel catfish are as genetically related to one another as a cow and a pig. All we want is for the FDA to provide the same scientifically-based commercial distinction between these fish so that American consumers are fully informed as to what they are buying.

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I encourage my colleagues to vote for fair trade, sound science, and informed consumers by opposing the McCain amendment.

Mr. MCCAIN. Mr. President, I wish to draw my colleagues’ attention to an amendment to the appropriation bill that would prohibit the import of fish and fish products into the United States, a proposal that I have worked on for many years, and which they most likely know nothing about, a severe restriction on all catfish imports into the United States. Much more is at stake here than trade in strange-looking fish with whiskers. In fact, this import barrier has grave implications for the U.S.-Vietnam Bilateral Trade Agreement, for our trade relations with a host of nations, and for American consumers and fishermen. America’s commitment to free trade, and the prosperity we enjoy as a result of open trade policies, have been put at risk by a small group of Members of Congress on behalf of the catfish industry in their States, without debate or a vote in the Congress. Consequently, Senators GRAMM, KERRY, and I are offering an amendment to the farm bill to elevate the national interest over these parochial interests by stripping this narrow-minded import restriction from the books and ensuring that we define “catfish” for trade purposes in the United States in sound science, not the politics of protectionism.

During consideration of the Senate version of the Agriculture Appropriations bill for fiscal year 2002, I voiced my deep concern with the Administration’s decision to “clear” a package of 35 amendments just before final passage of the bill. The majority of Senators had received no information about the content of these amendments and had no chance to review them.

As it turns out, I had good reason to be concerned. Included in the managers’ package was an innocuous-sounding amendment banning the Food and Drug Administration from using any funds to test any fish or fish products labeled as “catfish” unless the fish have a certain Latin family name. In fact, of the 2,500 species of catfish on Earth, this amendment allows the FDA to process only a certain species raised in North America, and specifically those that grow in six southern States. The practical effect is to restrict all catfish imports into our country by requiring that they be labeled as something other than catfish, an undeclared intent of the catfish lobby and their Congressional allies to slip their midnight amendment into a must-pass appropriations bill.

Over the last 10 years, our Nation has engaged in a gradual process of normalizing diplomatic and trade relations with Vietnam. Our engagement has yielded results: the prosperity and daily freedoms of the Vietnamese people have increased as Vietnam has moved from a command economy to a market economy. This change has been the rapid economic growth brought about by an end to the closed economy under which the Vietnam people stagnated during the 1980s. Many Americans, including millions of us who served in Vietnam, who have visited Vietnam have said that the Vietnamese people are hard workers, and that Vietnam has been struck by these changes, and the potential for capitalism in Vietnam to advance our interest in freedom and democracy there. We cannot let a long way go, but we are planting the seeds of progress through our engagement with the Vietnamese, as reflected most recently in ratification of the bilateral trade agreement.
by both the United States Senate and the Vietnamese National Assembly. Indeed, the trade agreement only took effect this week.

This trade agreement is the pinnacle of the normalization process between our countries. It completes the work of four American presidents to establish normal relations between the United States and Vietnam. It is the institutional anchor of our relationship with Vietnam, the 14th-largest nation on Earth, with which we share a number of important interests.

Yet in the wake of such historic progress, and after preaching for years to the Vietnamese about the need to get government out of the business of micromanaging the economy, we have sadly implicated ourselves in the very sin our trade policy claims to reject. The amendment slipped into the Agriculture Appropriations bill openly violates the national treatment provisions of our trade agreement with Vietnam, in a clear example of the very paternalism we have urged the Vietnamese government to abandon by ratifying the agreement.

The amendment Senator Gramm and I are offering today would repeal this import restriction on catfish. Our amendment would define “catfish” according to existing FDA procedures that follow scientific standards and market practices.

Nonetheless, the restrictive catfish language offensive in principle to our free trade policies, our recent overwhelming ratification of the Bilateral Trade Agreement, and our relationship with Vietnam; it also flagrantly disregards the facts about the catfish trade. I’d like to rebut this campaign against their Vietnamese competitors. “They’ve grown up flapping around in Third World rivers and dining on what- ever eats them. In that form, catfish raised in good old Mississippi mud are the only fish with whiskers safe to eat. One of these negative advertisements, which ran in the national trade weekly Supermarket News, tells us in shrill tones, “Never trust a catfish with a foreign accent!”

This ad characterizes Vietnamese catfish as dirty and goes on to say, “They’ve grown up flapping around in Third World rivers and dining on whatever eats them. In that form, catfish raised in good old Mississippi mud are the only fish with whiskers safe to eat. One of these negative advertisements, which ran in the national trade weekly Supermarket News, tells us in shrill tones, “Never trust a catfish with a foreign accent!”

I believe a far more accurate assessment is provided in the Far Eastern Economic Review, in its feature article on this issue: “For a bunch of profit-starved fisherfolk, the U.S. catfish lobby had deep enough pockets to wage a highly xenophobic advertising campaign against their Vietnamese competitors.”

Unfortunately, this protectionist campaign against catfish imports has global repercussions. Peru has brought a case against the European Union in the World Trade Organization because the Europeans have claimed exclusive rights to the use of the word “sardine” for trade purposes. The Europeans would define sardines to be sardines only if they are caught off European waters, thereby threatening the sardine fishery in the Western Hemisphere. Peru is also pressing to reverse this position as well.

To file a brief supporting Peru’s position before the WTO that such a restrictive definition unfairly protected European fishermen at the expense of sardine fishermen in the Western Hemisphere. Like the Peruvians, a large number of American fishermen would suffer the potential of an implicit European import ban on the sardines that are their livelihood.

Yet as a direct consequence of the passage of the restrictive catfish-labeling language in the Agriculture Appropriations bill, USTR Representative will be in brief supporting the Peruvian position in the sardine case against the European Union because the catfish amendment written into law makes the United States guilty of the same type of protectionist labeling scheme for which we have brought suit against the Europeans in the WTO. The WTO has previously ruled against such manipulation of trade definitions which, if allowed to stand in this case, could be used as a precedent to exclude foreign markets to a number of U.S. products. I doubt the sponsors of the restrictive catfish labeling language in the Agriculture Appropriations bill happily contemplate the potential of the Pandora’s Box they have opened.

This blanket restriction on catfish imports, passed without debate and without a vote on its merits, has no place in our laws. I urge my colleagues to join us in striking it from the books and supporting the Peruvian position to define what a catfish is by supporting our amendment.

Mr. KERRY. Mr. President, I rise as a cosponsor of Senator McCain’s amendment. This amendment would repeal a provision in the recently enacted Agriculture Appropriations bill that prohibits for the current fiscal year, the FDA from using any funds to process imports of fish or fish products labeled as “catfish” unless the fish have been inspected by the FDA. Such labeling is only found in North America. The House-passed version of the Farm bill contains a similar provision that would make the ban on imports permanent.

The amendment we are offering seeks to reverse this position as well. A number of scientific classification organizations have identified over 30 distinct families of catfish world-wide and over 2,500 different species within these families. Quite frankly, the classification of species is a subject that is only found in North America. The House-passed version of the Farm bill contains a similar provision that would make the ban on imports permanent.

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Trade Organization that the EU’s new import policy restricting the labeling of sardines was unfair. After all, North American herring are a part of the sardine family, just like Vietnamese basa is part of the catfish family. Once the Agriculture Appropriations Conference report recently signed into law, however, with its one-year ban on imported catfish, everything stopped. American fishermen and processors in the Northeast have the Peruvian and Canadian governments to thank for stepping in to file a complaint with the WTO. Both Peruvian fishermen and processors have little hope of ever entering into the EU export market.

Back in 1993 the French government attempted a similar provision for scallops. Only European caught scallops could be sold as “Noix de Coquille Saint-Jacques”, which reduced the market value of imported scallops by 25 percent. The U.S. and a number of other nations protested to the WTO and overturned the decision.

Then in 1999, a bilateral trade agreement, which came into force this week, requires that each country give “national treatment” to the products of the other country when those products share a likeness with domestic products. Thus American importers have the right to bring in Vietnamese catfish under the name “catfish”, the provision enacted in the Agricultural Appropriations Conference report, and the language in the House-passed farm bill, violate the trade agreement by denying the same treatment to Vietnamese catfish as we give to American raised catfish.

The U.S.-Vietnam trade agreement is a vehicle for opening the Vietnamese economy to American goods and services. It is the precursor to a WTO agreement. For the United States to violate the letter and the spirit of that agreement by restricting the importation of Vietnamese catfish will undermine the process of implementation of that agreement before it has even begun.

I wish to remind my colleagues that Brazil, Thailand, and Guyana are all members of the WTO and all three countries also export catfish to the U.S. This provision would deny them access to our markets as well, and I would not be surprised if they successfully protest this matter to the WTO should we choose not to repeal this provision.

I understand the desire of my colleagues in the Senate and the House to try to help their domestic catfish farmers who have hit on hard times. I urge my colleagues to support this amendment.

Mr. Sessions. Mr. President, I am very concerned about the precedent of arbitrarily determining the acceptable market name of any fish. We have never before set into statute a market name for any animal or plant. In the case of the Commerce Administration works with the National Marine Fisheries Service to review the available scientific literature and common market practices. They will then provide the fishing industry with guidance on acceptable names for their catch. This is to ensure that the consumers are getting what they expect.

We have seen other countries draw arbitrary lines in the sand. In 1995, the French tried to say that only the local fisherman could call his catch ‘coquilles St. Jacques.’ The result was that scallop fishermen in the United States who export their catch to France were essentially blocked from the market. You simply can’t create a new name for a scallop and have consumers recognize what it is.

Peru and Chile challenged the French restriction at the WTO. The United States filed briefs in support of that challenge. The WTO ruled that the French restriction had no scientific basis and could not stand.

Unfortunately, that was not the end of this trend of discriminatory naming practices. Right now, the European Union has a restriction in place that prevents U.S. sardine fishermen from selling their catch using any form of the word “sardine.” Fishermen in my home State are even prevented from clearly marking their catch. This provision only requires the fish to be called what they really are—they are “basa” fish and not catfish.

We learned in biology class about the classification of living things. We classify living organisms from kingdom on down to species.

Specifically, the subcategories are: Kingdom, Phylum, Class, Order, Family, Genus, Species.

Vietnamese “basa” fish are not the same species as North American channel catfish. They are not of the same genus either. They aren’t even in the same family of fish.

These two fish are only in the same order.

Well guess what. Humans are in the same order—primates—as gorillas and lemurs.

We don’t say that lemurs and humans are close enough to call them the same thing.

What about other animals? Pigs and cows are in the same order.

If an importer was shipping pork into the U.S. and passing it off to consumers as beef, we would rightly be outraged.

Some in the Senate may say that the taxonomy of fish is different. So let’s take a look at an example of my point using trout and salmon.

Atlantic salmon and lake trout are closer to each other than basa fish and North American channel catfish.

They are in the same family of fish, yet we do not say that salmon and trout should both be called salmon.

It is a similar story here: the closest a Vietnamese basa fish is to a North American channel catfish is that they are in the same order. There are over 2,200 species in this order of fish.

The opponents of this provision say that because both fish have whiskers, they both must be catfish.

Do we call all animals with stripes zebras? Do we call all animals with spots leopards? Of course we don’t. Similarly, because the fish has whiskers does not mean that it is a catfish.

The whiskers on fish are called barbels, and a number of species have them, including the black drum, some sturgeon, the goat fish, the blind fish, and the nurse shark.
By restricting the use of the word catfish to those species that actually ARE catfish, we can reduce widespread consumer confusion. Substituting species is extremely misleading to consumers.

The “basa” fish are being shipped into the United States labeled as catfish. These labels claim that the frozen fish fillets are Cajun catfish or imply that they are from the Mississippi Delta.

In fact, they are from the Mekong Delta in South Vietnam.

As a result, American consumers believe that they are purchasing and eating U.S. farm-raised catfish when in fact they are eating Vietnamese “basa.”

The Vietnamese fish sold as catfish continue to be found to be fraudulently marketed under names that the Food and Drug Administration has determined to be fictitious.

These names are used to misrepresent U.S. U.S. farm-raised fish. The provision that we have previously passed will reduce this consumer confusion.

Since 1997, the import volume of frozen fish fillets from Vietnam that are imported and labeled as catfish has increased at incredibly high rates.

The volume has risen from less than 500,000 pounds to over 7 million pounds per year in the previous 3 years.

The trend has continued this year—the Vietnamese penetration into the U.S. catfish market alone has tripled in the last year from about 7 percent of the market to 23 percent.

The law of the United States and most countries seek to protect consumers by preventing one species of fish to be marketed under the pre-existing established market name of another species.

When the Vietnamese fish in question first started to be marketed significantly in the U.S., importers sought and received approval of the name “basa” from the FDA.

However, some importers of the lower priced Vietnamese fish sold that fish as “catfish” to customers.

The name “catfish” was already established in the U.S. market for the North American species.

FDA has the legal responsibility to prevent “economic adulteration” of food products in the U.S. market.

FDA used “species substitution” in seafood as an example of “economic adulteration.”

FDA in recent years, however, has not taken an active role in enforcing these laws, and efforts made by the American farm-raised catfish industry to obtain enforcement went largely ignored.

To make matters worse, the FDA in August of 2000, at the request of import interests, authorized the Vietnamese fish to be marketed under the name “basa catfish.”

My colleague from Arizona has mentioned on the Senate floor that this provision was done to protect the interests of “rich” agribusinesses in Alabama, Mississippi, Arkansas, and Louisiana.

I invite him to come visit the Alabama Black Belt, one of the poorest areas in the United States, and see these operations.

It is clear to me that this effort to go back and strike appropriations language is an effort being made on behalf of rich importers who are substituting this Vietnamese fish for channel catfish.

In spite of full knowledge of the legality of substituting one fish species for another, importers are making more and more money passing off basa fish as channel catfish.

U.S. catfish producers and processors have spent years creating a successful market for their fish.

The Vietnamese and importers are taking advantage of this established market, substituting the basa fish for catfish.

The provision in the agriculture appropriations bill makes it clear to importers that the practice of species substitution is unlawful. This is no change in substantive law.

Nothing in the legislation imposes any restriction on the importation of Vietnamese fish of any kind. Nor does it prevent Vietnam or importers from establishing a market for Vietnamese fish.

I encourage them to expand their market. Just don’t substitute it for something that it is not.

U.S. catfish farm production, which occurs mainly in Alabama, Mississippi, Arkansas, and Louisiana, accounts for 68 percent of the pounds of fish sold and 50 percent of the total value of all U.S. aquaculture, or fish farming, production. The areas where catfish production is greatest are in the Blackbelt of Alabama and the Mississippi Delta.

These are some of the poorest areas of the United States, with double-digit unemployment rates. With depressed prices for almost all agricultural commodities, catfish production is critical to the U.S. economy, and particularly to the economy of the South.

U.S. catfish farming is one of the few successful industries in these areas of the South, and the farmers, processors, and the regions are suffering tremendously because of this dramatic surge in imports.

If the Vietnamese were raising North American channel catfish of good quality and importing them into the U.S., I would have no problem. That is fair trade.

Fair trade is not importing “basa” fish, labeling them as catfish, thereby taking advantage of an already established market, and passing them off to American consumers as American catfish.

The Vietnamese and the importers need to play by the rules.

The provision for the agriculture appropriations bill simply clarifies existing guidelines and sends a message that substituting these two species is fraud.

A vote in favor of the McCain amendment is a vote in favor of fraud, consumer confusion and species substitution. Therefore, I urge my colleagues to vote against the McCain amendment.

Mr. HARKIN. Mr. President, I feel constrained to say a couple things about what my friend from Texas has said. I wrote this down when he said it because I thought it was pretty astounding statement. He said the end result of all economic activity is consumption. Think about that: The end result of all economic activity is consumption.

Whether that is true or not, and if I were to go ahead and assert that it was true, I do not think there is anything inconsistent with saying people ought to know what they are consuming. But I would even go further than that and say, from a learned former professor of economics, I still find that astounding statement. He said the end result of all economic activity is consumption. If that is the case, let’s bring back slavery. Hey, the cheapest thing for the consumers is to have free labor. Why not get’s do away with all environmental laws that protect the environment. Why not? If the end result is consumption, then forget about all that nonsense. Worker safety laws? Forget about all that nonsense, if the end result is simply consumption.

I really think what this amendment is about, and others that are like it, is really more about transparency in markets, I say to my friend from Texas, who is an economist, transparency in markets, truth in labeling, transparency, and information to the consumer.

If a country wanted to all of a sudden say that the horse meat they eat is beef, could they sell it in this country? I don’t think that is what it is. It is horse meat. They are in the same family of animals as cattle. They just call it beef. Why can’t they sell it in this county? Truth in labeling, letting the consumer know what they are consuming, that is what it is all about.

We have had a long discussion on this. I would like to bring this to a close. If you are going to ask unanimous consent that the Senator from Arkansas get 5 minutes, the Senator from Mississippi wants 1 minute, and then for 1 minute the Senator from Arizona will be recognized for 1 minute, after which time I would be recognized for a motion to table. I ask unanimous consent that be the order.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

The Senator from Arkansas.

Mr. HUTCHINSON. Mr. President, in my 5 minutes, I just want to say to the Senator from Texas, I wish I could have been in his economics class. I would have said “amen” to everything he said except his initial supposition.
His initial supposition was that we are trying to change the name of catfish. His initial supposition was there is no difference between a channel catfish and a basa catfish, that they are all catfish so just sell them as catfish. After all, we do not want to change, we don’t want the truth. His initial supposition was wrong. And following everything after that initial supposition, you come to the wrong conclusion.

He said: Nobody cares about the consumer. What is best for the consumer? Why isn’t somebody asking about the consumer?

Let me just this one time associate myself with the Senator from Iowa. I am concerned about the consumer. I am concerned about what the consumer is going to consume, what he is going to eat. Doesn’t he have a right to know whether he is getting Vietnamese basa or is he getting channel catfish?

He ought to have the right to know that when he goes in and buys a fish in that restaurant, that when they are selling it as channel catfish that it is, in fact, channel catfish.

The Senator from Texas, in great eloquence and great entertainment, said what we need is protection, we don’t want protection. I want honesty. I want truth. I want fairness. At some point a name has to mean something. We pointed out—this is not me; this isn’t something I dreamed up; this is science—the reality is that a channel catfish and basa are not members of the same species. They are not members of the same scientific family. The truth is, the fact is, Atlantic salmon and a lake trout are more closely related than a channel catfish and basa.

I don’t want protection. I want truth. I want the consumer to know what he or she is consuming. That is all in the world this provision was in the Agriculture appropriations bill this year. It doesn’t make much sense, it doesn’t make very much sense. It needs to be sustained in this vote.

The Senator from Texas asked, what is the purpose of a name? The purpose of a name is to identify. If, in fact, basa was the same as channel catfish, then I would say I am totally wrong; the catfish growers in the delta are totally wrong. But they are not the same. They are not the same fish. That should be reflected in what is labeled and what the American consumer knows he is getting.

I urge any colleagues not to help poor people in the delta—that obviously doesn’t move some—I ask my colleagues to demand that our trade be fair and that the American consumer be told the truth. It is, in fact, about transparency. I ask my colleagues to reject this amendment.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I compliment the distinguished Senator from Arkansas for the prescience of his arguments on this issue today. He is absolutely right. There is not any effort being made to be unfair or to act inapropriately toward any legitimate importing concern selling fish or any other product in the United States.

What is important is that the consumers in the United States have the information so they know what they are buying. I have seen logos and advertisements of these fish cartons that say “cajun catfish.” Immediately one assumes that it is from south Louisiana. That is a distinctive name. It means something to the consumer in the southern part of the United States. It is basa fish from Vietnam. It does not say so on the package.

Another package said “delta catfish.” You immediately assume you are talking about the Mississippi Delta from where 50 percent of the aquaculture in the United States comes. But, no, that is the Mekong Delta that is being referred to in that package. It is misleading. It is unfair. It is unfair to those who have spent $50 million over time to develop a market for Lower Mississippi River pond-raised catfish. That is how much has been invested over a period of years.

Now it has become a food of choice for many Americans. They go into the supermarket and now they buy what they see is delta catfish. But it is not what they think it is. That is unfair to them.

That is what this amendment seeks to correct. It simply says the Food and Drug Administration ought to ensure or whatever fish are labeled so consumers know what they are.

We have it from the National Warmwater Aquaculture Center that this basa fish is not of the same family. It is not of the same species as is the delta pond-raised catfish.

The PRESIDING OFFICER. The Senator has used his 1 minute.

The Senator from Arizona.

Mr. MCCAIN. Mr. President, I think we ought to do something right away. I don’t want protection. I want it priced out of the market better than something in a managers’ amendment. I hope we will recognize that protectionism is not good for America. This is another manifestation of it.

I urge my colleagues to support this amendment.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, under the unanimous consent, I move to table the amendment offered by the Senator from Arizona, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from Hawaii (Mr. AKAKA) is necessarily absent.

Mr. NICKLES. I announce that the Senator from Alaska (Mr. MURKOWSKI), the Senator from North Carolina (Mr. HELMS), the Senator from Mississippi (Mr. LOTT), and the Senator from Kansas (Mr. BROWNBACK) are necessarily absent.

I further announce that if present and voting the Senator from North Carolina (Mr. HELMS) would vote “yea.”

The PRESIDING OFFICER. (Mr. CORZINE). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 68, nays 27, as follows:

[Rollcall Vote No. 373 Leg.]

YEAS—68

Allen    Baucus    Baucus    Bingaman    Bond    Braun    Breaux    Burton    Byrd

Collins    Cornyn    Corzine    Craig    Cleland    Carnahan    Byrd

Inouye

NAYS—27

Allen    Bennett    Biden    Collins    Dodd    Ensign

Bayh    Breaux    Bryson    Brown    Brownback    Bunning    Byrd

Campbell    Cochran    Cleland    Clinton    Cleland    Craig

DeWine

Domenici

Ensign

Harkin    Hatch    Hollings    Harkin    Hatch

Hutchison    Hutchison    Inhofe

Inouye    Jeffords    Johnson    Johnson    Kay Bailey Hutchison

Lieberman    Lieberman    Lieberman    Lieberman

Lincoln    Lincoln    Lieberman

McCollum    McCollum    McCollum    McCollum

Mosby    Murkowski    Sessions    Sessions

Smith (NH)    Sessions    Sessions    Sessions

Specter    Sessions    Sessions    Sessions

Stabenow    Sessions    Sessions    Sessions

Taylor    Torricelli    Thomas    Thurmond

Torricelli    Thurmond    Thurmond    Thurmond

Warrington    Warrington    Warrington    Warrington

Wyden

December 18, 2001
December 18, 2001

CONGRESSIONAL RECORD — SENATE S13441

Feinstein
Fitzgerald
Graham
Gramm
Gregg
Hagel
Akaka
Brownback

NOT VOTING—5

Mr. HARKIN. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Ms. LANDRIEU. Mr. President, I thank both of the Senators from Arkansas and the Senators from Mississippi. Senator Breaux and I join with them in sponsoring this provision in the Agriculture appropriations bill. I thank my colleagues for wisely defeating this amendment.

Allow me to take a few moments to say that for Louisiana this is a very important industry. Catfish farmers in Catahoula, Franklin, and other parishes throughout our Mississippi Delta have spent years and a lot of money, as the Senator from Mississippi knows, in developing these farms and investing their hard-earned dollars in marketing this product to a nation that was, somewhat reluctantly, some years ago to accept this. Now catfish is commonplace in restaurants across the country.

Speaking for a State that represents the greatest restaurants in this Nation, let me say that it is not only the farmers who benefit, but also our restaurants and our consumers. I thank the Senate for their wise tabling of the McCain amendment. I am for free trade but fair trade, and tabling this amendment was a step in that direction.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, parliamentary inquiry for the information of all Senators: Am I correct the next order of business under the unanimous consent agreement is the Cochran-Roberts amendment, 2 hours evenly divided?

The PRESIDING OFFICER. The Senator is correct.

Mr. HARKIN. I thank the Chair.

AMENDMENT NO. 2671 TO AMENDMENT NO. 2471

Mr. COCHRAN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The Clerk: The amendment reads as follows:

The Senator from Mississippi [Mr. COCHRAN], for himself and Mr. ROBERTS proposes an amendment numbered 2671 to amendment No. 2471.

Mr. COCHRAN. 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 “Amendment Introduced Proposet.lol”)

Mr. COCHRAN. Mr. President, because the distinguished Senator from Iowa is involved in a very important discussion on the economic stimulus bill, as a high ranking member of the Senate Finance Committee, he is supposed to be in a meeting discussing that right now. He is interested in this legislation, and I yield such time as he may consume to comment on the Cochran-Roberts amendment.

Mr. GRASSLEY. Mr. President, I thank the distinguished Senator for yielding me time. I will address one specific issue of the bill, which is the farmer savings account, and then I would speak against the trade-distorting aspects of the farm bill legislation that is before us, which the Cochran-Roberts amendment takes into consideration and alleviates a lot of problems that other farm proposals before us have.

I will start with the farmer savings account. I want to make clear the farmer savings account is not an idea that comes only from America. Other countries, not exactly as in this bill, but as a provision of law that says these family savings accounts to help sustain family farmers from two standpoints: One, in a way that is not trade distorting and voluntary of the trading agreements; and, two, to continue support for the family farm in a way that is not trade distorting.

Few occupations face more uncertainties than agriculture. Each spring, farmers across the nation put their seed in the ground and pray for sufficient rain and heat. A single storm during the growing season can wipe out an entire year’s work and place farmers in dire financial distress. Each fall, farmers go to the fields to harvest their crops, the value of which is completely subject to volatile and unpredictable commodity markets.

As a result of these factors, farmers experience frequent cyclical downturns in income which can make it difficult to continue their operations from one year to the next. Farmers need the ability to offset these cyclical downturns by deferring income from more prosperous years to use during the lean years.

The farmer savings accounts provision in the Roberts-Cochran title would allow a producer to establish a farm counter-cyclical savings account in the name of the producer in a bank or financial institution that has been approved by the Ag Secretary. The Secretary would provide a matching contribution equal to the amount deposited by the producer into the account, up to a maximum of 2 percent of the average adjusted gross revenue of the producer.

A producer could withdraw the account at any time after the account has earned interest. If the estimated net income for a year from the agricultural enterprises of the producer is less than the adjusted gross revenue of the producer.

It is important to keep in mind that unlike other counter-cyclical programs before the Senate, this counter-cyclical approach is not dependent on commodity prices, farm production, or farm income. Therefore, this approach is “green-box,” or fully compliant with our international trade obligations. It would not subject our farmers to the possibility of retaliation by our trading partners.

Moreover, this amendment benefits producers of non-program commodities that would otherwise be ineligible for assistance under our federal farm support programs. Producers of livestock, fruits, and vegetables are often overlooked by our federal farm programs. This amendment benefits producers the same counter-cyclical self-help program that it gives producers of program commodities.

In recent years, I have strongly advocated the creation of FARM accounts to allow farmers to deposit funds in an account and defer income taxes for 5 years. Of course, this legislation would have to be considered within the context of the Finance Committee.

The provision we are considering would not require that we meet or exceed the counter-cyclical requirements of the World Trade Organization, or WTO. I am pleased the Cochran-Roberts amendment takes into consideration and alleviates a lot of problems that other farm proposals before us have.

Once again, I urge my Senate colleagues to support the Roberts-Cochran amendment. This amendment will give all farmers the much-needed opportunity to help themselves through less prosperous years. And it meets this need without risking a violation of our international trade agreements.

Now, when it comes to the trade issues, I don’t think there has been enough discussion either in the other body or this body on the impact of various proposals on our trade agreements.

Moreover, this amendment benefits producers of non-program commodities that would otherwise be ineligible for assistance under our federal farm support programs. Producers of livestock, fruits, and vegetables are often overlooked by our federal farm programs. This amendment benefits producers the same counter-cyclical self-help program that it gives producers of program commodities.

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Once again, I urge my Senate colleagues to support the Roberts-Cochran amendment. This amendment will give all farmers the much-needed opportunity to help themselves through less prosperous years. And it meets this need without risking a violation of our international trade agreements.
Our family farmers are highly dependent on exports. For instance, in a given year, the United States exports about one-quarter to one-third of the farm products it produces, either as agricultural commodities or in a value-added form. For the past 25 years, the U.S. has been netting more agricultural goods than it has imported.

One of the principal benefits of the Uruguay Round negotiations, perhaps the most important benefit for U.S. agriculture, was the improved condition of market access. For the first time, all agricultural tariffs were "bound," and agricultural tariffs were reduced by 36 percent on average over a 6-year period.

In addition, the U.S. made a binding commitment not to exceed its amber box spending limitation. Because we take our legally binding commitments seriously, and because we want our trading partners to do the same, we have never violated those commitments. If we do so, the United States and its trading partners would likely be subjected to harmful trade retaliation.

What would retaliation mean for our family farmers?

If any complaint were brought against the United States for exceeding its domestic support commitments, it is possible that many countries could become complainers in the case and allege injury to their farmers and their economy.

If the U.S. were found in violation of our trade obligations, we would be expected to change our current farm program, midstream. If we were not able to, the complaining countries would receive authorization to retaliate by raising duties on U.S. goods.

The likely first target of any retaliation would be U.S. agricultural exports, because countries fashion their retaliation lists to pressure the non-compliant country to change its practices. The products chosen for retaliation are those that are the most successful exports.

For example, U.S. exports of animal feed products and components could be targeted. This could affect corn, soybeans, milk, beef, pork, or any of our agricultural exports. However, a country would not be limited to agricultural goods only; if it did not import significant amounts of U.S. agricultural goods, a successful complaining party could also target industrial products.

Tariff retaliation against U.S. agricultural products would back products into the U.S. market, placing greater downward pressure on domestic price. U.S. farm domestic prices would weaken even further, and this could cause the price of U.S. farm programs to rise dramatically.

This would particularly be true in basic farm commodities such as wheat, corn, and rice, and grains where a large portion of the U.S. crop is exported. But if the programs that supported the commodity price were the same programs that were violating our trade commitments, we would not be allowed to provide our family farmers any support, at least above that limit.

If our farmers experience a bad year and our farm programs pay out large amounts of compliance payments, we would be forced to freeze or alter our farm assistance payments. Simply put, the type of program the Senate Agriculture Committee approved would fail family farmers when their need is the greatest.

Also, tariff retaliation against U.S. industrial goods due to excessive "amber-box" spending could create a substantial political backlash against U.S. farm programs. U.S. exporters of non-agricultural products who might suddenly be caught in the crossfire of retaliation would demand that their government officials correct the problem so that they can regain their hard-earned access to foreign exports.

U.S. credibility would be undercut if it were determined that the United States was not living up to its current commitments. It's very realistic that the Democratic farm bill we are considering would cause U.S. farmers to become dependent upon government payments that could vanish at a time when the economic situation is worsening and the federal budget surplus is disappearing.

A decision by the United States to exceed its WTO subsidies is to undermine the current Uruguay Round arrangement and make it much harder for the United States to achieve a workable multilateral agreement in the new WTO trade negotiations. This could be extremely important to farmers if the budget surplus evaporates and Congress is unable, or unwilling, in more difficult economic times to continue to fund farm programs at recent levels.

It is very important the farm bill we pass be one that advances our trade agenda and does not hinder it. The farm bill needs to help family farmers, not limit their potential marketplace. Family farmers in Iowa and across the United States need profitability, and there is no profitability check from the Federal Government. The profitability comes from the marketplace. The Government cannot provide profitability, only that marketplace can. I think the Cochran-Roberts legislation has taken all of this into account and we can be WTO compliant, help our farmers, and move ahead.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. I thank the distinguished Senator from Iowa for his comments. His leadership in the areas of trade and agriculture have been very helpful in the Senate over the years as we have been called upon to legislate in this subject area. I am grateful to him for the increasing depth this legislation as they relate to our obligations in the World Trade Organization and likewise in the importance and support from the Government for those engaged in production agriculture.

This legislation attempts to preserve the best of current farm law, improve programs that have proven to work in the areas of conservation and income protection.

The Marketing Loan Program, which has been a centerpiece of our agricultural programs in the last two farm bills, is carried forward in this legislation. We have a proven record of income support that is not coupled to planting decisions by farmers. This leaves them with the freedom to make planting decisions not based on what the Government will pay them for or not doing both on the basis of what they think is best for their farm and their individual circumstances. Their freedom in this farm bill to make those planting decisions will be very popular with farmers and for those who depend on this legislation in the years ahead.

That is one of the distinguishing characteristics between the Cochran-Roberts approach and the committee bill that is pending before the Senate. The committee bill depends upon budget levels and high loan rates guaranteed to distort the market to encourage overproduction. That is not going to be the result under the Cochran-Roberts amendment.

The Cochran-Roberts amendment provides, as the Senator from Iowa points out, for a new way to encourage farmers to save. It provides a matching formula for the Government to come in and help encourage the savings by farmers, much as a 401-K does for others engaged in business in our country. Farmers will be able to use their funds to deal with the counter-cyclical price distortion if prices go down as they customarily do. There are good years and bad years. We all know that. This will offer an opportunity to hedge against those bad years.

There is a substantial emphasis in this legislation on conservation. Two billion dollars in additional funding is authorized in this legislation for conservation programs and to provide technical assistance to farmers to help them make decisions that are consistent with good management practices to protect soil and water resources.

There are also reauthorization provisions for the Conservation Reserve Program, the Wetlands Reserve Program, the Wildlife Habitat Incentives Program, of which we have provided dollars that those gradual and marginal lands are not farmed. The encouragement of benefits from the Government for making decisions not to plant on marginal lands will be carried forward and expanded in this legislation.

I am hopeful that the Senate will look with favor at the difference between this bill and the committee bill in the area of rural development. The rural development title of the committee bill mandates that certain levels of spending be made on a lot of new programs that are authorized and funded in this legislation.
Our approach is to authorize a wide range of rural development programs, rural water and sewer system programs, other infrastructure programs, and housing programs that will help those who live in small towns and rural communities enjoy the full benefits that those who live in more urban areas would enjoy. It costs more in many of these areas to provide those kinds of services. So the Federal Government is authorized to provide funding to help ensure that the quality of life in rural America is enhanced. But the programs are not mandated at certain high levels.

The program managers in the Department of Agriculture and Department of Agriculture officials are given more latitude. The Congress is given more flexibility in appropriating each year the levels of funding that should be made available to those specific programs, rather than mandating certain high levels. This gives us budget flexibility. We know we are entering an era now where we are going to have to be hard pressed to stay within our budgets. This is important in this area of legislation as well.

We are not on a certain path toward deficit reduction. I am afraid if we follow the course that is outlined in the committee bill, that will be the result.

There are others who want to speak on this legislation. We have a time limitation on either.

Let me at this point say that the distinguished Senator from Kansas, who is the cosponsor of this amendment, is due in large part the credit for coming up with the strategy for this amendment and a lot of the content for this amendment. He was chairman of the Agriculture Committee in the House of Representatives before he came to the Senate. He has long been a leader in agriculture in America. I respect his judgment. It has been a pleasure working with him in crafting this amendment.

I yield such time as he may consume to the distinguished Senator from Kansas, Mr. ROBERTS.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. ROBERTS. Mr. President, I thank the distinguished Senator, a good friend whom I think every farmer understands. Every farmer and rancher under whom it has been Senator THAD COCHRAN who has provided the investment in American agriculture so as to keep our heads above water and invest in the man and woman whose job it is to feed America and a very troubled and hungry world. I thank him for his contribution.

As Senator COCHRAN said, we want to preserve the best in the current farm bill—much criticized, I understand, but basically build on that. My concern in regard to the Daschle-Harkin bill has been Senator THAD COCHRAN who has provided the investment in American agriculture so as to keep our heads above water and invest in the man and woman whose job it is to feed America and a very troubled and hungry world. I thank him for his contribution.

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bill. That is quite a technical correction. Again, that is a strong difference of opinion.

If you are going to return to target prices, I would say to my colleagues, that only results in payments to the producers if the price for the crop that year happens to be below the target price. And the reason it has happened time and time again when a State up in the Dakotas, or a State such as Kansas, in high-risk agriculture will lose a corn, and the price rises above the target price, and then, when the farm needs the payment, to get the worst, then is when he does not get it, either from the target price or the loan rate. That is something we tried to fix in 1996 with our direct payment program. And that is basically the feature of our bill.

I talked a little bit about the front-loading of the bill, which I think leaves us in a very precarious situation in the years of the coming deficits if in fact that takes place.

Senator COCHRAN also pointed out that the underlying bill, the Daschle bill, front-loads spending for the popular programs, including EQIP, the Wetlands Reserve Program, WHIP, and the Farmland Protection Program. I think we could have a pretty good case, I say to Senator COCHRAN, that our bill is better in regard to the environment and conservation than the underlying bill. So we are basically mortgaging future farm bills simply to buy off votes. I do not think that is good policy, and it is not good for the future of our farmers.

We think we have the better approach. We take a very commonsense approach to conservation. It puts funding into those popular programs I just mentioned. It ramps up the funding so we have a significant baseline as we head into the next farm bill. I think the Senator from Mississippi indicated $2 billion in that regard. That is a big investment. We don’t go “Back to the Future.” We don’t raise loan rates or return to the target prices of the past. Instead, we increase the direct payment—listen up, all farmers, ranchers, and their lenders—we increase the direct payment levels back to near their 1997 levels while adding a payment for soybeans and minor oilseeds.

This does create a guaranteed payment that the producers and their bankers can count on, even in years of crop losses when they need it the most. They do not have that guarantee in the committee-passed bill.

Again, I would like to reflect on what the Senator from Iowa said. It is WTO legal. It will not really shoot our negotiators in the foot in these international trade negotiations. He is directly on point in warning what could happen on down the road.

Our bill is supported by President Bush and Secretary of Agriculture Ann Veneman. So you are past that, and I think you obviously, you get to conference a lot quicker.

Let me say that to the Kansas farmer and, for that matter, to the Mississippi farmer or the Montana farmer, or any of our colleagues who are privileged to represent agriculture and they say: Wait a minute, if you are stalling a bill, and you are going to hold up this bill, and you are not going to get progress, and you are not going to get the administration has said, over and over again, it is not the money, it is the policy, so the investment in agriculture will be there—if somebody comes to me and says, Pat; let’s pass the farm bill, I would say: You pass the farm bill in an odd-numbered year as opposed to an even-numbered year because it does get to be a tad political. But if I said: Now, wait a minute, Mr. Kansas farmer, what if that bill that you want to move, or that others are on the other side want to move, contained $66 billion up front and left no money for future farm bills, would you support that? They would probably say: No, Pat. I don’t think that is a very good idea.

What if they say: What if you want to go back to loan rates? They might say: Well, I am not too sure. We never figured out whether that was income protection or market clearing. I don’t know.

We need that debate. We are having that debate.

Actually, we are not having that debate. Nobody spoke to that. How are you going to pay for that? We are going to take it out of your crop insurance reform we had only last year. I don’t think they will buy that and say: Pat, I don’t want that kind of bill.

Then if I said: Well, Mr. Farmer in Kansas, if this bill is supported by the President and the Secretary of Agriculture, and we could conference it more quickly with the House, would you prefer this than the other? Is that stalling? They would say: No, Pat, I don’t think so.

What if I said: Is it consistent with the current trade regime? They would look at me and say: Pat, do you think we are going to get that done? I would say: We haven’t yet, but we are going to keep trying.

Lord knows, it is a difficult process. But if the bill that we passed already has more money, so that the “amber box” is flashing so you can’t even see past it, they are going to say: Well, Pat, I don’t think we want that bill either.

If they say, we are going to maintain the integrity of the crop insurance program in our better substitute, I think most farmers would say yes.

Then there is an analysis by the Food and Agriculture Policy Research Institute that says the Cochran-Roberts proposal will result in higher market prices for farmers in the program crops than the committee-passed bill. It says it right there. In Kansas, every Kansas farmer will understand we are losing $1.3 billion over the life of the bill if we go with the committee bill as opposed to our substitute.

I could go on, but I think I have used up enough time and have made the points I tried to make. I do not want to go back to the old, failed policies of the past.

As the distinguished Senator from Mississippi has indicated, let’s preserve the best, and let’s improve it.

Mr. ROBERTS, Mr. President, I thank the distinguished Senator for his comments and his leadership on this issue.

We have some time left.

Does the senior Senator from Montana wish to speak at this time or will we reserve the time?

Mr. BURNS. Whenever you all run out of gas.

Mr. COCHRAN. We have not run out of gas.

Mr. ROBERTS. Will the Senator yield so I can make an unanimous consent request at this point?

Mr. COCHRAN. I am happy to yield to the Senator for that purpose.

Mr. ROBERTS. Mr. President, I neglected to ask unanimous consent that Senator GORDON SMITH be added as a cosponsor of the amendment offered by Senator McCAIN in the Chamber bill. We want to make sure the catfish co-sponsors are, indeed, added.

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

Mr. ROBERTS. I thank the Senator. Mr. COCHRAN. I reserve the remainder of our time on this side.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I have listened to the discussion. The chairman of our committee is now chairing a conference committee on one of the appropriations subcommittees. He will be back in the Chamber in a few moments. Let me consume some time to respond to a couple of the arguments.

First of all, my study described their proposal. Their proposal is different than the proposal brought to the Chamber by the Senate Agriculture Committee. I have listened to a substantial amount of discussion about the amber box. I suspect it is probably confusing to people listening to this debate about family farming to hear about the amber box. I heard someone say perhaps if we took the wrong turn here or made the wrong decision, we would shoot our trade negotiators in the foot. With all due respect, our trade negotiators have shot themselves in the foot. In fact, they took aim before they did it which really compounds the felony.

This amber box is not of great interest to me. I understand it is part of our current trade regime. The amber box exists. So does unfair trade with stuffed molasses, so does unfair trade with potato flakes, with Canadian wheat, so does unfair trade with T-bone steaks to Tokyo. I could go on forever.

While that amber box shining amber for somebody, all I see are trade negotiators who negotiate bad trade deals for American farmers.
Let me talk about boxes, not amber boxes. Let me talk about the box that the American farmers are in. That is the only box I really care about. Here is the box the American farmer is in. The American farmer is farming under a farm program whose preselection was so a bushel of grain, give them 7 years of fixed and declining payments at the end of which there would be no farm program. The whole point was to transition to the marketplace. That all sounded good because it was not going to work. Just like people thought that the budget surplus was going to last forever, everybody thought— I did not—that the price of wheat would be $5. So let’s give 7 years of fixed payments, farmers can put it in the bank, draw interest and be able to transition into a market economy.

Almost immediately the market collapsed. The price of grain just collapsed. So then this farm program of fixed payments did not look good at all. Each year at the end of the year we had to pass an emergency bill to make up the difference for a farm program that didn’t work. So this is the box the farmers have been in: They are trying to do business, selling a product whose price has collapsed. That is a box. They are trying to do business and ship their product on railroads that are monopolies in most cases. That is a box. They are trying to do business when they buy chemicals from chemical companies that are getting bigger. These companies are exacting the prices they want to exact. That is a box. When our farmers sell their grain into the grain trade, they face concentrations in virtually every area of economic activity. That is a box. Everywhere the farmer looks they are put in a box. It is not the amber box. It is just the box driving them flat broke. That is the box we used to see a farm program that at its roots was wrong. The farm program said: We won’t relate at all to what is happening in the marketplace. If the grain prices are higher, we will give you a payment. Wheat is $5.50 a bushel. Under our plan, you get a payment. Farmers don’t need a payment. If wheat is $5 or $5.50 a bushel, family farmers don’t need help from the Federal Government. That was the bankruptcy of that idea in the first place. It didn’t recognize the times when farmers did not need assistance. We have had a real struggle to get this farm bill to the floor. We had the Secretary of Agriculture calling around to our colleagues saying: Don’t do this; you shouldn’t write a farm bill now. The current farm bill is just dandy. Wait until next year.

We had colleagues say: The current farm bill is working fine. Give it time. We shouldn’t write a new farm bill this year. It is a weakening struggle. We have overcome that. We are on the floor. We have a farm bill. Now we have a filibuster. We have had two cloture votes, and we have not been able to break the filibuster. Eventually we will. Debating the Cochran-Roberts amendment is an important step forward, because this is the major amendment to the commodities title.

I hope perhaps when we get past this year we will be able to move through the rest of the amendments and get this bill completed. That is our goal. The idea in the Cochran-Roberts amendment with commodities title is a bad idea, but I am not trying to be pejorative about what they are doing. They have a different idea. I don’t happen to think it works. I think it is almost identical to Freedom to Farm. The Freedom to Farm idea was fixed payments, not withstanding what is happening in the marketplace. We know that didn’t work. We can do it again, but we know that won’t work.

So the question is. Do we want to re-invent the wheel or do we want to move on with the commodity title. That is the question here and there, but essentially the same basic philosophy? Or do we want countercyclical price protection so when the going gets tough, family farmers understand there is a bridge over these price valleys? That seems to me to be the right approach. That is the approach in the underlying bill offered by the Senate Agriculture Committee.

The entire purpose of a farm program should be nothing more than helping this country maintain a network of family farms producing America’s food. Farm, is that elevator would say: On harvest time and get that crop, get crop disease; you might not. If you come and eat it up; they may not. It much, or not enough. Insects might happen, they are put in a box. It is not the right place, and they are thoughtful and valuable members of the Senate Agriculture Committee.

With that said, we do have a profound disagreement with respect to this amendment. If you liked the Freedom to Farm policy, then this is the amendment for you. This is a Freedom to Farm policy. We are promised under that policy is a new start, a bright day. That is what we were told over and over. What we saw was something quite different. What we saw was a collapse of farm prices after that legislation was put in place. In fact, I have shown on the floor many times the chart that shows the prices that farmers pay going up continually and the prices that farmers receive dropping like a rock after Freedom to Farm was passed in 1996. The prices farmers receive have been straight down, like a one-way escalator going down, ever since Freedom to Farm passed.

We have had to pass four economic disaster assistance bills for agriculture since Freedom to Farm passed, four economic disaster bills costing over $22 billion because Freedom to Farm was a disaster itself. This amendment before us would continue that failed policy. Senator Roberts keeps warning about return to the failed policies of the past. How about the failed policies of the present?

(Mrs. CARNAHAN assumed the chair.)

Mr. CONRAD. I thank my colleague from North Dakota. I thank our colleagues, Senator Roberts and Senator Cochran, who are valuable members of the Senate Agriculture Committee and have a sincere dedication to agriculture. We have appreciated working together even when we have had disagreements, some of them strenuous over the floor or in the committee. There is no doubt in my mind about the genuine commitment of Senator Roberts and Senator Cochran to the rural parts of our country and to agriculture in America. Certainly their hearts are in the right place, and they are thoughtful and valuable members of the Senate Agriculture Committee.

With that said, we do have a profound disagreement with respect to this amendment. If you liked the Freedom to Farm policy, then this is the amendment for you. This is a Freedom to Farm policy. We are promised under that policy is a new start, a bright day. That is what we were told over and over. What we saw was something quite different. What we saw was a collapse of farm prices after that legislation was put in place. In fact, I have shown on the floor many times the chart that shows the prices that farmers pay going up continually and the prices that farmers receive dropping like a rock after Freedom to Farm was passed in 1996. The prices farmers receive have been straight down, like a one-way escalator going down, ever since Freedom to Farm passed.

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Mr. CONRAD. Madam President, how about the failed policies of the Freedom to Farm bill, which has been such a disaster that each and every year for the last 4 years we have had to come to the Congress and pass an economic disaster assistance package for our farmers. It is literally tens of thousands of them forced off the land.

Even the authors of the House-passed bill labeled Freedom to Farm a failure.
After 18 months of hearings, they concluded that one major change was needed in current policy. The change that the House agricultural leadership agreed upon was the addition of a countercyclical form of payments—payments that would increase if prices fell. That is in direct contrast to current policy. The Cochran-Roberts amendment also maintains the status quo with regard to loan rates. It freezes them in place rather than increasing them as the committee bill does. The amendment continues direct payments to farmers regardless of whether prices are high or low. It doesn’t matter, send checks.

Let me just look at the differences commodity by commodity—the difference in the effective support level between the committee bill and Cochran-Roberts. Let’s start with wheat. That is No. 1 in my State. You can see on this chart that the loan rate in the committee version is $3 a bushel. Cochran-Roberts keeps it at the current level of $2.58. On payments, the committee bill has 41 cents a bushel; Cochran-Roberts, 51 cents. The effective support level of the committee bill, $3.41; $3.09 under Cochran-Roberts. On barley, the committee bill, which is the current support rate of the sugar loan program and directly reduce the income of sugar producers.

The Cochran-Roberts amendment amendment fails to repeal the loan forfeit rate for sugar. If you are a cane or beet sugar producer, that one short cut reduces the loan rate of sugar producers.

I find it particularly puzzling that the administration has endorsed Cochran-Roberts over the Cochran-Roberts amendment. After months of urging that we delay the process until next year, after months of opposing the additional farm money set aside in the budget resolution, and after issuing a policy report that indicates current policy for transferring the majority of farm dollars to a minority of large farmers, the administration has apparently done a double flip and has now endorsed the amendment before us that is a testimony to the status quo. The very thing the administration has opposed they now endorse. I guess one could ask: Are you surprised?

Well, after the administration’s performance in the farm bill discussion, nothing would surprise me anymore. First of all, they came out and said: Don’t do a farm bill this year. Don’t use the money in the budget resolution. Just wait, the money will be there next year. Then they came out and said: No, it is in the budget resolution. And then the next week they took back that endorsement. Then they called the farm group leaders to the White House and said: Call the members of the Agriculture Committee and tell them not to write a farm bill this year. The money will be there next year.

Well, anybody with an ounce of common sense could look at our fiscal condition and see what is abundantly clear to anyone who cares to look: The expenses of the Federal Government are going up with the war, the income is going down with economic conditions. That means every part of the budget is going to be squeezed. And we have a Secretary of Agriculture calling members of the committee telling them don’t act this year, wait until next year, the money will be there.

How is the money going to be there? How is the money going to be there, Madam President? They can have that? The administration has apparently done a double flip and is apart from current policy. Yet the Cochran-Roberts bill and the Bush administration reject this fundamental shortcoming will reduce the effective support level of cane or beet sugar producer, that one short cut reduces the loan rate of sugar producers.

After 18 months of hearings, they concluded that one major change was needed in current policy. The change that the House agricultural leadership agreed upon was the addition of a countercyclical form of payments—payments that would increase if prices fell. That is in direct contrast to current policy. The Cochran-Roberts amendment also maintains the status quo with regard to loan rates. It freezes them in place rather than increasing them as the committee bill does. The amendment continues direct payments to farmers regardless of whether prices are high or low. It doesn’t matter, send checks.

Let me just look at the differences commodity by commodity—the difference in the effective support level between the committee bill and Cochran-Roberts. Let’s start with wheat. That is No. 1 in my State. You can see on this chart that the loan rate in the committee version is $3 a bushel. Cochran-Roberts keeps it at the current level of $2.58. On payments, the committee bill has 41 cents a bushel; Cochran-Roberts, 51 cents. The effective support level of the committee bill, $3.41; $3.09 under Cochran-Roberts. On corn, the committee bill has a loan rate of $2.08, with payments of 25 cents, for a total of $2.33. Cochran-Roberts has a loan rate of $1.89, payments of 26 cents, for a total of $2.15.

On soybeans, the committee bill has a loan rate of $5.20, coupled with payments of 52 cents, for an effective support level of $5.72. Cochran-Roberts has a loan rate of $4.92, payments of 36 cents, and an effective support level of $5.29.

On rice, the committee bill has a loan rate of $6.85, payments of $2.40, an effective support level of $9.25. Cochran-Roberts has a loan rate of $5.50, payments of $2.19, and an effective support level of $7.69.

Finally, cotton. The committee bill has a loan rate of $55, payments of $12.81, and a total effective support level of $67.81. Cochran-Roberts has a loan rate of $51.92, payments of $11.38, an effective support level of $63.30.

On each and every commodity, the advantage goes to the underlying committee bill—the same amount of money, but it has been done in a different way in the committee bill. It gives a higher level of support for each of these major commodities than the amendment before us.

Let me address one other element of Cochran-Roberts that I think is particularly inefficient and unneeded. The Cochran-Roberts amendment makes no effort to tie the payments to any of the major commodities. That has not been a matter of talk here about targeting of benefits of the farm bill to family-size farmers. But in this area, Cochran-Roberts has targeting in reverse. They are targeting to the best-off farmers, those who have the highest incomes; they are targeting to those who have the biggest profit margins because they have set up a circumscription of matching funds that requires a farmer to have $10,000 to set aside to qualify for the matching funds, or to fully qualify for the matching funds.

So what you have here is Robin Hood in reverse. They are going to take from those who have the most need and give to those who have the most resources. I don’t think that is a policy that can be sustained. I don’t think that policy can be supported.

Madam President, I add that the previous discussions on this proposal have had the program administered by the IRS that has the information on the money that people have put in the program. To avoid a jurisdictional mess, we have decided to convert USDA into the IRS. They have decided to make the USDA all of a sudden administer tens of thousands, perhaps hundreds of thousands, of these accounts, but they do not have the information that has the information to administer these accounts.

This is a big government writ large. This is an invitation to a massive, expansion of bureaucracy and a duplication of the IRS. They have decided that if they have the records that the IRS has, and all of a sudden we are going to duplicate these records at USDA. That is an administrative debacle that will cost taxpayers hundreds of millions of dollars. How many tens of thousands of employees are they going to have to hire at USDA to administer these accounts? They do not have the information. They are going to have to gather the information. Can you imagine the potential for fraud? Talk about waste, fraud, and abuse. We will have everybody and their mother’s uncle writing asking for their $10,000, and who is going to—I do not know how this ever got morphed into a program from IRS that has the information to administer such a program to one being run by USDA.

They have 100,000 employees at IRS. We are going to have to have 20,000 employees at USDA to run this program. We are going to have to fully qualify for the matching funds, or to fully qualify for the matching funds, or to fully qualify for the matching funds.

We are going to have to have 20,000 employees at USDA to run this program. Can you imagine the invitation to fraud when you say to any farmer out there if they put aside $10,000, they can get a matching amount from USDA and they do not have the information upon which to make these judgments? That alone ought to defeat this amendment because that is an invitation to a disaster. That is an invitation to an expansion of bureaucracy unlike one we have seen in the 15 years I have been in this committee, and an invitation to waste and taxpayer abuse that I think in and of itself should defeat this amendment.
I end as I began. Although I have been tough and direct with respect to my criticisms of this amendment, I do have great respect and affection for the authors. Senator Cochrane and Senator Roberts are very level-headed people who have done everything they can in the light of their philosophical leanings to support farmers across this Nation, and for that I respect them and I am grateful to them. But I very much hope this amendment, which I think is terribly flawed, will be rejected.

Mr. Chairman, I thank you. My friends and I are very much a part of this Free World, and the North American Free World, and I want to bring to the floor an amendment that I have worked on and thought about for the last five years. I believe this amendment is the best amendment to be put in the Senate to bring back to the farm worker and the rancher the livestock producer and the grain producer the real decision on what commodity prices can be paid for their corn, wheat, cotton or other commodities.

I want to set the record straight with regard to the payments. The distinguished Senator is very fond of charts, but this is particularly his chart. He is wrong. In regard to the direct payment rate for 2002, wheat is 76 cents. I believe the Senator indicated it was 51 cents or something like that. For corn, it is 45; for soybeans, 22; barley, 15; for oats about 3.5; 14.9 for cotton seed; 3.39 for rice; and soybeans, 60 cents. That is not reflected in those charts. The charts are simply not accurate.

Coming close to the truth is coming pretty close but it still is not the truth. I think we better get our facts and figures straight with regard to the payments.

I also point out that if the market price gets above $3.43 in regard to wheat or $3.62 in regard to soybeans, the farmer does not get a payment from the Daschle bill. In addition, their target prices do not get a payment from the Daschle bill. In other sections of our economy, there is nothing wrong on the farm except the price. Our share of the consumer dollar that should go back to the farm is not getting back to the farm. We used to live on 10 cents, 15 cents, now the consumer dollar getting back to the farm. Now we are living with around 8 cents or 9 cents. There is no safety payment.

I have heard a lot of farmers say there is nothing wrong on the farm except the price. Our share of the consumer dollar that should go back to the farm. We have a crop when we need it, the farmer needs it the most—and the farmer does not get a loan rate. And if one does not have a crop then they will not get paid. We would have to provide, because the farmer whose job it is to feed the country needs to be provided for.

I thank the Senator for yielding.

Mr. BURNS. I thank the Senator for his question. That was a point I was going to get to, but the Senator got to it a lot quicker and maybe explained it a lot better than I would.

Mr. ROBERTS. I thank the Senator. Mr. BURNS, Building on what the Senator from Kansas said, plus the fact that we have to protect the Integrity and improve insurance again, we add some more dollars to it so the farmer can deal with the risk of losing a crop. On the point made by the Senator from Kansas, should nothing be cut, nothing is gotten from the committee bill. That was not a correct approach.

I am someone who wants to change the CRP, the Conservation Reserve Program to make it work as it was set up to work. I have a couple of amendments on file now that I think would do that. Conservation reserve was to accomplish a couple of things. It was to set aside the undesirable land and the highly erodable land that should never
have been broken by the plow in the history of the land. It should have never been broken up, but it was because we had high prices and farmers had the freedom to plant from fence row to fence row. Of course, with the downturn of the economy, of foreign economies, we do not have the timing could not have been worse.

Nonetheless, if I hear my farmers right, they still want the flexibility. They want to still make the decision and plant and sow for the market to make those decisions, especially new crops.

When we try to write a farm bill that pertains to all of America, in the northern tier States our flexibility is limited to very few crops because of a short growing season. In some areas, we cannot grow winter wheat; we must grow spring wheat. So our decisions on what to plant are limited because of where we are and the kind of soil we have.

When we add up all the factors, small grain producers in the State of Montana will fair better under Cochran-Roberts—or Roberts-Cochran, whichever is preferred—than the committee bill. Plus the fact we also know what it is to lose crops out a lot of acres, by law. We cut a lot of one bushel to the acre crop this year. It is the worst I have ever seen.

Of course, we have all the elements that North Dakota has also. We could talk about normalization of farm chemicals, the labels on farm chemicals. We can talk about captive shippers. I have some report language I would like to offer later on, depending on whatever survives, to deal with normalization of those labels because we have great challenges in our free trade agreements.

Now the real risk is this: If the committee bill is not WTO compliant—one can argue about our trade agreements, our trade negotiations, and one might not like it, but basically we are tied to them by law. If we are not compliant, and we lose a WTO challenge, what do we do? The Secretary of Agriculture suspends the program until it is ironed out, and it could be suspended at a time when our agricultural producers need it most. That is risky, and I ask my colleagues to consider that.

I thank my good friend from Kansas, and I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Madam President, first I inquire of the Chair as to the amount of time remaining.

The PRESIDING OFFICER. The Senator from Michigan has 30½ minutes. The Senator from Kansas has 12 minutes.

Ms. STABENOW. Madam President, while I rise to oppose the Cochran-Roberts amendment, I want to congratulate my colleagues for their dedication as members of the Agriculture Committee. I have great respect for both Senator COCHRAN and Senator ROBERTS and realize they come to this from their respective States and how they view the needs of agriculture in our country. I come from the great State of Michigan. We have more diversity of crops than any other State, other than California. It is very heartening for me to have worked on a bill coming out of the committee that for the first time addresses a number of crops and concerns of Michigan farmers that have not been addressed before.

Our farmers stock the kitchen tables of America and the world, as we know, but they do not put food on their own family's table as well. That is what we are debating, the best way to make that happen. I was a member of the House Agriculture Committee for 4 years, and now I am honored to be on the Senate Agriculture Committee. Every year I have been in the Congress, we have had to pass an emergency supplemental because the Freedom to Farm Act was not enough to address the needs of American farmers. Now is the time to correct what was not working in the past farm bill.

In Michigan this year, we have had such an extensive drought that 82 of the 83 counties have been declared disaster counties. We have seen 30 percent of our corn crop wiped out as a result of the drought. Everything from Christmas trees—and as a caveat, I indicate to my colleagues we are proud that the Capitol Christmas tree this year is from the Upper Peninsula in Michigan. We have had tough times for our Christmas tree farmers. Dry beans, potatoes, and hay all have been hurt by the drought. One farm official said there is no difference between what has happened to us and watching your house burn.

These are pretty dramatic times. Besides the drought, Firelight has killed between 350,000 and 450,000 apple trees in Michigan at a cost of millions of dollars. It has just not been a good time for our farmers.

According to the Department of Agriculture, between 1992 and 1997 in Michigan we lost over 215,000 acres of productive farmland. As part of that loss, 500 family farms vanished and 2,400 full-time farmers literally left the fields. We can do better than we have done for agriculture and the farmers of our country. I argue that the best approach in the Agriculture Committee, as the committee reported it out, where every title we worked on in committee was reported out unanimously except the commodity title.

I will speak about the commodity title in a moment. For the first time, we address in the commodity title of the U.S. farm bill the issue of specialty crops through a commodity purchase. We have been able to put in place what I believe is a win-win situation: A commodity purchase every year of fresh fruits and vegetables for our School Lunch Program and for our other food programs. It is a win-win for our farmers. It supports our specialty crops, and it is a win-win for our children and for families and seniors who benefit by the nutritional programs.

Unfortunately, this substitute wipes out all the work that we did, putting together this commodity purchase program for the first time, with $780 million in commodity purchases for specialty crops. I very much want to see that continued in this legislation.

We know the bill that came out of committee is a four-track approach: Marketing loans, fixed payments, countercyclical payments, and conservation security payments. The Conservation Security Act, now, what everybody calls the innovative act of payments for all farmers a program for addressing specialization of those labels because we have great challenges in our free trade agreements.

Now the real risk is this: If the committee bill is not WTO compliant—one can argue about our trade agreements, our trade negotiations, and one might not like it, but basically we are tied to them by law. If we are not compliant, and we lose a WTO challenge, what do we do? The Secretary of Agriculture suspends the program until it is ironed out, and it could be suspended at a time when our agricultural producers need it most. That is risky, and I ask my colleagues to consider that.

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The other point I make is in the area of conservation. Conservation is the most significant problem with the amendment other than, in my mind, what is left out in terms of specialty crops which are so critical to Michigan. The Cochran-Roberts amendment includes the Conservation Security Program which is a new innovative program that provides payments to farmers who make the effort to practice good conservation on working farmlands. It has received growing enthusiasm. I hope that will be included in the final document.

The Cochran-Roberts amendment provides significantly less funding for conservation. Under the substitute, my own farmers in Michigan would receive $40 million less in conservation payments than under the committee bill.

I believe we have reported out a balanced bill that reflects the diversity of American agriculture and the diversity of Michigan agriculture. It addresses innovative new approaches in energy. It encourages a number of different new options and alternative energy sources that are not only good for farmers but are good for all Americans in terms of foreign energy dependence. It addresses conservation and nutrition and the commodity program in a way I think makes the most sense.

Despite my great respect for the authors of the amendment, and I do mean that sincerely, I rise to encourage my colleagues to support the bill reported from committee to oppose the substitute. I join in an approach that broadly supports agriculture and provides the safety net necessary for our farmers.

I yield the floor.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. I yield to the manager.

Mr. ROBERTS. I yield 5 minutes to the distinguished Senator from Virginia, who has been an absolute champion of Virginia peanuts.

Mr. WARNER. I thank my dear friend and colleague. I have done my best over the 23 years I have been privileged to represent the Commonwealth of Virginia to look out for the interests of our peanut farmers. I remember so well Senator Howard Heflin of Alabama. I remember Senators from Georgia. We got together through the years and worked out a fair treatment of our peanut farmers.

The peanut program is such a small crop in the overall agricultural picture of the United States of America, but it is crucial to the economy of Virginia.

History will reflect in the marking up of these bills in committee that somehow the Virginia peanut grower did not fare as well as those in some other States. To correct this inequity, Senator HELMS and I sat down with our distinguished ranking member and we showed him what had occurred, largely through oversight. I believe this oversight occurred because Virginia's peanut farms are unique when compared with other peanut States. We have very small farms compared to other areas in the United States of America.

For family farmers, oftentimes peanuts are one of their principal sources of income. If not their only agricultural source of income. They take a lot of pride as their fathers and forefathers have taken for many, many years. Nevertheless, the committee bill—I say this with all respect to my good friend and chairman, Senator HARKIN, with whom I have worked with over these many years—somewhat did not work out for Virginia.

After consulting—and Senator ALLEN joined me every step of the way on this—after consulting with Senators ROBERTS and COCHRAN, they agreed to incorporate the best provisions we could manage into this substitute amendment.

Consequently, we are ready to strongly support the Cochran-Roberts substitute which, for me, gives us the best hope in Virginia to allow this industry to ride through this transition period of several years as the current quota program is phased out. But these individuals, unless they get a little bit of help, cannot survive through this transition. We have to help them.

I thank my good friends, both Senators COCHRAN and ROBERTS, for helping.

We have achieved the following: For example, we will significantly raise the per ton target price. The current quota price per ton is $610. The House passed Farm Bill contains a target price of $480 and the Cochran-Roberts bill is currently $520. But under the Cochran-Roberts substitute we were able to raise the target price from $520 up to $550 which will enable our peanut growers to survive this period of transition. This will enable us to Virginia peanut farmers. It will enable them to simply survive.

This is not a big moneymaking business. While many people nationwide enjoy the specialty Virginia peanut, it is expensive to grow. These provisions will allow Virginians to continue to enjoy the specialty Virginia peanut, it is very small but crucial industry in Virginia and parts of North Carolina to survive.

In addition to the increased target price, there are several technical provisions dealing with peanuts in Cochran-Roberts. For instance, producers will be allowed to re-assign their base for each of the 5 years of the farm bill. All edible peanuts will be inspected to maintain quality control. And the marketing associations will now be allowed to build their own warehouse facilities.

Each of these small incremental steps will enable this very small but crucial industry in Virginia and parts of North Carolina to survive.

I thank Senators COCHRAN, ROBERTS, HELMS, and others. I thank my colleague, Senator ALLEN, for helping me. I am hopeful that we can provide help to these farmers.

I see my good friend, the chairman of the committee. I remember very well when he joined the Senate and came to the committee.

Mr. WARNER. I thank my friend for yielding. I say to my friend from Virginia that the very issues he is talking about in peanuts is in the committee bill. He doesn't have to vote for Cochran-Roberts. The same provision is in our bill. It is the same thing for the peanut farmers of Virginia. We took care of that in our bill.

I know my friend from Virginia is also a strong conservationist. I know he believes in good conservation. I think he looks at the peanut program, will see what we do in our bill. They just copied the same thing that we already voted on unanimously, I think, in committee on the peanut provisions. That is in the bill.

I hope he will take a look at the other things that are in the amendment that Cochran-Roberts cut—such as conservation and some other things which they cut in the bill. I hope he looks at the peanut program, will see what we do in our bill. They just copied the same thing that we already voted on unanimously, I think, in committee on the peanut provisions. That is in the bill.

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lend 5 minutes to the distinguished Senator from Wyoming who is a member of the committee.

Mr. HARKIN. I would be more than honored to give my friend from Wyoming 5 minutes off our time to speak again.

Mr. ROBERTS. Bless your heart, sir. Mr. HARKIN. Thank you very much.

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

Mr. THOMAS. Thank you, Madam President. I thank the Senator from Iowa for sharing some of his time.

The Agriculture bill is a very complicated matter, of course. This is the first year I have served on the Agriculture Committee. I have been involved with agriculture all my life. In fact, of course, agriculture in different places means different things. But I am glad we are having this debate.

I hope we take enough time to really talk about the things that are involved in a farm bill. First, I think in many cases this bill has been pushed a little too quickly. I think it was pushed too hard by the committee.

I have never been on a committee with a completed bill such as this which was brought to the Members at midnight one night and expected to be voted on at 9:30 the next morning. We did that consistently through all the titles of this bill.

I have a sense that is what is happening. It is being pushed by our minority friends on the other side of the aisle with the political question. I think it is too important for that. It is something that is going to impact all of us a great deal over a long time. I don't agree with the idea that if we don't get it done this week we will lose. I don't agree with that. I don't think that is the case at all.

I think if we had a chance to be here and deal with it in January and February, we would have the same opportunity, plus the advantage of knowing more about what we are doing and having a chance to go home and talk to our folks about how it works.

I continue to support a bill that moves more towards market-oriented policy, not one that is increasingly controlled by the Government, as has been the case over a period of time, but one that places more emphasis on all of agriculture as opposed to focusing on the status of crops that it has been in the past, one that recognizes the importance of our WTO obligations.

We have, of course, a great percentage of agricultural products that go into foreign trade. If we are not careful about what we do, we may run into the so-called amber box and find problems. I think we want to recognize the value of keeping working lands in production and not setting aside land for production only to increase the production of that land.

In many cases, I believe the Harkin bill takes us in the wrong direction. It encourages production of U.S. products that are already losing in the world market and which could even lose more. On the other hand, I think Cochran-Roberts is a really good option for us to consider.

The commodity title provides substantial benefits for U.S. producers. But it provides support in a non-market-distorting manner.

I think, in as most every issue—but maybe this one more than most—we ought to take a look at where we want agriculture to be 10 years from now, what directions we want agriculture to take. Do we want farmers to become more and more dependent on Government subsidies? Do we want all those decisions to be based on what the Federal Government is going to provide or, indeed, do we want to have a safety net so that we can keep family farmers in business, and help do that, but also that that production is reflected in the marketplace, and that those things that are marketable are the ones that are sold?

I think that is very important. That is what we try to do in the Cochran-Roberts amendment.

The payment considered to be WTO "green box" payments, so that important foreign trade will be there without being impeded or challenged by other countries.

The Cochran-Roberts amendment allows producers who have never received Government assistance to obtain support through the farm savings account. Producers are able to be matched by Federal funds, but they are able to set aside for a rainy day. That is a market-oriented, private-property oriented type of approach.

The conservation title boosts programs that keep our working lands in production. It recognizes the value of keeping people on the land in operation versus land retirement. Keeping working lands in production benefits open space and wildlife. Those are aspects that are terribly important to my State where much of agriculture, of course, is livestock. With the idea of keeping open space, the EQIP program helps give technical help to conservation programs and financial assistance for improving environmental quality. I think those are so important.

It provides a bonus incentive for producers who have adopted long-term conservation programs. It creates a new program for the protection of Native grasslands. The loss of open space and crop land is a severe problem, particularly, I suppose, in the West.

There are some important distinctions between the Harkin bill and the Cochran-Roberts substitute.

The PRESIDING OFFICER. The Senator has used 5 minutes.

Mr. THOMAS. My colleagues will give great consideration to the amendment and I urge my colleagues to support it.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HARKIN. Madam President, how much time do we have on our side?
and update your yield: 100 acres times your yield, times 55 cents.

They say, oh, they are paying 60 cents a bushel, but it is on 85 acres—15 percent less than the 100 acres—times your yield, times 78.4 percent.

So I hope no one is going to be fooled that somehow Cochran-Roberts has more direct payments out there than we do. It is just not so. It may be higher, but it is on fewer acres, and it is on 78.4 percent of that field.

So, again, when it comes to direct payments, Cochran-Roberts is con-voluted. They go back to all these old payment acres and outdated yields. But we actually pay more.

Next, I would like to cover loan rates. Under Cochran-Roberts, they continue current law, which establishes maximum loan rates and allows the Secretary to lower the loan rates according to a formula of 85 percent of the 5-year average price for grains and oilseeds. You drop high and low-price years. So we can look at this. This will be the loan rates shown right here on this chart.

Let’s just take wheat. I know the Senator from Kansas likes wheat. It is a big crop in his area. It is a good crop for the country.

Under our bill, the loan rate for wheat, right now, is $3 per bushel. Now, Cochran and Roberts might tell you that really their loan rate is going to be $2—what is it?—$2.53.

Mr. ROBERTS. It is $2.58.

Mr. HARKIN. I am sorry. It is $2.58. That is what they are saying, $2.58 per bushel. But that is the highest they can go. It is not the lowest they can go. Under their loan rates, because they use this old formula, it can go down from $2.58 to $2.30. If we have a high stocks-to-use ratio, which we do right now in wheat, the Secretary has the authority to lower that another 10 percent, down to $2.07 a bushel. So, again, under Cochran-Roberts, the loan rate can go to $2.07 a bushel for wheat.

Under our bill, it can go no lower than $3 a bushel.

On corn, it is the same thing. Under corn, Cochran-Roberts caps it at $1.89, as shown right here on the chart. We are at $2.08. They say: Hey, cap it at $1.89. The same thing happens on all the other grains—sorghum, barley, and oats.

So, again, our loan rates, Cochran-Roberts, again, is trying to fool you. They are trying to say: Their loan rate is true of all the other grains—sorghum, barley, and oats.

Either way, the loan rate, whether or not we are going to be okay on the WTO. Under our loan rate, we have what is called an amber box. This is product specific, what we spend on our crops. Under the WTO provisions, we are allowed to spend $19.1 billion a year. The farmers have said that under the committee bill we might exceed that; then we will be not in compliance with WTO.

Well, we used CBO estimates to determine how much we might spend. Right now under the current levels of spending, we are spending about $11 billion. We are allowed 19.1, but we are spending about 11. Under 1731, using CBO estimates we will be spending about $13.6 billion. The maximum that we could spend under 1731 would be $16.6 billion, a far cry from $19.1 billion.

Again, if we are allowed to spend $19.1 billion to support farm income and to support family farmers and get them a better price for their grains, why should we be down here at $11.1 billion? Why don’t we get closer to $19.1 billion?

Again, even under the worst case scenario, using CBO estimates we are going to be almost $3 billion less than what we are allowed. Why should we handcuff ourselves? I ask—I hope my friend will respond—why do we have to be down here at such low levels? We might as well take advantage of what WTO has given us, $19.1 billion, and use as much as we can without exceeding this.

Under the WTO rules and under our bill, if it looks as though we ever are going to exceed this, the Secretary has the authority to cut payments. So there is an escape valve. If the worst case scenario happened—worst case happened—it would have to be about like it was in 1985. If we had a year like 1985, we might get close to 19.1. But that was 16 years ago. We haven’t had a year like that since, and I don’t think it is likely we ever will. Again, under WTO we are in full compliance. That is a red herring.

The PRESIDING OFFICER (Mr. DURBIN). THE SENATOR HAS USED 10 MINUTES.

Mr. HARKIN. I yield myself another 5 minutes.

If anybody tells you we are going to violate WTO, that is nonsense; absolute, utter poppycock.

Then under the amber box, we also have nonproduct specific. This is what we spend on crop insurance and conservation, things such as that. Under this nonproduct specific, right now, I believe, again, we are allowed $10 billion. This is 5 percent. We are allowed 5 percent of the value of our total agricultural commodities. We can use these for counter-cyclical and for crop insurance, and we are allowed to spend 5 percent. We are right now. I believe, at about $7 billion. Under 1731, we will be even lower than that. We will never even get close to that 5 percent, or $10 billion cap.

I also draw your attention to the green box. This is conservation, rural development. We are allowed to spend anything we want, anything without violating WTO. So what does Cochran-Roberts do? They take money out of this. They cut funding for conservation. They cut funding for rural development. They even cut some money out of research, when we have no limits on how much we can spend there. So don’t let anybody fool you to think that somehow we are not compliant with WTO. We are.

The last thing I will discuss—and this is not specific—is to show what they were cutting in conservation. Under the wildlife incentives program, wildlife habitat, we put in $1.25 billion. They put in only $560 million. This is for 5 years. Under the farmland protection program, where we buy farm-land and keep it from going into urban development, we put in $1.75 billion. They only put in $432 million. The conservation security program, $387 million, we put in 5 years; they zeroed it out.

The Secretary of Agriculture earlier put out a book. It is called “Food and Agriculture Policy, Taking Stock for the New Century.” Here it is on page 10. They talk about conservation and the environment. They say, the principles for conserva-tion: Sustained past environmental gains.

Then on page 81—if I remember this book right, on page 81 it says “the new approach.” They are talking about in-centives for stewardship on working farmlands.

The new approach is broader. It may be the best option for compensating farmers for the environmental amenities as well as recognizing the past efforts of “good actors” who already practice enhanced steward-ship. The Department of Agriculture and the administration supports Cochran-Roberts. They under-estimate the administration support your amendment? Mr. ROBERTS. Yes, sir.

Mr. HARKIN. The administration is supporting the Cochran-Roberts amendment even though earlier this year they wanted money in a program like this to pay farmers on working lands. They zero it out. I guess this ad-ministration doesn’t give a hoot about it. They don’t want to talk about it. They want to put it in a nice, fancy book. But they don’t want to pay for it. They don’t
want to pay farmers for being good conservationists. They want to support Cochran-Roberts.

This is why I talked about conservation, maintaining and paying farmers for what they are already doing.

This is the time chart on which I think even Mr. ROBERTS will agree with me. Last week we had an editorial in the newspaper saying this is a piggy farm bill, we are spending too much money, I mentioned this last Friday. I asked my staff to make up a chart.

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

Mr. HARKIN. How much time do I have left?

The PRESIDING OFFICER. Three minutes remaining in total.

Mr. HARKIN. I will reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

The Senator from Kansas is recognized.

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

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. ROBERTS. I thought I had 7 minutes. I can’t squeeze 1 more minute out of—didn’t we say 7 minutes before we got into the colloquy on Senator HARKIN’s time, the distinguished Senator from Indiana who is extolling great virtue and compliments to the distinguished Senator on his time?

The PRESIDING OFFICER. The Chair would like to give wide latitude to the Senator from Kansas, but the Senator from Virginia exceeded his time.

Mr. ROBERTS. I thought the Senator from Iowa had yielded his time to hear all the accolades directed toward his personage.

The PRESIDING OFFICER. That part of the Senator’s statement was charged to the Senator from Iowa.

Mr. ROBERTS. So then I have 7 minutes remaining?

The PRESIDING OFFICER. Six minutes, and not counting the time just used by the Senator from Kansas.

Mr. ROBERTS. I was just making an inquiry to the Chair about the timing. The PRESIDING OFFICER. Understood. The Senator may proceed.

Mr. ROBERTS. I am delighted to yield to the Senator from Iowa who has been a champion for State water rights in an amendment introduced on the committee bill. There is an option there in the State to opt out. This is a very important issue to the entire West—for that matter, any State. I am delighted to yield 3 minutes to the leader with regard to this issue.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CAPO. Mr. President, I rise today in support of the amendment proposed by Senators COCHRAN and ROBERTS, not only because of the reasons that have been discussed already but because of important provisions contained in the underlying bill that are unnecessary.

We have already spent a tremendous amount of time in this Chamber debating the dairy provisions that were not removed from the legislation. For that reason alone, we ought to substitute the Cochran-Roberts provisions.

Moreover, as Senator ROBERTS has indicated, the underlying bill contains very dangerous provisions relating to water rights that represent a new intrusion of the Federal Government into the domain of State-controlled sovereignty over water rights. We will be debating this again, and I hope we are not successful at this point in substituting the Cochran-Roberts amendment. For those two reasons alone, we ought to substitute the Cochran-Roberts provisions for the amendments in the underlying legislation. This is not unfortunate and inappropriate farm policy from proceeding in the Senate farm bill.

I also congratulate Senator ROBERTS and Senator COCHRAN on their innovative farm conservation pilot payments account. This farm savings account allows farmers to deposit money into an account and receive a match from the Federal Government. This assistance is nonmarket and, importantly, available to all agricultural producers, including specialty crops and ranchers.

I also thank our Senators for not weakening the planting restrictions in the Cochran-Roberts proposal, which provides a more redundant, predictable income safety net and maintains flexibility in market-oriented planting.

The current Marketing Loan Program is continued for traditional programs; this proposal provides an important, predictable income safety net and maintains flexibility in market-oriented planting.

For those reasons, I strongly encourage the Senate to support the Cochran-Roberts proposal.

I yield back the remainder of my time.

Mr. BROWNBACK. Mr. President, I rise today for two purposes: first, to support the amendment from my friend and colleague from Kansas, and second to briefly discuss an important priority of mine, carbon sequestration.

It is our responsibility to respond to the Cochran-Roberts amendment, which is in essence, a substitute farm bill, with the same level of concern that our colleagues, this is an amendment to the Cochran-Roberts amendment which is in essence, a substitute farm bill, with the same level of concern that our colleagues have already expressed to this legislation.

For those reasons, I strongly encourage the Senate to support the Cochran-Roberts proposal.
Last week, this body adopted an amendment from Senator WYDEN and myself to establish a carbon trading pilot program through farmer owned cooperatives. This will allow our farmers an opportunity to explore the market realities of this promising process that reduces carbon dioxide, greenhouse gas linked to climate change, while also improving water and soil quality. Co-ops will now be able to aggregate sequestered soil carbon into tons and market it to utilities and others, who are eager to offset their emissions. This is all still an experimental idea, which is exactly why we need to pilot program to explore the numerous questions surrounding this issue. This pilot program will help us measure both the environmental gain and the economic potential for a carbon market farmers can participate in.

Although I have concerns about much of the existing farm bill, I applaud the leadership of Senator HARKIN and his support of the subject of conservation in this farm bill and specifically, the research and grant money for carbon sequestration contained in their bill. This is a critically important new market opportunity for farmers and the energy title of Senator HARKIN’s bill to great effect on a number of important fronts.

I am pleased that the Cochran-Roberts amendment recognizes this strength and keeps this title largely in tact. In closing, I urge my colleague to vote for the Cochran-Roberts amendment.

Mr. ALLARD. Mr. President, I would like to speak on behalf of the farm bill legislation and, specifically, the substitute being offered by Senators COCHRAN and ROBERTS. This is an important legislation. Farm policy is always important, not only to farmers but to America. This legislation is also important to the State of Colorado because farming is important to the State of Colorado.

As a member of the House Agriculture Committee I participated in the drafting of the current farm legislation and, as a member of the Senate Agricultural Committee, I participated in the drafting of the farm bill we are about to consider. The drafting of farm policy is an interesting procedure and I am happy that I have twice had the opportunity to be a part of it.

Many of the provisions in the Committee-passed version of the farm bill were bipartisan and have remained virtually the same in the Cochran-Roberts substitute. The provisions in the Nutrition, Rural Development, Credit, Energy, Research and Forestry titles have remained largely unchanged. There are, however, some provisions in Cochran-Roberts that I believe will be very helpful to our farmers.

This bill allows for the implementation of a farm savings account program. Farmers can, in good times, contribute their own funds, which can be matched dollar-for-dollar up to certain amounts, by the USDA. I think that this is a wonderful way to help our farmers help themselves. It is not unlike the Thrift Savings Plan that we offer our own staffs here in the Senate. By putting back their own money for hard times, farmers like this new farm equipment farmers can begin to set themselves back on their own feet and decrease their reliance on the U.S. Government.

Cochran-Roberts also maintains the integrity of the crop insurance program reforms. Specifically this legislation provides farmers with essential risk management if there is a crop failure. And according to an analysis by the Food and Agricultural Policy Research Institute the Cochran-Roberts bill will result in higher market prices for farmers than the committee-passed version. This is because the high loan rates in the committee-passed bill will provide incentives for over-production of crops. This, obviously, will result in lower market prices and increase the need for additional agricultural assistance. That is not what we want for America’s farms.

Cochran-Roberts will also provide for reasonable conservation funding. Under this legislation, funding for conservation programs would increase. Let me give you a few examples. Funding for EQIP, the Environmental Quality Incentives Program, would ramp up to $1.65 billion in 2002. Conservation on Working Lands program is a new program that is included in EQIP and would receive funding in the amount of $100 million in 2002. This funding would increase to $300 million by 2006. EQIP is a program which I strongly support. The essence of this program came from legislation I introduced while in the House and serving on the House Agriculture Committee to provide money for cost share practices to reduce soil erosion and protect water quality. It is one that has tremendous environmental benefits in rural and urban areas. The acreage cap in the Wetlands Reserve Program would be increased so that up to 250,000 acres could be enrolled annually. Funding for the Wildlife Habitat Incentive Program would increase from $50 million in 2002 to $100 million in 2006.

I want to spend a little time on the Farmland Protection Program. When this program was established in the 1996 farm bill it was limited to $35 million over the life of the bill. Now, due to the immense popularity and success of the program we are funding at its highest level ever, $435 million over the course of the bill. The funding for the program ramps up from $95 million in fiscal year 02 to $100 million in fiscal year 06. This voluntary program provides funds to help purchase development rights to keep productive farmland in agricultural uses. In Colorado, the program has been successful and additional federal, State and private funding to help farmers and ranchers stay on the land. In addition, Farmland Protection Program would be clarified to provide that agricultural lands include ranch-lands and allows participation by non-profits and would require conservation plans for lands under easement.

Forty million dollars would also be provided for conservation on private grazing lands and the Natural Resources Conservation Service would be funded to provide coordinated technical, educational and other related assistance programs and enhance private grazing land resources, and related benefits, to all citizens of the United States.

In addition to providing increased funding to many conservation programs this legislation would establish a new program, the Grasslands Reserve program, that would aid in preserving native grasslands. Enrollment in this program would be 30-year, permanent easements and total enrollment would not be less than 2.5 million acres.

I would also like to point out that this bill sticks to the trade obligations that we have made. I believe it is very important that we provide responsible assistance to our farmers. However, I believe it is equally important that we adhere to the responsibilities that we have under WTO agreements. In addition, this Farm Bill substitute comes in under the budget allocation of $73.5 billion that was agreed to in the budget resolution. While many think that we can buy our way out of hard times, I think that we can be really good to the support of our farmers and other provisions contained in Cochran-Roberts.

Now I would like to talk to something that is very important to me. I think that it is very important we focus on in the farm bill is research. As a veterinarian, this is an area that I believe in strongly. In order for our nation to continue to have one of the most abundant and safest food supplies in the world we must continue funding research programs. This is one that has continued to become more integrated. We can no longer assume that because a disease does not occur naturally in our country we need not worry about it. We must also be aware of the potential for infectious animal diseases that are not naturally occurring.

To this end, I worked to include several provisions in the research and forestry titles. The first allows for research and extension grants on infectious animal diseases. This will assist in developing programs for prevention and control methodologies for infectious animal diseases that impact
trade, including vesicular stomatitis, bovine tuberculosis, transmissible spongiform encephalopathy, brucellosis and E. coli 0157:H7 infection, which is the pathogenic form of E. coli infections. It also set aside laboratory tests for quicker detection of infected animals and livestock diseases, and prevention strategies, including vaccination programs.

The second research provision that I included in the Research Title established research and extension grants for beef cattle genetics evaluation research. It provides that the USDA shall give priority to proposals to establish and coordinate priorities for the genetic evaluation of domestic beef cattle. It consolidates research efforts in order to reduce duplication of efforts and maximize the return to the beef industry and streamlines the process between the development and adoption of new genetic evaluation methodologies by the industries. The research will also identify new traits and technologies for inclusion in genetic programs in order to reduce the cost of beef production and provide consumers with a healthy and affordable protein source.

The Forestry Title includes a provision which I sponsored to establish Forest Fire Research Centers. There is an increasing threat to fire in millions of acres of forestlands and rangelands throughout the United States. This threat is greatest in the interior States of the western United States, where the Forest Service estimates that 39,000,000 acres of National Forest System lands are at high risk of catastrophic wildfire.

Today’s forestlands and rangelands are the consequences of land management practices that emphasized the control and prevention of fires, and such practices disrupted the occurrence of frequent low-intensity fires that had periodically favored healthy growth. As a result of these management practices, forestlands and rangelands in the United States are no longer naturally functioning ecosystems, and drought cycles and the invasion of insects and disease have resulted in vast areas of dead or dying trees, overstocked stands and the invasion of undesirable species.

Population movement into wildfire/urban interface areas exacerbate the threat of increasing wildfire. As a result of larger, more intense fires pose grave hazards to human health, safety, property and infrastructure in these areas. In addition, smoke from wildfires, which contain fine particulate matter and other hazardous pollutants, pose substantial health risks to people living in the wildland/urban interface.

The budgets and resources of local, State, and Federal entities supporting firefighting efforts have been stretched to their limits. In addition, diminishing Federal presences (including personnel) have limited the ability of Federal fire researchers to respond to management needs, and to utilize technological advancements for analyzing fire management costs.

This legislation will require the Secretary of Agriculture to establish at least two fire research centers at institutions of higher education that have expertise in fire resource development and are located in close proximity to other Federal natural resource, forest management and land management agencies. The two forest fire research centers shall be located in—A. California, Idaho, Montana, Oregon, Washington, and B. Arizona, Colorado, New Mexico, Nevada, or Wyoming.

The purpose of the Research Center is to conduct integrative, interdisciplinary research into the ecological, socio-economic, and environmental impacts of fire control and use managing ecosystems and landscapes; and develop mechanisms to rapidly transfer new fire control and management technologies to fire and land managers and research centers.

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our small towns go down the drain. We need better job opportunities in rural communities.

That is what we have in our bill. That is what Cochran-Roberts takes away. If all you want to do is continue what you have been doing for the past 5 years on Freedom to Farm, then you will want to support Cochran-Roberts.

But if you want to modify Freedom to Farm, not throw it all out, but have a good safety net, good conservation programs, and energy programs so we will have more ethanol in the country and develop more soy diesel and other things, and if you want a strong rural development program that will provide for jobs and economic opportunity for off-farm income in rural America, that is in the committee bill.

That is why Cochran-Roberts should be defeated. We don’t need to continue down the road just with Freedom to Farm as we have in the past 5 years. Let’s modify it.

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

The Senator from Kansas is recognized.

Mr. ROBERTS. Mr. President, there are several basic reasons I urge colleagues to support the Cochran-Roberts amendment.

No. 1, there has been a great deal of discussion about which bill serves small farmers versus big farmers—most especially from the Senator from North Dakota. Under Cochran-Roberts, the payment limitation is $165,000 total for direct payments for the farm accounts that are in the bill, and then also the loan deficiency payments.

Second, truth in budgeting: The committee bill spends $46 billion over the first 5 years, allotted over a 10-year part of the bill, only leaving $28 billion. We are robbing the future to pay for the current bill.

Then we have the issue of the guaranteed payments. Again, again, and again I say if the farmer loses a crop, he is not eligible for the loan rate at the target price. The target price is capped. It only goes to about $3.45. There is more protection under our bill. Under the WTO, let me quote from the Food and Agriculture Policy Research Institute:

> Given the structure of the changes, we calculate a 30 percent chance that the U.S. will exceed this limit in the 2000 marketing year.

And they also go ahead and say:

> The counter-cyclical program begins payments in the 2004 marketing year essentially replacing green box expenditures with amber box expenditures.

I think it is too dangerous a road to go down. The President and the administration support this amendment, and we can conference it more quickly with the House. This is not a stalling bill. This is an amendment to get this farm bill done.

It yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The Senator from Iowa.

Mr. HARKIN. I assume all time has expired.

The PRESIDING OFFICER. Yes.

Mr. HARKIN. Mr. President, I move to table the Cochran-Roberts amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion.

The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 55, nays 40, as follows:

[Rollcall Vote No. 374 Leg.]

YEAS—45

Baucus
Bayh
Biden
Bingaman
Boxer
Breaux
Byrd
Cantwell
Carnahan
Carpenter
Chafee
Cleland
Clinton
Collins
Conrad
Corzine
Dayton
Dodd
Durenberger
Ensign
Franken
Harkin
Hatch
Hagel
Gregg
Grassley
Graham
Griffith
Graham

NAYS—40

Allard
Allen
Bennett
Bond
Brownback
Bunning
Burns
Campbell
Cochran
Craig
Crapo
Diamond
Domenici
Enzi
Grassley

Votawich
Warriner

Mr. HARKIN. The motion was agreed to.

Mr. HARKIN. I move to reconsider the vote by which the motion was agreed to.

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

The motion to lay on the table was agreed to.

Mr. HARKIN. Mr. President, we are making progress. We had a good debate on the Cochran-Roberts amendment. Two good friends and two very valuable members of the Agriculture Committee have had a good debate on this. It was the substantive vote on whether or not we were going to stick with the committee bill. There are other amend-
ments that will be offered that might change things on the edges, but this was the substantive vote on whether or not we would go with the committee bill.

I hope now that we can begin to dis-pose of some amendments in a timely fashion. Right now, if I am not mistaken, one of the underlying amendments is the amendment offered by Senator Smith, and there was a second degree offered by Senator Torricelli. I would like to move to table that amendment, but hopefully they want to speak a little bit longer on it. I checked with them and Senator Smith and Senator Torricelli and Senator Dorgan agreed on 3 minutes each on that.

I ask unanimous consent the author of the amendment, Senator Smith, be allowed to speak for 3 minutes; following him, Senator Torricelli for 3 minutes, and Senator Dorgan for 3 minutes, and at the end of that time, that time end and I be recognized for a motion to table the underlying Smith amendment.

I call for the regular order.

AMENDMENT NO. 236

The PRESIDING OFFICER. The Smith amendment numbered 236 is now pending.

Mr. HARKIN. I ask unanimous consent that the Senator from New Hampshire be allowed to speak for 3 minutes, Senator Torricelli for 3 minutes, and Senator Dorgan for 3 minutes, and at the end of that time, that time end and I be recognized for a motion to table the underlying Smith amendment.

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

The Senator from New Hampshire is recognized for 3 minutes.

Mr. SMITH of New Hampshire. Mr. President, I thank my colleague, Senator Torricelli, for his cooperation in working together on two amendments which are slightly different but share the same goals. I am pleased to work with him.

Cuba is currently one of the nations listed by the State Department as a state sponsor of terrorism. They are in good company: Iraq, North Korea, Iran, Syria, Libya, and the Sudan.

Until the State Department removes Cuba from this list of state sponsors of terrorism, the U.S. Government should not permit the private financing of agricultural sales to prop up that regime. That is why Senator Torricelli and I are talking about.

The administration is opposed to the language in the bill and Senator Torricelli and I modify that language. If the President certifies that Cuba has stopped sponsoring terrorism or that American fugitives who are hiding in Cuba who committed atrocious crimes—some of the crimes in the home State of Senator Torricelli from New Jersey—they ought to be turned out.

That is the gist of the amendments. I remind my colleagues what President Bush said: Every nation in every region has a decision to make. Either you are
with us or you are with the terrorists. From this day forward, any nation that continues to harbor or support ter-
rorism will be regarded by the United States as a hostile regime.

It seems to me reasonable that if there were proof that Fidel Castro is hiding in Cuba, he could easily re-
turn them so they could be prosecuted in New Jersey or other States where they committed the terrible crimes. If Cuba is on the State Department list of terrorist nations, it seems reasonable they ought to be removed before we give them help. I rest my case.

I hope my colleagues will support the Torricelli-Smith amendment.

Mr. TORRICEGLI. I thank Senators SMITH, HELMS, ENSIGN, GRAHAM, and NELSON for being part of this effort.

The administration supports these amendments and opposes the provision in the bill. It would be shocking if the President of the United States did not support us. President Bush has made very clear, in this very world, you are with us in the fight against terrorism or you are against us.

We are in the middle of a worldwide fight against terrorism and almost unbelievably in this Senate this bill con-
tains a provision that the United States would allow private banks, guaranteed by the U.S. Government, to sell food to Fidel Castro’s Cuba while the State Department has listed Cuba as harboring terrorists—not one terrorist group but four terrorist groups.

Further, it is amending the bill to say to Fidel Castro: If you want the privilege of our finance, get yourself off the terrorist list; if you want the privilege of our finance, return the $11 billion to financial institutions, he has not paid it back; $20 billion to former Soviet Union; he hasn’t paid it back. His current debt is $700 million. He can’t meet the bills. Even if you loaned him the money, he couldn’t pay it back.

Don’t let anybody tell you that in doing this we are not being a generous people. Fidel Castro can buy American food. He has to pay for it. The United States has given more food and medi-
cine to Cuba in the last 10 years than to any other nation in modern history. He is getting donations. He can buy our food. We just should not finance it because he can’t pay it back and he doesn’t de-
serve it.

Consistency in America foreign pol-
cy: financing sales to a nation on our terrorist list, never.

The PRESIDING OFFICER. The Sen-
ator from Nevada.

Mr. DORGAN. Mr. President, does anyone in the Senate Chamber think Fidel Castro has ever missed a meal be-
cause for 40 years we have said to fam-
ily farmers in America: You can’t sell food to Cuba? What meal has he missed? You know and I know this 40-
year failed policy is a policy that takes a swing at Fidel Castro and it hits poor people, and sick people, and hungry people in Cuba. And it hurts American farmers. Who doesn’t know that?

Let me ask the question about con-
sistency. We hear these discussions about Cuba. Is there a sanction against private financing to send food to Com-
munist China? No, there is not. Is there a prohibition against private financing to send food to Vietnam, which is a Communist country? No, there is not. Is there a prohibition against sending food to North Korea, a Communist country? No. Is there a prohibition of private financing to send food to Libya or Iran? The answer is no. No.

So we are told that somehow there needs to be a sanction, or a continued sanction for the past 40 years, to pro-
hibit private financing to send food to Cuba. It is a foolish failed public pol-
cy, and everyone knows it.

How long does it take to understand that a policy doesn’t work? Ten years? Twenty years? With Cuba, it has been 40 years.

American farmers are told they should pay the price for this foreign policy. What is the price? The price is our Canadian neighbors can sell food to Cuba. The French can sell, the English can sell, and all of the Euro-
pean countries can sell. It is just the United States farmers who are told: You can’t sell food to Cuba.

That is a foolish public policy. It is time to stop it, this notion about a Communist country. This is the only country in the world which employs this policy, and it doesn’t work.

As I said when I started, Fidel Castro has not missed a meal because of this policy. But hungry people, sick people, and poor people have been severely dis-
advantaged for a long while. That is not what we really ought to be doing in foreign policy.

I yield the floor.

The PRESIDING OFFICER. The Sen-
ator’s time has expired.

The Senator from Hawaii.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The motion to table was agreed to.

Mr. HELMS. Mr. President, I ask unanimous consent to re-
consider the vote.

The motion was agreed to.

The PRESIDING OFFICER. The motion was agreed to.

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

The motion to reconsider was agreed to.

The PRESIDING OFFICER. The motion was agreed to.

Mr. REID. Mr. President, I ask unanimous consent that the Senate now proceed to a period for morning bus-
ness with Senators allowed to speak up to 3 minutes each.

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

UNANIMOUS CONSENT REQUEST

Mr. HUTCHINSON. Mr. President, parliamentary inquiry: What is the pending business?
The PRESIDING OFFICER. The Senate is now in a period of morning business with Senators permitted to speak for up to 10 minutes each.

Mr. HUTCHINSON. Mr. President, I ask unanimous consent to go back to the farm bill to offer an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection?

Mr. REID. I object.

The PRESIDING OFFICER. Object is heard.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. MILER). There is no objection.

Mr. HUTCHINSON. Mr. President, I wish unanimous consent that the order for the quorum call be rescinded.

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

PASSING A FARM BILL

Mr. HUTCHINSON. Mr. President, I filed an amendment. I know I cannot call it up tonight. I hope to be able to lay down this amendment this evening. At this point, I can't. But hopefully we will be able to work out a means by which I can lay that amendment down tomorrow morning before the cloture vote tomorrow afternoon.

The amendment I filed this evening is the bipartisan farm bill that had been filed earlier by Senator LINCOLN, myself, Senator HELMS, Senator MITLER, Senator SESSIONS, Senator Lan- drieu, and Senator Breaux. It is truly the only bipartisan farm bill we have had out here, with four Democrats and three Republicans. It is basically the House bill that was passed by the House of Representatives.

At this late date, I have done everything I can to move a farm bill forward. I again reiterate my strong support for passing and completing a farm bill this year.

Passage in the State of Arkansas has been very clear with me on this issue, just as I think they have been clear with most Members of the Senate. They want to see a farm bill completed before we leave for Christmas.

When the farm bill debate seemed to be dragging, I urged my colleagues to move forward. We introduced a bipartisan bill closely resembling that which was passed in the House in hopes that it would start the Agriculture Committee moving forward. I commented that for the chairman, for pushing a markup late in this session. After all of the time and energy that was spent on a lot of issues important to this country—the war on terror—Senator HARKIN was determined that we get the bill out of committee. I supported that. I supported the Cochran-Roberts proposal and turned around and supported the chairman's proposal. I thought we had not yet taken the first step to compromise on my part. I was willing to make it.

I was not the only Republican member of the Agriculture Committee to support the Harkin commodity title. I don't think it is necessarily the best policy, but it is far better than what our farmers are dealing with right now.

When the farm bill came to the floor, I was assured that now was the time we would seek the final compromise to get this farm bill passed. However, the process has broken down along partisan lines. We have not been able to come to a consensus.

I am deeply disappointed that we are at risk of now leaving without a farm bill. I don't blame my colleagues on the Republican side of the aisle. I don't blame my colleagues on the Democrat side of the aisle. But it is time we achieve a compromise. We must not dig in our heels at this point.

I believe the House bill is the best possible chance we have of getting a bill to the President. Again, this bill is sponsored by four Democrats and three Republicans. It was one about which I talked with the chairman of the House Agriculture Committee. We could be conferenced very quickly—in a matter of probably an hour's time—and we could have a bill to the President. While all of us may have our preferences, this is our chance to get something to the President this year.

I voted for cloture repeatedly, and I am going to continue to vote for cloture. I have crossed the lines to do so many times. Some have suggested where that line is right now.

I know my farmers want a farm bill. In an effort to move that process forward, I offered this bipartisan alternative. I filed it tonight. It is cosponsored by Senator LOTT and Senator Sessions. I am hopeful the cosponsors of the legislation when it was first introduced will join in support of this bill and that we will be able to get a bill signed into law.

Even if we were able to get cloture tomorrow and get it passed at this late date, then we have the differences between the Harkin bill and the House-passed bill could be reconciled in time to help our farmers.

This past weekend I heard the farmers in Arkansas saying if we don't get it done before the new year, it is too late—in effect, that they are now going to their bankers and making the loans. They are making their preparations for crops next year. To wait until after we come back on January 23 before we put together a conference to begin to try to resolve the House and Senate bill is not good news for the farmers of this country. The best chance we have of getting this bill signed into law this year is to adopt this House bill, the substitute, and send it to a quick conference, and on to the President for his signature.

I hope we will have the opportunity in the morning to get this laid down. Depending on the outcome of the cloture vote, we will have a full and thorough debate. An opportunity to vote on this substitute is really our last chance to get a bill signed into law before we leave for Christmas.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, farm-related issues are very important to the people of Nevada. We raise cattle. We have dairies. We grow a lot of garlic. We have one place in the State of Nevada which raises the largest amount of white onions than any place in the United States. Even though it is not a great contributor to our economy, it is a very important contributor to our economy.

For someone who is not involved in the nitty-gritty of the farm bill, I know there is one provision on which is extremely important to the people of our country—especially the western part of the United States—dealing with conservation.

It is too bad there is a concerted effort to kill this legislation. This bill is extremely important to our country. Farm bills have been part of this country since we became a country. I hope that tomorrow when we vote again to invoke cloture, people will understand that it may be the last attempt to get a farm bill this year.

With all the plaintive cry, Well, I think we should pass the bill that the House passed some time ago—I am familiar, generally speaking, with the House bill. I am also familiar with what has happened in the Senate. I may not know every line and verse of the Senate bill, but I know, because I have been involved in putting together this legislation, it is a bill which is extremely important to the people of our country—especially the western part of the United States—dealing with conservation.

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This is a delicately balanced bill that the majority of the Senate supports. It is a shame—it is a shame, as I see it—that there is an attempt being made to kill this legislation.

How many more times, with Christmas Eve being next Monday, can the leadership call up the Senate to vote on cloture? They think there is always going to be another opportunity. Tomorrow may be the last opportunity.

I say to those Senators who are voting against cloture, the responsibility is on their shoulders. This should not be a partisan political issue. This bill was reported out of the Agriculture Committee on a bipartisan vote. So I think it is too bad we are at the point where we are now.

I would hope that tomorrow, when we vote, there would be a sense of how important this bill is to the country.

Tomorrow afternoon, we are going to vote. We are going to vote on invoking cloture on this bill. If cloture were invoked, we would finish this bill before Christmas. But if we do not, I think it is going to be very difficult to get a bill. I think that would be really, really too bad.

The PRESIDING OFFICER. The Senator from Kansas?

Mr. HARKIN. Mr. President, I thank the assistant majority leader for his kind words and his observations on this farm bill.

It is obvious now to all—those in the press, any objective observer—what has been going on here in the Senate, that there is a stall tactic going on. There is no doubt in my mind anymore. Earlier I thought we were just going to have our votes and have our debate and move on. Now it looks as though, for whatever reason, there is politics being played here. It is just a darn shame that our farmers and our ranchers and our people in rural America and in our small towns are being held hostage to a game played this late in the year on this farm bill.

I have been through a lot of farm bills in 27 years. I have been through three in the Senate in 17 years. Again, I believe this bill came out of committee with more bipartisan votes than any bill that has ever come out of the Agriculture Committee to the Senate floor.

Every single title of this bill was voted on by Republicans and Democrats in this Agriculture Committee unanimously, except for one title, the commodities title. That got bipartisan support. The Senator from Arkansas voted for that.

I knew we were going to have to come to the floor and probably have debate and amendments on the commodities title. I understood that. I said that when the bill was reported out of committee. But I congratulated the Agriculture Committee for acting in a bipartisan fashion on the bill.

As the Presiding Officer knows, we had tough negotiations. This is a big country. There is a lot of different agriculture. My agriculture in Iowa is different than the agriculture in Georgia or in Arkansas or in California or in Oregon or in Maine. So we had to try to keep this in balance. We had to try to balance all these interests. It was hard work, but we did it. I did not do it. We did it. Republicans and Democrats did it on the Agriculture Committee. We did it together.

I cannot say enough about the working relationship that we had with Senator Lugar and his staff in working through all these issues, whether it was research, on trade, on conservation, on nutrition, and all these things. Maybe we did not always agree, but we recognized that you cannot always agree on everything. We worked it out. We worked it out to the point where we had a comprehensive, well-balanced bill passed out of committee.

Again, I knew we were going to have some votes on the floor on commodities. That is fair game. But now I see all this other stuff happening now. Now I think if that does not get us toward the end of the year, that, for whatever reason, the leadership on the Republican side of the aisle does not want a farm bill out of the Senate before we leave here.

So I say to those Senators who are voting against cloture, this vote is on their shoulders. This should not be a partisan political issue. This bill was reported out of the Agriculture Committee on a bipartisan vote.

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If we do not pass the bill in the Senate before we leave, it will not be on the President's desk before the end of January. I will tell you something else. It will not be on the President's desk before the end of February, if we do not finish this bill in the Senate this week. So for those who talk all the time about certainty for our farmers and for our bankers and for our lenders, and people who have to come in and get the money they need, I say to my friend from the South, you need it before we need it in the Midwest. Your farmers are in the field before ours. And their lenders and their bankers want to know, with certainty, what is out there.

I say to my friend from Nebraska, if we do not finish the bill before we leave here, and our staffs cannot work on it to get to conference, and work out all these things so that when we come back on the 23rd, the President will not have this bill, that means we will still be on the farm bill when we come back on the 23rd, and then it is "Katie bar the door."

You think you have amendments now? You wait until we come back here on the 23rd. We will have 200 amendments or more.

I will say it one more time so I am absolutely clear. If this bill is not passed in the Senate before we leave here, the President will not have it on his desk before the end of February. We will be lucky to have it by March.

Now go home and tell your farmers how you stopped this bill in the Senate, and now we have less money for our farmers and people in rural America, going to be another opportunity. To the occupant of the Chair and I and Republican staff—in early January, before we leave here, and our staffs can work on this bill, we got it out of here, and we know we were committed, we passed the bill, we got it out of here, and we are not hitting us, not at all.

We have done our job. We pulled this bill together. This is a good bill. It is a good bill for America. It is a balanced bill. Am I saying it is perfect? Of course it is not perfect. If I could write the farm bill by myself, I would put it all in Iowa. Then it would be perfect.

It is a balanced bill.

I understand that my friend from Arkansas has just filed an amendment which is the House-passed farm bill. That bill passed in conference in Arkansas, and he wants to offer the House bill. That way we don't even need to have a conference. It just goes to the President. Of course, that is the bill the President said was unsatisfactory. If the House bill were to pass, it means we don't have a conference. That is the end of it. It undoes all the hard work we did, all of the hours that the occupant of the Chair and I and Republicans working together, Senator Lugar, his staff, all of us working together to bring a balanced bill together.

Why are we Senators? If all we want is what the House does, why are we Senators? Why do we spend this time?
Mr. REID. I didn’t say that. Mr. GRASSLEY, I would like to speak before you speak.

Mr. REID. What I would do, to inform the Senator, I will go through the wrap-up and then just indicate how much time each of you wish to speak tonight.

Mr. GRASSLEY. Then let’s leave it this way. You are doing exactly what I said. I won’t say anything, but I resent your saying that we are stalling on this side. Iserver as the appropriations and spend-ment ever at this late date. You told me less than an hour ago, no more amendments. So because the record show that the Senator from Iowa, the senior Senator from Iowa, was ready to offer an amendment and go through a time. Mr. REID. Mr. President. I say to my friend, who is the senior Senator from Iowa—and I have the greatest respect for him—we have been on this bill for a long time. People can go through all the machinations they want, saying they were ready to offer amendments. The fact is, we voted on cloture on two separate occasions. It has been op-posed. We are going to do it again to-morrow. The fact is, we had other votes to do tonight.

I actually was contacted by the as-sistant minority leader, and he asked that we not have another vote. I agreed with that. I felt it was time to wrap things up. It was about 22-to-9 then.

As I told the Senator from Iowa, when we were not speaking publicly, it was under the committee-passed bill, and under the House bill. I will wager that every single State represented in this Chamber will do better overall under the committee bill than under the House-passed bill economically, in terms of commodities and everything else. Add them all up, conservation payments, everything, all those things, add them all up.

The PRESIDING OFFICER. The Sen-ator’s 10 minutes have expired.

Mr. HARKIN. Hope springs eternal. I will not give up. I will not quit. I will never give up in trying to get the best deal possible for all the farmers of this country. I don’t care how long we have to stay here, how late we have to stay here. I will fight to the last day, to the last breath to get this bill out of here and get the bill out of the Senate because it is best for America and it is best for our farmers.

The PRESIDING OFFICER. The Sen-ator from Nevada.

ORDER OF BUSINESS

Mr. REID. Mr. President, if I could say to Senators here assembled, we have some matters we need to take care of before we adjourn. I see Senator GRASSLEY is here, Senator HUTCHINSON, and Senator SESSIONS. If I could ask through the Chair to each of them, if they wish to speak in morning business before we adjourn tonight, I will try to get some time for each of them to do that.

Mr. GRASSLEY. Mr. President, will the Senator yield for a question?

Mr. REID. I am happy to yield for a question.

Mr. GRASSLEY. I have to assume that after listening to you and after listening to Senator HARKIN, you don’t want to hear another point of view on this issue in conformity.
reflected the name change of the Senate Committee on Small Business to the
Committee on Small Business and En-
trepreneurship, which occurred on June
29 of this year.
I would just like to state that I be-
lieve the changes my amendment makes will benefit the small businesses suffering from
paperwork burdens.

LOCAL LAW ENFORCEMENT ACT
OF 2001
Mr. SMITH of Oregon. Mr. President, I rise
today to speak about hate crimes legislation
I introduced with Senator KENNEDY in March of this year. The
Local Law Enforcement Act of 2001 would add new categories to current
hate crimes legislation sending a sig-
nal that violence of any kind is unac-
cetable in our society.
I would like to describe a terrible crime that occurred in November 1999 in
Charlottesville, VA. Three men as-
ducted, robbed, and beat a gay man.
One of the assailants, Billy Ray
McKethan, 19, pleaded guilty to charges
brought against him in connection
with the incident, and was sentenced
to 20 years in prison without para-
role.
I believe that government’s first duty is to defend its citizens, to defend them
against the harms that come out of hate. The Local Law Enforcement En-
hancement Act of 2001 is now a symbol
that hate is not acceptable in our society.
For more than three decades, 31 years, I
benefitted from Jimmy’s wise counsel, an
extraordinary intelligence, his warm wit,
and his absolute loyalty. I didn’t like it
when someone referred to Jimmy as my driv-
er because he was so much more than that.
But he did drive, and together we had quite
a ride over these three decades and met quite
a variety of people along the way. We ex-
tended each other’s reach. From his original
political hero Dick Lee to Donald Trump,
from Arthur Barbieri to Ariel Sharon, from
Vince Scarfo to Hosni Mubarak, from Hank
Parker to Hosti Mubarak, from Jose
Cabranes in his Federal Court Chambers in
New Haven to Joe Dougherty at his Federal
Civil Service, and in his selflessness, in the way he treated
people in it. But Jimmy also had a philos-
ofy of engaging them, of sharing what he knew
and learning what others had to teach him.
Part of that, of course, was the
perspective, and purpose, and humor and the
lights off when he leaves the office for the
next day and asked how I would describe what
Jimmy did for me, and decisively instruct me as to my role in our
relationship. “You take care of war and
peace, and I’ll get us safely to our next stop.”
And he always did. In all our years and
thousands of miles on the road together,
Jimmy never had an accident. Now, when
one considers how rapidly James drove and
how often he drove, and how fast he drove,
that safety record is just one more proof of the existence of a caring God.
Yes, God watched out for Jimmy
O’Connell, and Jimmy O’Connell watched out for God.
His faith anchored his life. It gave him per-
spective, and purpose, and humor and the
love and courage and love and courage and
and love and courage and learn how to
overcome the troubles and challenges he faced, as he
did so successfully and inspiringly. Jimmy
didn’t just go to church faithfully; he lived a
life of faith. You knew it in this strength
and in his selflessness, in the way he treated
everyone he met with the respect and inter-
est and joy due to each of God’s children. He
loved people, and he was good at it. I saw that he knew,
and learning what others had to teach him.
And, in that, he taught us all a lot about life.
In the days since Jimmy’s death, I have
been in many meetings with many people
who knew and how many people knew
Jimmy, and by how many of them remember
how interested he was in them, and how
much he cared about them. Jimmy was a devoted and loving son and
brother, a good and trustworthy friend, and

ADDITIONAL STATEMENTS
TRIBUTE TO JAMES KEVIN
O’CONNELL
• Mr. DODD. Mr. President, I rise today
to recognize and submit for the RECORD
the eulogy delivered by my colleague
from Connecticut, Senator JOE LIEBER-
MAN, at the December 5 funeral mass
for his beloved friend, James Kevin
O’Connell. I urge all my colleagues to take the time to read this heartfelt
tribute to a man who so touched Sen-
ator LIEBERMAN, as well as anyone else
who had the pleasure to have known him, as did 1.

Jimmy O’Connell was best known as Senator LIEBERMAN’s driver for 30
years, but as Senator LIEBERMAN
makes clear in his beautiful tribute,
Jimmy was much, much more than
that. One could not have known Jimmy
without thinking him a friend, some-
one to whom you could turn for a quick
joke, or a deep philosophical insight.

Jimmy, born and raised in New
Haven, was truly a great Nutmegger,
and a fine American. He spent his life
caring for his family, his friends, and
his community. Jimmy served for 3
decades as a police officer in the New
Haven Police force.

Senator LIEBERMAN’s tribute reminds us of the value of life, the value of rela-
tionships, and the special place in our hearts for Jimmy O’Connell.

The eulogy follows.
I want to thank Mrs. Agnes O’Connell,
Brother Kevin O’Connell and the rest of Jim-
my’s family for the honor of speaking at this funeral mass for him. And,
I also want to thank the O’Connell family for
all they did to make Jimmy Kevin the won-
terful man he was.

When a newspaper reporter called on Sun-
day and asked how I would describe what
Jimmy did for me, the words that came out of
my mouth were that Jimmy and I were one of God’s greatest gifts to me. That is
how I would describe what he did for me.

Jimmy was my friend.
For more than three decades, 31 years, I
benefitted from Jimmy’s wise counsel, his
extraordinary intelligence, his warm wit,
and his absolute loyalty. I didn’t like it
when someone referred to Jimmy as my driv-
er because he was so much more than that.
But he did drive, and together we had quite
a ride over these three decades and met quite
a variety of people along the way. We ex-
tended each other’s reach. From his original
political hero Dick Lee to Donald Trump,
from Arthur Barbieri to Ariel Sharon, from
Vince Scarfo to Hosni Mubarak, from Hank
Parker to Hosti Mubarak, from Jose
Cabranes in his Federal Court Chambers in
New Haven to Joe Dougherty at his Federal
Civil Service. Humor and the

Every now and then during our travels, I
would ask Jimmy whether he was following
the right directions, and he would quickly
and decisively instruct me as to my role in our
relationship. “You take care of war and
peace, and I’ll get us safely to our next stop.”
And he always did. In all our years and
thousands of miles on the road together,
Jimmy never had an accident. Now, when
one considers how rapidly James drove and
how often he drove, and how fast he drove,
that safety record is just one more proof of the existence of a caring God.
Yes, God watched out for Jimmy
O’Connell, and Jimmy O’Connell watched out for God.
His faith anchored his life. It gave him per-
spective, and purpose, and humor and the

Well, if the good Lord gives me the privi-
lage of exiting the office on my own for the

December 18, 2001
first, I’m going to leave the lights on, for Jimmy.

Once in the car we were talking about our visions of the world to come, and I thought I would express what I was thinking. I said that I would probably go first because I was older, and so I would send him a report on what it was like up there. But Jimmy, as usual, had the last word, and he said that I probably would go first because I was a woman.

“You never know,” he said, “I might go first. And if I do, when you get to the gates, just give me a call, and I’ll drive over and pick you up.”

I will do that, James, and I know we’ll have a lot to talk about.

The Lord giveth and the Lord taketh. Blessed be the Name of the Lord.

HONORING OUR NATION

Mr. LUGAR. Mr. President, I ask to print into the CONGRESSIONAL RECORD a prayer delivered by Mr. Clarence E. Hodges, President of the North American Religious Liberty Association, on November 21, 2001, on the grounds of the United States Capitol in honor of our Nation.

The prayer follows.

AMERICA, MAY GOD SHED HIS GRACE ON THEE.

(By Clarence E. Hodges)

God bless America, land that we love. Please stand beside her and guide her with your light from above.

Ye shall keep sabbaths, and reverence my sanctuary; I am the LORD. If ye walk in my statutes, and keep my commandments, and do them; Then I will give you rain in due season, and the earth shall yield her increase, and the trees of the field shall yield their fruit. . . And ye shall eat your bread to the full, and dwell in your land safely. And I will give peace in the land, and ye shall lie down, and none shall make you afraid: and I will do that, James, and I know we’ll do it.

And ye shall despire my statutes, or if your soul abhor my judgments, so that ye will not do all my commandments, but that ye break my covenant: I also will do this to you. For I will have respect unto you, and make you fruitful, and multiply you, and establish my covenant with you. (Lev. 26:2-9)

HONORING TERESA POOLE

Mr. BOND. Mr. President, I rise today to honor the service of one of my staff members, Teresa Poole, who works in my Springfield District Office in Missouri. On January 3, 2002, Teresa will celebrate her 26th anniversary of working for the Senate. When Teresa started her career, Senator Strom Thurmond was a mere 74 years old. Teresa worked for Senator Thurmond until 2001 when Aschcroft became Attorney General of the United States.

Teresa has worked tirelessly on behalf of each of us ensuring that our positions are known and communicated in an accurate and precise manner. Teresa is a true public servant and a faithful and constant part of this Senate office. Attorney General John Ashcroft said, “Teresa’s Congratulations are in order for Teresa Poole, who has served 25 years as staff in the U.S. Senate. Mrs. Poole was a great help to me during my 6 years in the Senate. My wife, Janet and I wish her all the best as she celebrates this milestone in her life.”

It is an honor for me to join with my staff in Washington, DC, and in the great State of Missouri to recognize Teresa Poole for the 25 years of distinguished service to the people of Missouri and three U.S. Senators.

HONORING JOHN O’CONNOR

Mr. KERRY. Mr. President, all of us in Massachusetts continue to mourn the loss of one of our State’s most passionate, committed, and effective activists, John O’Connor, who died on Friday, December 7. John brought an enthusiasm and commitment to civic life that inspired everyone around him. His legendary appeal was bound by a steady moral compass, one that envisioned a world where water, air and land are free of pollution and every individual, from all walks of life, has access to the full measure of the American Dream.

After John disclosed the fact that a small baseball field in his neighborhood of Stratford, CT, was actually built on the waste site of asbestos manufacturer Raybestos, he embarked on a journey that spanned from the fight to clean up sites like it all across the country to advocating for universal health care. That early spark of environmental awareness proved to be a model for all the struggles he engaged in throughout his life. As a young graduate of Clark University, he organized the poor neighborhoods of Worcester so that they could have a stronger voice in their community’s policies, and joined up with Massachusetts Fair Share, a grassroots group that was pursuing the same goal. His humor and enthusiasm gained traction in the group’s newsletter, The Squeaky Wheel, as well as the street organizing
and guerilla theater strategy that helped illuminate the organization and its mission.

These community and State-wide efforts led to larger pursuits on the national stage. One of John’s crowning achievements that will reach generations into the future, was his work on the National Toxics Campaign. This watershed moment in the environmental movement resulted in the $8 billion Superfund legislation that turned the tide in cleaning up industrial waste sites, and it echoed back to the ballfield that ushered John into the activism that defined his life. His campaign for environmental protection inspired him to write two books, “Getting the Lead Out,” and “Who Owns The Sun,” both of which elevated the dialogue surrounding the environmental issues that impact communities across the country. Throughout all of this he realized the potent force that the market could be in the struggle to protect the environment, and committed that in that field he founded Greenworks in 1991, which provided financial backing for fledgling environmental businesses.

John’s national focus never took his attention far away from the community where he was raised. Along with his wife, Carolyn Mugar, he reached out to countless organizations in Watertown, Cambridge and Greater Boston, nourishing them with resources and copious amounts of his own time and energy. He served on boards and fundraising committees for shelters, after-school programs and local youth programs, and was a fixture at City Year events. He helped start the Irish Famine Memorial Committee, which honored the victims of the Irish famine with a statue in Cambridge Common that was unveiled by former President of Ireland Mary Robinson. This work, as well as his commitment to other organizations like the Irish Immigration Center, reflected a love of his own Irish heritage, but for John it was larger than an effort just for the Irish. His commitment to immigrant advocacy evidenced a deep belief in this country’s ability to improve and re-create itself through the welcoming of people from all over the world.

Nothing carries more grief than the loss of a young man of such talent, full of life, brimming with the truly American notion that everyone can and should have a voice for themselves and their community. Surely John O’Connor accomplished this and more—and that legacy, the fact that he filled 46 years with more than many achieve in many lifetimes will, I hope, make his family’s sorrow today a little lighter and leave them knowing that his work lives on in the countless acts of goodwill John performed before he was taken from us.

Even though John was taken from us long before nature intended, I think an activist of his deep commitment would know that he leaves us with more than just his record of good work—he leaves us with a challenge, one that was presented to us over the course of his 46 years. John’s challenge to all of us is to expand our world and expand the circle of people we care for and love. The compass that pointed him in the direction of taking on polluters and fighting for access to health care is up to all of us still to understand the world he envisioned and began to realize through his work. Our mission now is to follow that compass, take up those battles, and complete the work that John challenged us with in his life and inspired us to continue. We are better people for his time here, but, as he surely would remind us, there is much work to be done. Now, we will set about doing it with John O’Connor as guide and inspiration.

MAINTAINING HOLIDAY TRADITIONS

Mr. DURBIN. Mr. President, during these troubled times, our need to connect with family and friends becomes all the more important. The tragic events of the last four months and questions about the security of mail may cause some hesitation about continuing long-held traditions with which we typically participate at this time of the year. But now more than ever, renewing and maintaining ties to others is vital.

One such holiday tradition is the mailing of seasonal greetings and gifts to friends and family. Do you know that the history of holiday greeting cards in America dates back as long ago as 1875 when Louis Prang, a German immigrant in Boston, produced the first line of printed Christmas cards? He even held contests across the country offering prizes for card designs, which helped popularize the practice.

The images and messages that have decorated cards typically reflect political trends and moods of the times. World War II era holiday cards depicted Santa Claus and Uncle Sam holding American flags with messages such as “missing you” for servicemen fighting overseas. This year, holiday cards not only convey sentiments of peace and happiness, but feelings of pride and patriotism in our Nation’s heritage of faith and freedom.

It is not surprising to note that around 1880, the post office began urging Americans to send greeting cards. The first U.S. Christmas stamp, which portrayed wreaths and trees, debuted in 1962. Since then various designs have graced holiday envelopes. This year, the Postal Service offers a variety of holiday postage stamps, commemorating Hanukkah: Kwanzaa; Eid; for the two most important festivals in the Islamic calendar, Eid al-Fitr and Eid al-Adha, and Christmas, including stamps depicting old-fashioned Santas and traditional Madonna and Child artwork.

This holiday season the United States Postal Service and the greeting card industry have been working hard to assure customers that despite the recent anthrax scare printed cards are completely safe to send through the mail. The Postal Service has distributed information to every postal address and post offices around the country have implemented extra screening procedures. The more than 900,000 postal employees nationwide have received extensive training on proper mail handling. In recent speeches, Postmaster General Jack Potter has encouraged the sending of holiday cards, emphasizing that they be “especially meaningful this year.”

Written greetings are a special way of making and maintaining personal connections across the miles. Cards and letters with personal messages can be read and reread, shared and displayed, and preserved for posterity. I encourage you to take time to continue this holiday ritual by sending holiday cards to family and friends this season and by supporting the work of the United States Postal Service.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 2:30 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:


H.R. 1291. An act to amend title 38, United States Code, to modify and improve authorities relating to education benefits, compensation and pension benefits, burial benefits, and vocational rehabilitation benefits for veterans, to modify certain authorities relating to the United States Court of Appeals for Veterans Claims, and for other purposes.

H.R. 2559. An act to amend chapter 90 of title 5, United States Code, to modify and improve authorities relating to education benefits, compensation and pension benefits, burial benefits, and vocational rehabilitation benefits for veterans, to modify certain authorities relating to the United States Court of Appeals for Veterans Claims, and for other purposes.

H.R. 2383. An act to authorize appropriations for fiscal year 2002 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

H.R. 3225. An act to ensure that covered entities comply with the standards for electronic health care transactions and code sets...
adopted under part C of title XI of the Social Security Act, and for other purposes.

H.R. 3442. An act to establish the National Museum of African American History and Culture in the District of Columbia: to authorize the Secretary of the Interior to acquire land and to make appropriations for the establishment and maintenance of the National Museum of African American History and Culture in the District of Columbia, D.C., and for other purposes.

At 6:20 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3448. An act to improve the ability of the United States to prevent, prepare for, and respond to bio-terrorism and other public health emergencies.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–4903. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on appropriations legislation relative to section 251(a)(7) of the Balanced Budget and Emergency Deficit Control Act of 1985; to the Committee on the Budget.

EC–4904. A communication from the Assistant Attorney General, Office of Legislative Affairs, Department of Justice, transmitting, pursuant to law, a report entitled “Report of the OIG-Related to the Office for Victims of Crime during Fiscal Years 1999 and 2000”; to the Committee on the Judiciary.

EC–4905. A communication from the Senior Attorney Federal Register Certifying Officer, Financial Management Service, Department of the Treasury, transmitting, pursuant to law, a report of a rule entitled “Delivery of Checks and Warrants to Address Outside the United States, Its Territories and Possessions” (31 CFR Part 211); to the Committee on Finance.

EC–4906. A communication from the Chairman of the Advisory Panel to Assess Domestic ResponseCapabilities for Terrorism Involving Weapons of Mass Destruction, transmitting, pursuant to law, the Panel’s third annual report for 2001; to the Committee on Armed Services.

EC–4908. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled “Severing Protections for Emergency Exemptions; Multiple Chemicals” (FRL6814-4) received on December 12, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4909. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled “Technical Correction” (FRL6814-4) received on December 12, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4910. A communication from the Associate General Counsel, Central Intelligence Agency, transmitting, pursuant to law, the report of a vacancy and the designation of acting officer for the position of General Counsel, received on December 12, 2001; to the Committee on Armed Services.

EC–4911. A communication from the Associate General Counsel, Central Intelligence Agency, transmitting, pursuant to law, the report of a rule entitled “Approval and Promulgation of State Plans for Designated Facilities and Pollutants; Control of Landfill Gas Emissions from Existing Municipal Solid Waste Landfills; State of Iowa” (FRL7117-7) received on December 12, 2001; to the Committee on Environment and Public Works.

EC–4912. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled “Approval and Promulgation of State Plans for Designated Facilities and Pollutants; Control of Landfill Gas Emissions from Existing Municipal Solid Waste Landfills; State of Iowa” (FRL7117-5) received on December 12, 2001; to the Committee on Environment and Public Works.

EC–4914. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled “Approval and Promulgation of State Plans for Designated Facilities and Pollutants; Control of Air Quality Implementation Plans; Wisconsin; Automobile Refinishing Operations” (FRL7115-7) received on December 12, 2001; to the Committee on Environment and Public Works.

EC–4915. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled “Approval and Promulgation of Air Quality Implementation Plans; State of Colorado; Air Quality Guidelines and Standards for Particulate Matter” (FRL7203-1) received on December 14, 2001; to the Committee on Environment and Public Works.

EC–4916. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled “National Emission Standards for Hazardous Air Pollutants from Phosphoric Acid and Phosphate Fer-tilizers Production Plants” (FRL7118-7) received on December 12, 2001; to the Committee on Environment and Public Works.

EC–4917. A communication from the Assistant Secretary of the Treasury, concerning approval of a proposed license for the export of defense articles or services sold commercially under a contract in the amount of $50,000,000 or more to Japan; to the Committee on Foreign Relations.

EC–4922. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a certification of a proposed license for the export of defense articles or services sold commercially under a contract in the amount of $50,000,000 or more to Japan; to the Committee on Foreign Relations.

EC–4923. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a certification of a proposed license for the export of defense articles or services sold commercially under a contract in the amount of $50,000,000 or more to Japan; to the Committee on Foreign Relations.

EC–4924. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a certification of a proposed license for the export of defense articles or services sold commercially under a contract in the amount of $50,000,000 or more to Japan; to the Committee on Foreign Relations.

EC–4925. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a certification of a proposed license for the export of defense articles or services sold commercially under a contract in the amount of $50,000,000 or more to Japan; to the Committee on Foreign Relations.

EC–4926. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a certification of a proposed license for the export of defense articles or services sold commercially under a contract in the amount of $50,000,000 or more to Japan; to the Committee on Foreign Relations.

EC–4927. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a certification of a proposed license for the export of defense articles or services sold commercially under a contract in the amount of $50,000,000 or more to France, the United Kingdom, Germany, Switzerland, Sweden, and Spain; to the Committee on Foreign Relations.

EC–4928. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a certification of a proposed license for the export of defense articles or services sold commercially under a contract in the amount of $50,000,000 or more to Japan; to the Committee on Foreign Relations.

EC–4929. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a certification of a proposed license for the export of defense articles or services sold commercially under a contract in the amount of $50,000,000 or more to Japan; to the Committee on Foreign Relations.

EC–4930. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a certification of a proposed license for the export of defense articles or services sold commercially under a contract in the amount of $50,000,000 or more to Japan; to the Committee on Foreign Relations.
transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Airbus Model A300 B4-600, B4-600R, and F4-600R Series Airplanes; and Model A319 Series Airplanes" ((RIN2120-AA64)(2001-0583)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4930. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Boeing Model 767 Series Airplanes" ((RIN2120-AA64)(2001-0588)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4931. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Eurocopter Model EC 155 Helicopters" ((RIN2120-AA64)(2001-0587)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4932. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Eurocopter Model EC 155 Helicopters" ((RIN2120-AA64)(2001-0587)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4933. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Boeing Model 737-700, 800, 900, and 1000 Series; and Model 747-400, 800, and 900 Series" ((RIN2120-AA64)(2001-0585)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4934. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Boeing Model 747 Series Airplanes" ((RIN2120-AA64)(2001-0584)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4935. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Raytheon Aircraft Company 33, T-34, 35, 36, and 36C Helicopters; and C-12H Huron, EC–4932. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Bell Helicopter Textron Canada Helicopters 222B, 222U and 230 Helicopters" ((RIN2120-AA64)(2001-0579)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4936. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Eurocopter Model SA 341G, S–442J, and S–501 Helicopters" ((RIN2120-AA64)(2000-0580)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LIEBERMAN, from the Committee on Governmental Affairs:

Report to accompany H.R. 2559, a bill to amend chapter 90 of title 5, United States Code, relating to Federal long-term care insurance. (Rept. No. 107-129.)

By Mr. KENNEDY, from the Committee on Health, Education, Labor, and Pensions, with an amendment in the nature of a substitute:

S. 1379: A bill to amend the Public Health Service Act to establish an Office of Rare Diseases at the National Institutes of Health, and for other purposes. (Rept. No. 107-129.)

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. LEVIN for the Committee on Armed Services:

* Everett Beckner, of New Mexico, to be Deputy Administrator for Defense Programs, National Nuclear Security Administration. Air Force nominations beginning Colonel Larry D. New and ending Colonel Mikhail I.P. Planet, which nominations were received by the Senate and appeared in the Congressional Record on September 5, 2001.

Mr. LEVIN, Mr. President, for the Committee on Armed Services I report favorably the following nomination lists which were printed in the RECORDS on the dates indicated, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar that these nominations lie at the Secretary's desk for the information of Senators.

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

Army nominations beginning Robert W. Siegert, Army nominations beginning Catherine M. Ranfield and ending Jack M. Wedom, which nominations were received by the Senate and appeared in the Congressional Record on December 5, 2001.

Army nominations beginning Mary Carstensen and ending William L. Tozier, which nominations were received by the Senate and appeared in the Congressional Record on December 5, 2001.

Air Force nominations beginning Gerard W. Stalnaker and ending Everett G. Wilson and ending CHARLES R. JAMES JR., which nominations were received by the Senate and appeared in the Congressional Record on December 11, 2001.

Army nominations beginning Barry D. Keen and ending MARA, which nominations were received by the Senate and appeared in the Congressional Record on December 11, 2001.

Army nominations beginning James J. Waldeck III.

By Mr. BAUCUS for the Committee on Finance.

By * John Williams, Jr., of Virginia, to be Chief Counsel for the Internal Revenue Service and an Assistant General Counsel in the Department of the Treasury.

Janet Hale, of Virginia, to be an Assistant Secretary of the Treasury.

Joan E. Ohi, of West Virginia, to be Commissioner on Children, Youth, and Families, Department of Health and Human Services.

James B. Lockhart, III, of Connecticut, to be Deputy Commissioner of Social Security for a term of six years.

Harold Daub, of Nebraska, to be a Member of the Social Security Advisory Board for the remainder of the term expiring September 30, 2006.

Raul G. Yzaguirre, of Colorado, to be an Assistant Secretary of the Treasury.

Kenneth Lawson, of Florida, to be an Assistant Secretary of the Treasury.

Nomination was reported with recommendation that it be confirmed subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

(Nominations without an asterisk were reported with the recommendation that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. LINCOLN:

S. 1835. A bill to amend the Federal Deposit Insurance Act to permit national banks to own shares in subsidiaries of holding companies are subject to section 4(q) of that Act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. COCHRAN:

S. 1836. A bill to amend the Public Health Service Act to establish scholarship and loan repayment programs regarding the provision of veterinary services in veterinarian shortage areas; to the Committee on Health, Education, Labor, and Pensions.

By Mr. TORRES (for himself, Mr. GRASSLEY, Mr. NELSON of Nebraska, and Mr. HARKIN):

S. 1837. A bill to establish a board if inquiry to review the activities of United States Intelligence, law enforcement, and other agencies leading up to the terrorist attacks of September 11, 2001; to the Committee on Intelligence

By Mrs. BOXER (for herself and Mr. CORZINE):

S. 1838. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 to ensure that individual account plans protect workers by limiting the amount of employer stock each worker may hold and encouraging diversification of investment of plan assets, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. ALLARD, Mrs. CLINTON, Mr. SHELDY, and Mr. FEIN- 

S13464

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ADDITIONAL COSPONSORS

S. 847
At the request of Mr. DAYTON, the name of the Senator from Missouri (Mrs. CAENAHAN) was added as a cosponsor of S. 847, a bill to impose tariff-rate quotas on certain casein and milk protein concentrates.

S. 927
At the request of Ms. COLLINS, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 917, a bill to amend the Internal Revenue Code of 1986 to exclude from gross income amounts received on account of claims based on certain unlawful discrimination and to allow income averaging for backpay and frontpay awards received on account of such claims, and for other purposes.

S. 990
At the request of Mr. SMITH of New Hampshire, the name of the Senator from Minnesota (Mr. CAENAHAN) was added as a cosponsor of S. 990, a bill to amend the Pittman-Robertson Wildlife Restoration Act to improve the provisions relating to wildlife conservation and restoration programs, and for other purposes.

S. 1140
At the request of Mr. HATCH, the name of the Senator from Kansas (Mr. ROBERTS) was added as a cosponsor of S. 1140, a bill to amend chapter 1 of title 9, United States Code, to provide for greater fairness in the arbitration process relating to motor vehicle franchise contracts.

S. 1500
At the request of Mr. KYL, the name of the Senator from Montana (Mr. INOUYE) was added as a cosponsor of S. 1500, a bill to amend the Internal Revenue Code of 1986 to provide tax and other incentives to maintain a vibrant travel and tourism industry, to keep working people working, and to stimulate economic growth, and for other purposes.

S. 1707
At the request of Mr. JEFFORDS, the names of the Senator from California (Mrs. FEINSTEIN), the Senator from Tennessee (Mr. THOMPSON) and the Senator from Nebraska (Mr. NELSON) were added as cosponsors of S. 1707, a bill to amend title XVIII of the Social Security Act to specify the update for payments under the medicare physician fee schedule for 2002 and to direct the Medicare Payment Advisory Commission to conduct a study on replacing the use of the sustainable growth rate as a factor in determining such update in subsequent years.

S. 1712
At the request of Mr. GRASSLEY, the name of the Senator from Ohio (Mr. VOINOVICH) was added as a cosponsor of S. 1712, a bill to amend the procedures that apply to consideration of interstate class actions to assure fairer outcomes for class members and defendants, and for other purposes.

S. 1765
At the request of Mr. CORZINE, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 1765, a bill to amend the Public Health Service Act with respect to facilitating the development of microbicides for preventing transmission of HIV and other sexually transmitted diseases.

S. 1766
At the request of Mr. CAMPBELL, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 1761, a bill to amend title XVIII of the Social Security Act to provide for coverage of cholesterol and blood lipid screening under the medicare program.

S. 1769
At the request of Mr. COCHRAN, his name was added as a cosponsor of S. 1769, a bill to strengthen the national security by encouraging and assisting in the expansion and improvement of educational programs to meet critical national needs at the elementary, secondary, and higher education levels.

S. 1800
At the request of Mr. COCHRAN, his name was added as a cosponsor of S. 1800, a bill to strengthen and improve the management of national security, encourage Government service in areas of critical national security, and to assist government agencies in addressing deficiencies in personnel possessing specialized skills important to national security and incorporating the goals and strategies for recruitment and retention for such skilled personnel into the strategic and performance management systems of Federal agencies.

S. CON. RES. 72
At the request of Ms. LANDRIEU, the name of the Senator from New Hampshire (Mr. SMITH), the Senator from North Carolina (Mr. HELMS), the Senator from Florida (Mr. GRAHAM), the Senator from Nevada (Mr. ENSIGN), and the Senator from Virginia (Mr. ALLEN) were added as cosponsors of amendment No. 297.

AMENDMENT NO. 297
At the request of Mr. TOMCZELL, the names of the Senator from New Hampshire (Mr. SMITH), the Senator from Oregon (Mr. SMITH) was added as a cosponsor of amendment No. 2603 supra.

AMENDMENT NO. 2603
At the request of Mr. ROBERTS, his name was added as a cosponsor of amendment No. 2603 supra.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. BOXER (for herself and Mr. CORZINE):
S. 1839. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 to ensure that individual account plans protect workers by limiting the amount of employer stock each worker may hold, and encouraging diversification of investment of plan assets, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mrs. BOXER. Mr. President, today Senator CORZINE and I are introducing the Pension Protection and Diversification Act of 2001 (PPDA).

I authored and Congress passed a bill in 1997 amending ERISA. That law bars employers from forcing employees to invest their voluntary contributions to their 401(k)s in the employer’s real estate or equities with a couple of exceptions. I believe that what Enron did violated the law I authored. Enron “locked down” its pension fund for a period of time during which the company changed hands. That lock down effectively forced Enron employees to have their voluntary contributions and earnings on those contributions invested in Enron’s plunging stock. That said, we are introducing the bill in order to protect employees from losing their retirement savings in the future the way that Enron employees lost theirs.

Enron employees were naturally drawn to Enron stock because of its meteoric rise. But when the stock crashed, it took many Enron employees’ savings down with it. There are two lessons we should learn from this situation. First, Enron workers had far too much of their individual 401(k) account plans invested in Enron stock. And second, Enron forced its employees to hold its matching contribution in Enron stock to the employee’s 401(k) account for far too long.

Unfortunately, Enron employees are not the only ones with 401(k) investment habits. There are far too many workers in far too many companies disproportionately investing their retirement savings in employer stock.

The “Pension Protection and Diversification Act of 2001,” PPDA, will encourage workers to diversify their retirement savings and to encourage employers to give workers the power to diversify their retirement plans.

Toward that end, the bill limits to 20 percent of any employee’s salary an employer can have in any one stock across their individual account plans. Studies show that employees do not diversify their investments sufficiently even when they have the power to diversify. In the Enron case, too many workers followed their employer’s lead and invested too much of their own money in Enron stock. This provision, based on the opinions that financial management experts have expressed in numerous articles over the last few years, is designed to discourage that gamble.

The PPDA also limits to 90 days the time that an employer can force an employee to hold a matching employer stock contribution. Too often, the current holding period on stock ownership in a retirement plan is prohibitive because it requires participants to keep their shares far longer than might suit their personal needs.

There are typically two types of structures. Either the participant is required to hold the stock until a certain age, for example, at Enron they had to hold it until they were at least 50 years old or older, or the participant is required to hold the stock for a certain period of time, for example, for 5 years or longer. These mandatory holding periods require investors to hang on to their company stock for 5 to 25 years or more before they can properly divest themselves to a more diversified portfolio. This bill will put an end to that practice.

To encourage cash matching contributions rather than matching contributions in stock, the PPDA limits to 50 percent, instead of 100 percent, the tax deduction that an employer can take on a matching contribution if that contribution is made in stock. Employers often match the employee match in employer stock to their 401(k) plans is seen as a tacit recommendation to put their voluntary contributions in employer stock as well. By encouraging cash over stock contributions, this bill gives employees the power to determine where their funds are invested.

And last, the PPDA lowers to 35 years of age and 5 years of service the so-called employer match to diversify his or her investments in an Employee Stock Ownership Plan, ESOP. The current diversification rules are too restrictive and leave employees too exposed.

ESOPs currently are required to allow employees to diversify only a portion of their employer stock; they can diversify only during limited window periods; and they can diversify only after they reach age 55 with 10 years of service. In practice, most employees most of the time don’t have current diversification rights in ESOPs. By the time they are eligible to diversify, it may be too late.

There is another factor to bear in mind. A 401(k) or other defined contribution plan that holds enough employer stock can readily be converted to an ESOP. New worker protections enacted to apply to 401(k) plans could be circumvented by converting the portion of the 401(k) plan that is investing in company stock to an ESOP or by setting up an ESOP from the outset. Allowing divestiture at an earlier date will help avoid the situation.

We eliminated from the rest of this bill because there are other factors at play, such as the basic purpose of ESOPs. I think there is justification for having 401(k) diversification rights that are far broader then ESOP diversification rights, but I am including ESOP diversification requirements in this bill because in their current form, those requirements are too narrow.

Whether or not Enron broke the law in the management of its pension plan is being determined in the courts. I believe that they did, but we must make sure all workers are protected from losing their savings before an employer’s stock collapses.

I encourage my colleagues to cosponsor this legislation.

By Mr. ALLARD (for himself, Mrs. CLINTON, Mr. SHELBY, and Mr. FEINGOLD): S. 1839. A bill to amend the Bank Holding Company Act of 1956, and the Revised Statutes of the United States to prohibit financial holding companies and national banks from engaging, directly or indirectly, in real estate brokerage or real estate management activities, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Mr. ALLARD. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

Mrs. BOXER. Mr. President, today Senator CORZINE and I are introducing the Pension Protection and Diversification Act of 2001 (PPDA), revised at the end the following new paragraph:

SEC. 2. Clarification that Real Estate Brokerage and Management Activities Are Not Banking or Financial Activities.

(a) Bank Holding Company Act of 1956.—Section 4(k) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(k)) is amended by adding at the end the following new paragraph:

“(b) Real Estate Brokerage and Real Estate Management Activities.—

(A) In general.—The Board may not determine that real estate brokerage activity or real estate management activity is an activity that is financial in nature, is incidental to any financial activity, or is complementary to a financial activity.

(B) Real Estate Brokerage Activity Defined.—For purposes of this paragraph, the term ‘real estate brokerage activity’ means any activity that involves offering or providing real estate brokerage services to the public, including—

(i) acting as an agent for a buyer, seller, lessor, or lessee of real property;

(ii) listing or advertising real property for sale, purchase, lease, rental, or exchange;

(iii) providing advice in connection with sale, purchase, lease, rental, or exchange of real property;

(iv) negotiating, on behalf of any party, any portion of a contract relating to the sale, purchase, lease, rental, or exchange of real property (other than in connection with providing financing with respect to any such transaction);

(v) engaging in any activity for which a person engaged in the activity is required to be registered or licensed as a real estate agent or broker under any applicable law; and

(vii) offering to engage in any activity, or act in any capacity, described in clause (i), (ii), (iii), (iv), or (v).

(C) Real Estate Management Activity Defined.—For purposes of this paragraph,
the term ‘real estate management activity’ means any activity that involves offering or providing real estate management services to the public, including—

(i) procuring any tenant or lessee for any real property;

(ii) negotiating leases of real property;

(iii) maintaining security deposits on behalf of such company or affiliate.

This paragraph shall not apply to an activity that is financial in nature, is incidental to a financial activity, or is complementary to a financial activity.

DEFINITIONS.—For purposes of this section, the terms ‘real estate brokerage activity’ and ‘real estate management activity’ have the same meanings as in section 4(k)(8) of the Bank Holding Company Act of 1956.

SEC. 2. EXCEPTION TO MEDICARE 20 PERCENT INPATIENT CARE LIMITATION FOR CERTAIN RURAL HOSPICE PROGRAMS.

(a) In general.—Section 1861(d)(6) of the Social Security Act (42 U.S.C. 1395x(d)(6)) is amended—

(1) in paragraph (2)(A)(ii), by inserting ‘subject to paragraph (6),’ after ‘(iii)’; and

(2) by adding at the end the following new paragraph:

‘(6) The requirement of paragraph (2)(A)(iii) (relating to a limitation on the proportion of hospice care provided in an in-patient setting) shall not apply in the case of a hospice program that meets the following requirements:’

‘(A) The hospice program is a non-profit organization, provides a residence for individuals who do not have a primary caregiver available at home, is located in a rural area (as defined in section 1866(d)(2)(D)), is not certified for purposes of this title to provide hospice care except as an incident to a financial activity, and is not affiliated with any organization that provides a type of care other than hospice care.

‘(B) The residence has not more than 20 beds.

‘(C) The residence offers all other categories of hospice care, including continuous home care, respite care, and general patient care, for individuals who qualify to receive such care.’

(b) MAINTAINING PAYMENT RATES FOR ROUTINE CARE.—Section 1814(a) of such Act (42 U.S.C. 1395n(a)) is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following new paragraph:

‘(3A) With respect to a care provided under a hospice program described in section 1861(d)(6) that meets the requirements of that section, payment for routine care and other services included in hospice care furnished under such program shall be made at the rate applicable under this subsection for routine home care and other services included in hospice care.

‘(B) For purposes of determining payment amounts under subparagraph (A) with respect to routine and continuous care, the residence described in section 1861(d)(6) is deemed to be the home of the individual receiving hospice care.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to hospice care provided on or after the date of enactment of this Act.

By Mr. CLELAND:

S. 1842. A bill to modify the project for beach erosion control, Tybee Island, Georgia; to the Committee on Environment and Public Works.

Mr. CLELAND. Mr. President, today I am introducing legislation to expand the existing Federal shoreline protection project on Tybee Island, GA to include the North Beach area of the island. This project, which originally began as an effort to protect the oceanfront beach, has previously been expanded to include the southern tip of the island as well as a portion of the Back River. On November 8, 2001, at my request, the Senate Committee on Environment and Public Works passed a Study Resolution asking the Army Corps of Engineers to conduct a reconnaissance study to determine whether it is advisable to expand the project to include North Beach. The legislation I am introducing today will provide the necessary authorization to expand the project once the required studies are completed. Erosion of the dunes on North Beach is endangering one of my constituents. I believe the Army Corps of Engineers, in conjunction with this legislation will help to preserve a truly beautiful beachfront for those who reside on and visit Tybee Island.

By Mr. BINGAMAN (for himself and Mr. DOMENICI):

S. 1844. A bill to authorize a pilot program for purchasing buses by public transit authorities that are recipients of assistance or grants from the Federal Transit Administration; to the Committee on Banking, Housing, and Urban Affairs.

Mr. BINGAMAN. Mr. President, I rise today to introduce legislation that will benefit every public transit agency in America by streamlining their purchasing of buses with Federal funding. I am pleased to be joined in introducing this bill by my colleague, Senator DOMENICI, who has worked with me on developing this important legislation.

Our bill is very simple. It authorizes a 5-year pilot program to allow State and local transit authorities that receive Federal transit assistance the option to purchase transit buses through the General Services Administration.

Allowing public transit authorities the option to purchase buses through the GSA could result in substantial cost savings to the Federal Government. In addition, GSA’s standardized options and prices would help streamline the procurement process for buses, which could be especially valuable to smaller communities. I do believe our bill will help stretch each dollar of Federal transit funding a little bit farther.

Currently only one transit agency, the Metropolitan Area Transit Authority has the option to purchase buses through the General Services Administration. WMATA is today using this authority to purchase buses. The pilot program authorized in our bill would open up the option to all public transit agencies around the country that receive Federal transit assistance. However, as a pilot program, it is limited only to heavy-duty transit buses and intercity coaches. Because of GSA’s limited experience with transit bus purchases, this bill provides for the pilot program to be managed by the Federal Transit Administration.

The General Services Administration currently offers three heavy-duty transit buses and two intercity coaches. Because of GSA’s limited experience with transit bus purchases, this bill provides for the pilot program to be managed by the Federal Transit Administration.

The General Services Administration currently offers three heavy-duty transit buses and two intercity coaches. Because of GSA’s limited experience with transit bus purchases, this bill provides for the pilot program to be managed by the Federal Transit Administration. Currently only one transit agency, the Metropolitan Area Transit Authority has the option to purchase buses through the General Services Administration. WMATA is today using this authority to purchase buses. The pilot program authorized in our bill would open up the option to all public transit authorities around the country that receive Federal transit assistance. However, as a pilot program, it is limited only to heavy-duty transit buses and intercity coaches. Because of GSA’s limited experience with transit bus purchases, this bill provides for the pilot program to be managed by the Federal Transit Administration. Currently only one transit agency, the Metropolitan Area Transit Authority has the option to purchase buses through the General Services Administration. WMATA is today using this authority to purchase buses. The pilot program authorized in our bill would open up the option to all public transit authorities around the country that receive Federal transit assistance. However, as a pilot program, it is limited only to heavy-duty transit buses and intercity coaches. Because of GSA’s limited experience with transit bus purchases, this bill provides for the pilot program to be managed by the Federal Transit Administration. Currently only one transit agency, the Metropolitan Area Transit Authority has the option to purchase buses through the General Services Administration. WMATA is today using this authority to purchase buses. The pilot program authorized in our bill would open up the option to all public transit authorities around the country that receive Federal transit assistance.
for all bus manufacturers interested in selling buses through GSA contracts. In addition, bus suppliers that already have GSA contracts would be permitted to modify their proposals.

Finally, to ensure future fairness to all buses, the GSA will expand the bus program to a full multiple-award schedule with a larger variety of vehicles and choices of optional equipment. GSA indicates this process will take 12 to 18 months. Therefore, our bill directs GSA to complete the multiple-award schedule by December 31, 2003, and authorizes state and local transit authorities that receive Federal transit assistance to purchase high-duty transit buses and intercity coaches off these new GSA schedules. The pilot program ends after 5 years on December 31, 2006.

I believe it is very important to point out that as a pilot program, our bill is limited only to transit buses and intercity coaches. It has no effect on companies that supply other types of vehicles, pharmaceuticals, or any other product that currently can be purchased through the General Services Administration.

I believe transit buses are a unique situation in which public transit agencies should be allowed to use their Federal funding to purchase buses through the GSA. There are only a few bus manufacturers in America today and most buses are purchased using Federal funds. We must consider the General Services Administration. In fact, our bill requires that a majority of the cost of all buses purchased through the GSA be from Federal funds. We also believe that the pilot program authorized in our bill could provide valuable information on bus purchasing that Congress may want to consider when the 6-year transportation bill is reauthorized in 2003.

Our bus manufacturers are not having a good year this recession. Our bill will help expedite bus companies by eliminating the cost of responding to myriad requests for proposals from public transit agencies. That’s why bus manufacturers, through the American Public Transportation Association, support our proposal. Our bill will also help the public transit agencies by reducing the cost of preparing the requests for proposals and assessing the responses.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

**Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, SECTION 1. SHORT TITLE. This Act may be cited as the “Public Transit Authority Pilot Procurement Authorization Act of 2001”.

SEC. 2. DEFINITIONS.

(a) Heavy-Duty Transit Bus.—The term “heavy-duty transit bus” has the same meaning given that term in the American Public Transportation Association Standard Procurement Guideline Specifications, dated March 25, 1999 and July 3, 2001, and as contained in the General Services Administration Solicitation FFAH-B1-002272-N.

(b) Intercity Coach.—The term “intercity coach” has the same meaning given that term in the General Services Administration Solicitation FFAH-B1-002272-N, Amendment number 2, dated June 6, 2000.

SEC. 3. PILOT PROGRAM FOR SALE TO PUBLIC TRANSIT AUTHORITIES.

(a) In General.—The Federal Transit Administration of the Department of Transportation shall carry out a pilot program to facilitate and accelerate the procurement of heavy-duty transit buses and intercity coaches by State, local, and regional transportation authorities that are recipients of Federal Transit Administration assistance or grants where Federal funds provide the majority of the funding for the bus procurement, through existing or new or modified contracts with the General Services Administration. The transit authorities shall obtain Federal Transit Administration approval prior to placement of orders.

(b) PROCUREMENT FOR HEAVY-DUTY TRANSIT AND INTERCITY COACHES.—Notwithstanding any other provision of law or Federal regulation, the General Services Administration Solicitation FFAH-B1-002272-N shall be reopened to all qualified heavy-duty transit bus and intercity coach manufacturing companies that bid for contracts to sell such buses and coaches to State, local, and regional transportation authorities that are recipients of Federal Transit Administration assistance or grants where Federal funds provide the majority of the funding for the bus procurement.

(c) MODIFICATIONS OF EXISTING GSA CONTRACTS.—Notwithstanding any other provision of law or Federal regulation, the General Services Administration Solicitation FFAH-B1-002272-N prior to the date of enactment of this Act, shall be amended to modify or restructure their bids incorporated in such contracts to respond to prospective sales of heavy-duty transit buses and intercity coaches to State, local, and regional transportation authorities that are recipients of Federal Transit Administration assistance or grants where Federal funds provide the majority of the funding for the bus procurement.

(d) AUTHORITY TO PURCHASE FROM EXISTING AND NEW CONTRACTS.—Notwithstanding any other provision of law or Federal regulation, the General Services Administration, State, intercity, and regional transportation authorities that are recipients of Federal Transit Administration assistance or grants where Federal funds provide the majority of the funding for the bus procurement, shall be authorized to purchase heavy-duty transit buses and intercity coaches from—

(1) existing contracts;

(2) existing contracts as modified pursuant to subsection (c); and

(3) new contracts awarded by the General Services Administration prior to the original or reopened Solicitation FFAH-B1-002272-N.

(e) TERMINATION.—The pilot program carried out under this Act shall terminate on December 31, 2006.

SEC. 4. ESTABLISHMENT OF MULTIPLE AWARD SCHEDULE BY GSA.

Not later than December 31, 2003, the General Services Administration under the assistance and consultation with the Federal Transit Administration, shall establish and publish a multiple award schedule for heavy-duty transit buses and intercity coaches which shall permit Federal agencies and State, regional, or local transportation authorities that are recipients of Federal Transit Administration assistance or grants where Federal funds provide the majority of the funding for the bus procurement, or other ordering entities, to acquire heavy-duty transit buses and intercity motor coaches under those schedules.

SEC. 5. REPORTING REQUIREMENTS.

(a) IN GENERAL.—The Administrator of the Federal Transit Administration and the Administrator of General Services shall submit a joint report quarterly, in writing, to the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Committee on Transportation and Infrastructure of the House of Representatives.

(b) CONTENTS.—The report required to be submitted under subsection (a) shall describe, with specificity—

(1) all measures being taken to accelerate the processes authorized under this Act, including any estimates on the effect of this Act on job retention in the bus and intercity coach manufacturing industry;

(2) job creation in the bus and intercity coach manufacturing industry, as a result of the authorities provided under this Act; and

(3) bus and intercity coach manufacturing economic growth in those States and localities that have participated in the pilot program to be carried out under this Act.

SEC. 6. COMPLIANCE WITH OTHER LAW.

Except as otherwise specifically provided in this Act, this Act shall be carried out in accordance with all applicable Federal transit laws and requirements.

AMERICAN PUBLIC TRANSPORTATION
ASSOCIATION,

Hon. Jeff Bingaman, Chairman, Committee on Energy and Natural Resources, Dirksen Senate Office Building, Washington, DC.

Dear Mr. Chairman: I write regarding a bill (S. 1844) I understand you intend to introduce this session, the “Public Transit Authority Pilot Procurement Authorization Act of 2001”, that would allow recipients of funds under the federal transit program to purchase heavy-duty and intercity buses from the General Services Administration schedule of contracts.

The Business Member Board of Governors of the American Public Transportation Association (APTA) considered a similar provision in a meeting on Sunday, September 30, 2001. They voted in support of the measure. Further, on December 7, 2001, APTA’s Legislative Committee considered a proposal similar to the provisions of your bill and unanimously agreed to support it. While APTA’s governing body has not had an opportunity formally to consider your bill, our public transit members are supportive of the measures that would standardize the federal procurement process, as this provision would do. We are particularly
pleased to note that under the provision GSA, with assistance from the Federal Transit Administration, would be required to establish and publish a multiple award schedule for public transportation bus manufacturers, which may allow any heavy-duty or intercity bus manufacturer to be provided an opportunity to participate in the program.

Please contact Daniel Duff, APTA’s Chief Counsel & Vice President, Government Affairs, should you have any questions about this matter. He may be reached at 202-496-2690 or internet e-mail dduff@apta.com.

Sincerely yours,

William W. Millar, President.

By Mr. KERRY:

S. 1845. A bill to amend title 5, United States Code, to create a presumption that disability of a Federal employee in fire protection activities caused by certain conditions is presumed to result from the performance of such employee’s duty; to the Committee on Governmental Affairs.

Mr. KERRY. Mr. President, today I am introducing legislation on behalf of thousands of Federal fire fighters and emergency response personnel worldwide who, at great risk to their own personal health and safety, protect America’s defense, our veterans, Federal wildlands, and national treasures.

Although the majority of these important Federal employees work for the Department of Defense, Federal fire fighters are also employed by the Department of Veterans Affairs, and the United States Park Service. From first-response emergency care services on military installations around the world to front-line defense against raging forest fires here at home, we call on these brave men and women to protect our national interests.

Yet under Federal law, compensation and retirement benefits are not provided to Federal employees who suffer from occupational illnesses unless they can prove that conditions of employment which caused their disease. This onerous requirement makes it nearly impossible for Federal fire fighters, who suffer from occupational diseases, to receive fair and just compensation or retirement benefits. The bureaucratic nightmare they must endure is burdensome, unnecessary, and in many cases, overwhelming. It is ironic and unjust that the very people we call on to protect our Federal interests are not afforded the health care and retirement benefits our Federal Government has to offer.

Today, I introduced legislation, the Federal Fire Fighters Fairness Act of 2001, which amends the Federal Employees Compensation Act to create a presumptive disability for fire fighters who become disabled by heart and lung disease, cancers such as leukemia and lymphoma, and infectious diseases like tuberculosis and hepatitis. Disabilities related to the cancers, heart, lung, and infectious diseases enumerated in this important legislation would be considered job related for purposes of workers compensation and disability retirement, entitling those affected to the health care coverage and retirement benefits that they deserve.

Too frequently, the poisonous gases, toxic byproducts, asbestos, and other hazardous substances with which Federal fire fighters and emergency response personnel come in contact, rob them of their health livelihood, and professional careers. The Federal Government should not rob them of necessary benefits. Thirty-eight States have already enacted similar disability presumption law for Federal fire fighters’ counterparts working in similar capacities on the State and local levels.

The effort behind the Federal Fire Fighters Fairness Act of 2001 marks a significant advancement for fire fighter health and safety. Since September 11, there has been an enhanced appreciation for the risks that fire fighters and emergency response personnel face every day. Federal fire fighters deserve our highest commendation and it is time to do the right thing for these important Federal employees.

The job of fire fighting continues to be complex and dangerous. The nation’s safety, our personal health and safety, protect America’s defense, our veterans, Federal wildlands, and national treasures.

Too frequently, the poisonous gases, toxic byproducts, asbestos, and other hazardous materials, the recent rise in both natural and manmade disasters, and the threat of terrorism pose new threats to fire fighter health and safety. The Federal Fire Fighters Fairness Act of 2001 will help protect the lives of our fire fighters and will provide them with a vehicle to secure their health and safety.

I urge my colleagues to embrace this bipartisan effort and support the Federal Fire Fighters Fairness Act of 2001 on behalf of our Nation’s Federal fire fighters and emergency response personnel.

AMENDMENTS SUBMITTED AND PROPOSED

SA 2614. Mr. MCCAIN (for himself, Mr. GRAMM, Mr. KERRY, Mrs. MURRAY, and Mr. SMITH of Oregon) submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table.

SA 2615. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2616. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2617. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2618. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.
SA 2633. Mr. BOND submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2634. Mr. BOND submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2635. Mr. BOND submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2636. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2637. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2638. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2639. Mr. SANTORUM (for himself, Mr. DURBIN, Mr. SMITH of Oregon, Mr. KOHL, Mr. HATCH, Mrs. CLINTON, and Mr. JEFORDS) submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2640. Mr. DASCHLE (for Mr. KENNEDY (for himself and Mr. GREGG)) proposed an amendment to the concurrent resolution H. Con. Res. 10, directing the Clerk of the House of Representatives to make technical corrections in the enrollment of the bill H.R. 1.

SA 2641. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table.

SA 2642. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2643. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2644. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2645. Mr. FITZGERALD submitted an amendment intended to be proposed to amendment SA 2516 submitted by Mr. FITZGERALD and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2646. Mr. MCCAIN (for himself, Mr. GRAMM, Mr. KERRY, Mrs. MURRAY, and Mr. SMITH of Oregon) submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2647. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2648. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2649. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2650. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2651. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2652. Mr. HUTCHINSON submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2653. Mr. KYL submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2654. Mr. ROBERTS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2655. Mr. ROBERTS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2656. Mr. ROBERTS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2657. Mr. CRAIG submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2658. Mr. TORRICELLI (for himself and Mr. CHAFFEY) submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2659. Mr. SMITH of Oregon submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2660. Mr. SMITH of Oregon submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2661. Mr. FITZGERALD submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2662. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2663. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2664. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2665. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2666. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2667. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2668. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2669. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2670. Mrs. BOXER submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2671. Mr. COCHRAN (for himself and Mr. ROBERTS) submitted an amendment to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2672. Mr. HOLLINGS proposed an amendment to the bill H.R. 3210, to ensure the continued financial capacity of insurers to provide coverage for terrorism; which was ordered to lie on the table.

SA 2673. Mr. SMITH of New Hampshire (for himself and Mr. CRAPO) submitted an amendment to the bill H.R. 3210, to amend the Pittman-Robertson Wildlife Restoration Act to improve the provisions relating to wildlife conservation and restoration programs, and for other purposes; which was ordered to lie on the table.

SA 2674. Mr. ALLARD submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table.

SA 2675. Mr. ALLARD submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2676. Mr. HUTCHINSON (for himself, Mr. LOTT, Mr. SESSIONS, and Mr. HELMS) submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table.

SA 2677. Mr. GRASSLEY, Mr. HAGEL, Mr. LUGAR, Mr. JOHN-SON, Mr. NELSON of Nebraska, Mr. TORRICELLI, and Mr. WELLSTONE) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 2614. Mr. MCCAIN (for himself, Mr. GRAMM, Mr. KERRY, Mrs. MURRAY, and Mr. SMITH of Oregon) submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:
At the appropriate place, in the amendment the following:

SEC. 310. MARKET NAME FOR CATFISH.

The term “catfish” shall be considered to be a common or usual name (or part thereof) for any fish in keeping with Food and Drug Administration procedures that follow scientific standards and market practices for establishing such names for the purposes of section 493 of the Federal Food, Drug, and Cosmetic Act, including with respect to the importation of such fish pursuant to section 801 of such Act.

SA 2615. Mr. COCHRAN submitted an amendment intended to be proposed to the amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 689, strike line 17 and all that follows through page 689, line 5, and insert the following:

"(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2002 through 2006.".

SA 2616. Mr. COCHRAN submitted an amendment intended to be proposed to the amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 698, strike line 17 and all that follows through page 698, line 5, and insert the following:

"(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2002 through 2006.".

SA 2619. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike section 793.

SA 2620. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 762, strike line 23 and all that follows through page 762, line 11, and insert the following:

"(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $2,000,000 for each of fiscal years 2002 through 2006.".

SA 2617. Mr. COCHRAN submitted an amendment intended to be proposed to the amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 820, strike line 23 and all that follows through page 821, line 11, and insert the following:

"(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 2002 through 2006.".

SA 2618. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 811, strike line 15 and all that follows through page 812, line 3, and insert the following:

"(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2002 through 2006.".

SA 2621. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 837, strike lines 1 through 14 and insert the following:

"(k) FUNDING.—On October 1, 2005, and each October 1 thereafter through October 1, 2006, of funds of the Commodity Credit Corporation, the Secretary shall transfer to the Account to carry out this section $145,000,000; and".

SA 2622. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

"(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 2002 through 2006.".

SA 2625. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

"(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $2,000,000 for each of fiscal years 2002 through 2006.".
credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 900, strike line 21 and all that follows through page 901, line 14, and insert the following:

“(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2002 through 2006.”

SA 2628. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DACILE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 896, strike line 21 and all that follows through page 897, line 9, and insert the following:

“(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2002 through 2006.”

SA 2627. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DACILE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 862, strike lines 6 through 24 and insert the following:

“(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2002 through 2006.”

SA 2628. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DACILE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 867, strike lines 15 through 20 and insert the following:

“(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2002 through 2006.”

SA 2629. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DACILE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

“(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2002 through 2006.”

(B) would benefit fish, wildlife, or plants of 1 or more refuges within the National Wildlife Refuge System.

(4) NONPARTICIPATING STATES.—In the case of a State that elects not to participate in the program—

“(A) the Secretary shall give, to applications from landowners in the State to enroll land in the conservation reserve program under subchapter B of chapter 1, priority that is equal to the priority given under paragraph (3) to applications from landowners in States participating in the program; and

“(B) notwithstanding paragraph (1), landowners in the State may enroll in the conservation reserve program under subchapter B of chapter 1 such acreage as the landowners in the State would have enrolled in the program if the State had elected to participate in the program.

“(5) ENROLLMENT AUTHORITY.—The priority”.

SA 2631. Mr. WELLSTONE submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DACILE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table, as follows:

Beginning on page 226, strike line 1 and all that follows through page 235, line 6 and insert the following:

“(4) LARGE CONFINED LIVESTOCK FEEDING OPERATIONS.—

(A) DEFINITION OF LARGE CONFINED LIVESTOCK FEEDING OPERATION.—In this paragraph:

(i) IN GENERAL.—The term ‘large confined livestock feeding operation’ means a confined livestock feeding operation designed to confine 1,000 or more animal equivalent units (as defined by the Secretary).

(ii) WAIVER.—The Secretary may on a case by case basis grant a State a waiver from the requirement in (4)(A)(i), of this section, in accordance with Volume 62, No. 99 of the Federal Register.

(iii) MULTIPLE LOCATIONS.—In determining the number of animal unit equivalents of the operation of a producer under clause (i), the animals confined by the producer in confinement facilities at all locations (including the producer’s proportionate share in any jointly owned facility) shall be counted.

(B) NEW OR EXPANDED OPERATIONS.—Subject to (4)(A)(i) of this section, a producer shall not be eligible for cost-share payments for any portion of a storage or treatment facility or any associated waste transport or treatment device, to manage manure, process wastewater, or any other animal waste generated by a large confined livestock feeding operation, if the operation is a confined livestock operation that—

(i) is established as a large confined livestock operation after the date of enactment of this paragraph; or

(ii) becomes a large confined livestock operation after the date of enactment of this paragraph by expanding the capacity of the operation to confine livestock.

(C) MODIFICATION OF OPERATION.—A modification of a large confined livestock operation shall not be considered an expansion under paragraph (4)(A)(i) of this section, if as determined by the Secretary, the modification involves—

"..."
be necessary to encourage a producer to perform technical assistance is provided for a fiscal year.

(2) AMOUNT.—The allocated amount may vary according to—

(A) the type of expertise required;

(B) the quantity of time involved; and

(C) other factors as determined appropriate by the Secretary.

(3) LIMITATION.—Funding for technical assistance under the program shall not exceed the projected cost to the Secretary of the technical assistance provided for a fiscal year.

(4) OTHER AUTHORITIES.—The receipt of technical assistance under the program shall not affect the eligibility of the producer to receive technical assistance under other authorities of law available to the Secretary.

(5) VOLUNTARY PAYMENTS FOR TECHNICAL ASSISTANCE.—

(A) In GENERAL.—A producer that is eligible to receive technical assistance for a practice involving the development of a comprehensive nutrient management plan may obtain an incentive payment that can be used to obtain technical assistance associated with that component of the comprehensive nutrient management plan.

(B) PURPOSE.—The purpose of the payment shall be to provide a producer the option of obtaining technical assistance for developing any component of a comprehensive nutrient management plan from a certified provider.

(C) PAYMENT.—The incentive payment shall be—

(i) in addition to cost-share or incentive payments that a producer would otherwise receive for structural practices and land management practices;

(ii) used only to procure technical assistance from a certified provider that is necessary to develop any component of a comprehensive nutrient management plan; and

(iii) in an amount determined appropriate by the Secretary to carry out the program plan.

(D) the costs that the Secretary would have incurred in providing the technical assistance; and

(E) ELIGIBLE PRACTICES.—The Secretary may determine, on a case by case basis, whether the development of a comprehensive nutrient management plan is eligible for an incentive payment under this paragraph.

(F) CERTIFICATION BY SECRETARY.—

(i) IN GENERAL.—Only persons that have been certified by the Secretary under section 124H(f)(3) shall be eligible to provide technical assistance under this subsection.

(ii) QUALIFICATION OF THE SECRETARY.—The Secretary shall ensure that certified providers are capable of providing technical assistance regarding comprehensive nutrient management plans that meets the specifications and guidelines of the Secretary and that meets the needs of producers under the program.

(G) ADVANCE PAYMENT.—On the determination of the Secretary that the proposed comprehensive nutrient management of a producer is eligible for an incentive payment, the provider may receive a partial advance of the incentive payment in order to procure the services of a certified provider.

(H) FINAL PAYMENT.—The final installment of the incentive payment shall be payable to a producer on presentation to the Secretary of documentation that is satisfactory to the Secretary that—

(i) completion of the technical assistance; and

(ii) the actual cost of the technical assistance.

(I) MODIFICATION OR TERMINATION OF CONTRACTS.—

(I) VOLUNTARY MODIFICATION OR TERMINATION.—The Secretary may modify or terminate a contract entered into with a producer under this chapter if—

(A) the producer agrees to the modification or termination; and

(B) the Secretary determines that the modification or termination is in the public interest.

(2) INVOLUNTARY TERMINATION.—The Secretary may terminate a contract under this chapter if the Secretary determines that the producer violated the contract.

SEC. 1240C. EVALUATION OF OFFERS AND PAYMENTS.

(A) In GENERAL.—In evaluating applications for technical assistance, cost-share payments, and incentive payments, the Secretary shall accord a higher priority to assistance and payments that—

(i) maximize environmental benefits per dollar expended; and

(ii) address national conservation priorities, including—

(a) meeting Federal, State, and local environmental purposes focused on protecting air and water quality, including assistance to producers using managed grazing systems and practices that avoid subjecting an operation to Federal, State, or local environmental regulatory systems; and

(b) in the case of a producer using managed grazing systems and practices that avoid subjecting an operation to Federal, State, or local environmental regulatory systems, for any practices to be implemented and the purposes to be met by the implementation of the plan, and in the case of confined livestock feeding operations, development and implementation of a comprehensive nutrient management plan.

(B) AVOIDANCE OF DUPLICATION.—The Secretary shall, to the maximum extent practicable, eliminate duplication of planning activities under the program and comparable conservation programs.

SEC. 1240D. DUTIES OF THE SECRETARY.

(A) To the extent appropriate, the Secretary shall assist a producer in achieving the conservation and environmental goals of a program plan by—

(i) providing technical assistance in developing and implementing the plan;

(ii) providing technical assistance, cost-share payments, or incentive payments under the program, a producer shall agree—

(ii) to refund to the Secretary any interest on the payments, as determined by the Secretary.

(B) If the Secretary determines that the violation does not warrant termination of the contract, to refund to the Secretary, or to offset the payment or payments provided to the owner or operator, as the Secretary determines to be appropriate;

(C) to provide information as required by the Secretary to determine compliance with the program plan and requirements of the contract; and

(D) to supply information as required by the Secretary to determine whether the producer in land subject to the contract achieved through 1 or more practices that achieve the environmental purpose to be met by the implementation of the plan, and in the case of confined livestock feeding operations, development and implementation of a comprehensive nutrient management plan.

(E) an innovative technology in connection with a structural practice or land management practice.

SEC. 1240D. DUTIES OR PRODUCERS.

(A) To receive technical assistance, cost-share payments, or incentive payments under the program, a producer shall agree—

(i) to implement an environmental quality improvement plan that describes conservation and environmental purpose to be achieved through 1 or more practices that are approved by the Secretary;

(ii) to conduct practices on the farm or ranch that would tend to defeat the purposes of the program;

(iii) in an amount determined appropriate by the Secretary to the maximum extent practicable, eliminate duplication of planning activities under the program and comparable conservation programs.

(B) The plan, and in the case of confined livestock feeding operations, development and implementation of a comprehensive nutrient management plan.

(C) the extent and complexity of the technical assistance provided;
SEC. 1240G. LIMITATION ON PAYMENTS.

(a) In General.—Subject to subsection (b), the total amount of cost-share and incentive payments paid to a producer under this chapter shall not exceed—

(1) $30,000 for any fiscal year, regardless of whether the producer has more than 1 contract for the fiscal year;

(2) $90,000 for a contract with a term of 3 years;

(3) $120,000 for a contract with a term of 4 years; or

(4) $150,000 for a contract with a term of more than 4 years.

(b) Attribution.—An individual or entity shall not receive, directly or indirectly, total payments from a single or multiple contracts this chapter that exceed $30,000 for any fiscal year.

(c) Exception to Annual Limit.—The Secretary may exceed the limitation on the annual amount of a payment to a producer under subsection (a)(1) if the Secretary determines that a larger payment is—

(1) essential to accomplish the land management practice or structural practice for which the payment is made to the producer; and

(2) consistent with the maximization of environmental benefits per dollar expended and the purposes of this chapter.

(d) Verification.—The Secretary shall identify individuals and entities that are eligible for a payment under the program using social security numbers and taxpayer identification numbers, respectively.

SEC. 1240H. PAYMENT LIMITATION.

(a) In General.—Subject to subsection (b), a producer shall not receive, directly or indirectly, total payments from a single or multiple contracts this chapter that exceed $30,000 for any fiscal year.

(b) Attribution.—An individual or entity shall not receive, directly or indirectly, total payments from a single or multiple contracts this chapter that exceed $30,000 for any fiscal year.

(c) Exception to Annual Limit.—The Secretary may exceed the limitation on the annual amount of a payment to a producer under subsection (a)(1) if the Secretary determines that a larger payment is—

(1) essential to accomplish the land management practice or structural practice for which the payment is made to the producer; and

(2) consistent with the maximization of environmental benefits per dollar expended and the purposes of this chapter.

(d) Verification.—The Secretary shall identify individuals and entities that are eligible for a payment under the program using social security numbers and taxpayer identification numbers, respectively.

SEC. 1240C. EVALUATION OF OFFERS AND PAYMENTS.

(a) In General.—The Secretary shall evaluate offers and payments that—

(1) address national conservation priorities, including—

(A) address national conservation priorities, including—

(i) air quality, including assistance to renewable energy production systems and practices that avoid emissions of greenhouse gases, for example, assistance that reduces emissions associated with the production of biomass from agricultural or forest lands;

(ii) water quality, including assistance to reduce the amount of phosphorus and nitrogen that enters water bodies, for example, through improvements in the management of animal waste;

(iii) soil quality, for example, through the use of practices such as rotation and cover crops;

(iv) pollution abatement, for example, through the use of practices such as the use of best management practices to reduce the amount of sediment, nutrients, and other pollutants that enter water bodies;

(v) air quality, soil quality, and water quality, for example, through the use of practices such as integrated pest management, which may include the use of practices such as cover crops, reduced tillage, and the use of pesticides that are less harmful to human health and the environment;

(b) Priority Considerations.—The Secretary shall accord a higher priority to assistance and payments that—

(1) address national conservation priorities, including—

(A) air quality, for example, through the use of practices such as the use of renewable energy production systems and practices that avoid emissions of greenhouse gases, for example, through the use of best management practices to reduce the amount of sediments, nutrients, and other pollutants that enter water bodies;

(B) water quality, for example, through the use of practices such as integrated pest management, which may include the use of practices such as cover crops, reduced tillage, and the use of pesticides that are less harmful to human health and the environment;

(C) soil quality, for example, through the use of practices such as rotation and cover crops;

(D) pollution abatement, for example, through the use of practices such as the use of best management practices to reduce the amount of sediment, nutrients, and other pollutants that enter water bodies;

(E) air quality, soil quality, and water quality, for example, through the use of practices such as integrated pest management, which may include the use of practices such as cover crops, reduced tillage, and the use of pesticides that are less harmful to human health and the environment;

(b) Priority Considerations.—The Secretary shall accord a higher priority to assistance and payments that—

(1) address national conservation priorities, including—

(A) air quality, for example, through the use of best management practices to reduce the amount of sediment, nutrients, and other pollutants that enter water bodies;

(B) water quality, for example, through the use of practices such as integrated pest management, which may include the use of practices such as cover crops, reduced tillage, and the use of pesticides that are less harmful to human health and the environment;

(C) soil quality, for example, through the use of practices such as rotation and cover crops;

(D) pollution abatement, for example, through the use of best management practices to reduce the amount of sediment, nutrients, and other pollutants that enter water bodies;

(E) air quality, soil quality, and water quality, for example, through the use of practices such as integrated pest management, which may include the use of practices such as cover crops, reduced tillage, and the use of pesticides that are less harmful to human health and the environment;

(b) Priority Considerations.—The Secretary shall accord a higher priority to assistance and payments that—

(1) address national conservation priorities, including—

(A) air quality, for example, through the use of best management practices to reduce the amount of sediment, nutrients, and other pollutants that enter water bodies;

(B) water quality, for example, through the use of practices such as integrated pest management, which may include the use of practices such as cover crops, reduced tillage, and the use of pesticides that are less harmful to human health and the environment;

(C) soil quality, for example, through the use of practices such as rotation and cover crops;

(D) pollution abatement, for example, through the use of best management practices to reduce the amount of sediment, nutrients, and other pollutants that enter water bodies;

(E) air quality, soil quality, and water quality, for example, through the use of practices such as integrated pest management, which may include the use of practices such as cover crops, reduced tillage, and the use of pesticides that are less harmful to human health and the environment;

(b) Priority Considerations.—The Secretary shall accord a higher priority to assistance and payments that—

(1) address national conservation priorities, including—

(A) air quality, for example, through the use of best management practices to reduce the amount of sediment, nutrients, and other pollutants that enter water bodies;

(B) water quality, for example, through the use of practices such as integrated pest management, which may include the use of practices such as cover crops, reduced tillage, and the use of pesticides that are less harmful to human health and the environment;

(C) soil quality, for example, through the use of practices such as rotation and cover crops;

(D) pollution abatement, for example, through the use of best management practices to reduce the amount of sediment, nutrients, and other pollutants that enter water bodies;

(E) air quality, soil quality, and water quality, for example, through the use of practices such as integrated pest management, which may include the use of practices such as cover crops, reduced tillage, and the use of pesticides that are less harmful to human health and the environment;

(b) Priority Considerations.—The Secretary shall accord a higher priority to assistance and payments that—

(1) address national conservation priorities, including—

(A) air quality, for example, through the use of best management practices to reduce the amount of sediment, nutrients, and other pollutants that enter water bodies;

(B) water quality, for example, through the use of practices such as integrated pest management, which may include the use of practices such as cover crops, reduced tillage, and the use of pesticides that are less harmful to human health and the environment;

(C) soil quality, for example, through the use of practices such as rotation and cover crops;

(D) pollution abatement, for example, through the use of best management practices to reduce the amount of sediment, nutrients, and other pollutants that enter water bodies;

(E) air quality, soil quality, and water quality, for example, through the use of practices such as integrated pest management, which may include the use of practices such as cover crops, reduced tillage, and the use of pesticides that are less harmful to human health and the environment;

(b) Priority Considerations.—The Secretary shall accord a higher priority to assistance and payments that—

(1) address national conservation priorities, including—

(A) air quality, for example, through the use of best management practices to reduce the amount of sediment, nutrients, and other pollutants that enter water bodies;

(B) water quality, for example, through the use of practices such as integrated pest management, which may include the use of practices such as cover crops, reduced tillage, and the use of pesticides that are less harmful to human health and the environment;

(C) soil quality, for example, through the use of practices such as rotation and cover crops;

(D) pollution abatement, for example, through the use of best management practices to reduce the amount of sediment, nutrients, and other pollutants that enter water bodies;

(E) air quality, soil quality, and water quality, for example, through the use of practices such as integrated pest management, which may include the use of practices such as cover crops, reduced tillage, and the use of pesticides that are less harmful to human health and the environment;
(ii) applications from livestock producers using managed grazing systems and other pastures and forage base systems;
(iii) comprehensive nutrient management;
(iv) conservation practices, particularly in im-paired watersheds;
(v) soil erosion;
(vi) air quality; or
(vii) pesticide and herbicide management or reduction;
(B) are provided in conservation priority areas established under section 1230(c);
(C) are provided in special projects under section 1246(r)(4) with respect to which State or local governments have provided, or will provide, financial or technical assistance to producers for the conservation or envi-ronmental purposes; or
(D) an innovative technology in connection with a structural practice or land manage-ment practice.

SEC. 1240D. DUTIES OF PRODUCERS.

(a) To receive technical assistance, cost-share payments, or incentive payments under the program, a producer shall agree—

(1) to implement an environmental quality incentives program plan that describes con-servation and environmental purposes to be achieved in the producer's land manage-ment practices; and

(2) not to conduct any practices on the farm or ranch that would tend to defeat the purposes of the program;

(b) If the Secretary determines that the violation does not warrant termination of the contract—

(1) to forfeit all rights to receive payments under the contract;

(ii) to refund to the Secretary all or a por-tion of the payments received by the owner or operator under the contract, including any incentive payments, as determined by the Secretary;

(c) to correct the violation; and

(2) the Secretary shall assist a producer in achieving the conservation and environmental goals of a program plan by—

(i) providing technical assistance in develop-ing and implementing the plan;

(ii) providing technical assistance, cost-share payments, or incentive payments for developing and implementing 1 or more prac-tices, as appropriate;

(iii) providing the producer with information, education, and training to aid in imple-mentation of the plan; and

(iv) encouraging the producer to obtain technical assistance, cost-share payments, or grants from other Federal, State, local, or private sources.

SEC. 1240G. LIMITATION ON PAYMENTS.

(a) In General.—Subject to subsection (b), the total amount of cost-share and incentive payments paid to a producer under this chapter shall not exceed—

(1) $30,000 for any fiscal year, regardless of whether the producer has more than 1 contract for this chapter for the fiscal year;

(ii) $90,000 for a contract with a term of 3 years;

(iii) $120,000 for a contract with a term of 4 years;

(iv) $150,000 for a contract with a term of more than 4 years.

(b) Attribution.—An individual or entity shall not receive, directly or indirectly, total payments from a single or multiple contracts this chapter that exceed $30,000 for any fiscal year.

(c) Exception to Annual Limit.—The Sec-retary may exceed the limitation on the annual amount of a payment to a producer under subsection (a)(1) if the Secretary de-termines that a larger payment is—

(i) essential to accomplish the land man-age ment practice or structural practice for which the payment is made to the producer; and

(ii) consistent with the maximization of envi-ronmental benefits per dollar expended and the purposes of this chapter.

(d) Verification.—The Secretary shall identify individuals and entities that are eli-gible for a payment under the program using social security numbers and taxpayer identi-fication numbers, respectively.

SEC. 798A. AGRICULTURAL BIOTECHNOLOGY RE-SEARCH AND DEVELOPMENT FOR DEVELOPING COUNTRIES.

(a) In General.—The Secretary, after the Research and Education Act of 1998 (7 U.S.C. 7621 et seq.) (as amended by section 905(b)) is amended—

(1) in subsection (c), paragraph (2)—

(A) after sub-paragraph (F), by adding at the end the following:

"SEC. 410. AGRICULTURAL BIOTECHNOLOGY RE-SEARCH AND DEVELOPMENT FOR DEVELOPING COUNTRIES.

(a) In general.—Section 313(b) of the Research, Extension, and Education Act of 1998 (7 U.S.C. 7621 et seq.) (as amended by section 905(b)) is amended by adding at the end the following:

(1) ELIGIBLE ENTITY.—The term 'eligible entity' means—

(i) an institution of higher education;

(ii) a nonprofit organization; or

(iii) a consortium of for-profit institutions and agricultural research institutions.

(b) Definition of eligible entity.—The term 'institution of higher education' means—

(1) a historically black land-grant college or university;

(2) a Hispanic-serving institution (as de-fined in section 1404 of the National, Agricul-tural Research, Extension, and Teaching Policy Act of 1997 (7 U.S.C. 3803)); or

(3) a tribal college or university that of-fers a curriculum in agriculture or the bio-sciences.

(c) More Funds.—Funds provided to an eligible entity under this section may be used for projects that use biotechnology to—

(1) enhance the nutritional content of agricul-tural products that can be grown in de-veloping countries;

(2) increase the yield and safety of agricul-tural products that can be grown in de-veloping countries;

(3) increase the yield of agricultural products that are drought- and stress-resist-ant and that can be grown in developing countries;

(4) extend the growing range of crops that can be grown in developing countries;

(5) enhance the shelf-life of fruits and vegetables grown in developing countries;

(6) develop environmentally sustainable agricultural products that can be grown in developing countries; and

(7) develop vaccines to immunize against life-threatening illnesses and other medica-tions that can be administered by consuming genetically-engineered agricultural prod-ucts.

(d) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 2002 through 2006.

SEC. 1243. Mr. BOND submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the amendment (S. 1731) to strengthen the safety net for agricultural producers, enhance resource conserva-tion and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure con-sumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the end of Title VII insert the following:

"TITLE VIII—FORESTRY"
SA 2634. Mr. BOND submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the amendment (S. 1731) to strengthen the safety net for agricultural producers, enhance resource conserva-tion and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure con-sumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the end of Title VII insert the following:

"TITLE IV—Agricultural Research, Extension, Education, and Conservation Act of 1998 (7 U.S.C. 7621 et seq.) (as amended by section 905(b)) is amended—

(1) in subsection (c), paragraph (2)—

(A) after sub-paragraph (F), by adding at the end the following:

"(G) agricultural biotechnology research and development for de-veloping countries;"

(B) in sub-paragraph (B), by striking "and" and inserting "and"; and

(C) in sub-paragraph (F), by striking the period at the end and inserting "; and".

SA 2635. Mr. BOND submitted an amendment intended to be proposed to
amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the end of Title VII insert the following:

SEC. 798E. AGRICULTURAL BIOTECHNOLOGY RESEARCH AND DEVELOPMENT FOR DEVELOPING COUNTRIES.

Title IV of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621 et seq.) (as amended by section 905(b)) is amended by adding at the end the following:

"SEC. 410. AGRICULTURAL BIOTECHNOLOGY RESEARCH AND DEVELOPMENT FOR DEVELOPING COUNTRIES.

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE ENTITY.—The term ‘‘eligible entity’’ means—

(A) an institution of higher education;

(B) a nonprofit organization; or

(C) a consortium of for-profit institutions and agricultural research institutes.

(2) INSTITUTION OF HIGHER EDUCATION.—The term ‘‘institution of higher education’’ means—

(A) a historically black land-grant college or university;

(B) a Hispanic-serving institution (as defined in section 1304 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 313(b)); or

(C) a tribal college or university that offers a curriculum in agriculture or the biosciences;

(b) GRANT PROGRAM.—

(1) IN GENERAL.—The Secretary (acting through the Foreign Agricultural Service) shall establish and administer a program to make competitive grants to eligible entities to develop agricultural biotechnology for developing countries.

(2) USE OF FUNDS.—Funds provided to an eligible entity under this section may be used—

(A) to enhance the nutritional content of agricultural products that can be grown in developing countries;

(B) to increase the yield and safety of agricultural products that can be grown in developing countries;

(C) increase the yield of agricultural products that are drought- and stress-resistant and that can be grown in developing countries;

(D) extend the growing range of crops that can be grown in developing countries;

(E) enhance the shelf-life of fruits and vegetables grown in developing countries;

(F) develop environmentally sustainable agricultural production systems that can be grown in developing countries; and

(G) develop vaccines to immunize against life-threatening illnesses and other medications that can be administered by consuming genetically-engineered agricultural products.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are appropriated to be appropriated to carry out this section $5,000,000 for each of fiscal years 2002 through 2006.

TITLE VIII—FORESTRY

SA 2636. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SEC. 165. RESTRICTION OF COMMODITY AND CROP INSURANCE PAYMENTS, LOANS, AND BENEFITS TO PREVIOUSLY CROPPED LAND; FOOD STAMP PROGRAM FUNDING INCREASES.

(a) RESTRICTION.—Section 194 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 701a-127; 110 Stat. 945) is amended to read as follows:

"SEC. 194. RESTRICTION OF COMMODITY AND CROP INSURANCE PAYMENTS, LOANS, AND BENEFITS TO PREVIOUSLY CROPPED LAND.

(a) DEFINITION OF AGRICULTURAL COMMODITY.—In this section:

(1) IN GENERAL.—The term ‘‘agricultural commodity’’ means—

(A) an institution of higher education;

(B) a nonprofit organization; or

(C) a tribal college or university that offers a curriculum in agriculture or the biosciences;

(2) CROP ROTATION.—Paragraph (1) shall not apply to an owner or producer, with respect to any agricultural commodity planted or considered planted on land if the land—

(A) at least 1 of the 5 crop years preceding the 2002 crop year;

(B) at least 3 of the 10 crop years preceding the 2002 crop year;

(C) has been planted, considered planted, or devoted to an agricultural commodity during—

(i) at least 1 of the 5 crop years preceding the 2002 crop year; or

(ii) at least 3 of the 10 crop years preceding the 2002 crop year;

(D) has been maintained, and will continue to be maintained, using long-term crop rotation practices, as determined by the Secretary.

(C)(1) CROP INSURANCE.—Notwithstanding any provision of the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), the Federal Crop Insurance Corporation shall not pay premium subsidies or administrative costs of a reinsured company for insurance regarding a crop insurance policy of a producer under which Act unless the land that is covered by the insurance policy—

(A) has been planted, considered planted, or devoted to an agricultural commodity during—

(i) at least 1 of the 5 crop years preceding the 2002 crop year; or

(ii) at least 3 of the 10 crop years preceding the 2002 crop year;

(B) has been maintained, and will continue to be maintained, using long-term crop rotation practices, as determined by the Secretary.

(2) EXCLUSIONS.—The term ‘‘agricultural commodity’’ does not include forage, livestock, timber, forest products, or hay.

(b) COMMODITIES.—

(1) IN GENERAL.—Notwithstanding any other provision of this title, except as provided in paragraph (2), the Secretary shall not provide a payment, loan, or other benefit under this title to an owner or producer, with respect to land or a loan commodity considered planted on land during at least 1 of the 20 crop years preceding the 2002 crop year; and

(2) EXCLUSIONS.—The term ‘‘agricultural commodity’’ does not include forage, livestock, timber, forest products, or hay.

(c) CROP INSURANCE.—Notwithstanding any provision of the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), the Federal Crop Insurance Corporation shall not pay premium subsidies or administrative costs of a reinsured company for insurance regarding a crop insurance policy of a producer under which Act unless the land that is covered by the insurance policy—

(1) has been planted, considered planted, or devoted to an agricultural commodity during—

(A) at least 1 of the 5 crop years preceding the 2002 crop year; or

(B) at least 3 of the 10 crop years preceding the 2002 crop year;

(2) has been maintained, and will continue to be maintained, using long-term crop rotation practices, as determined by the Secretary.

(d) CONSERVATION RESERVE LAND.—For purposes of this section, land that is enrolled in the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) shall be considered planted to an agricultural commodity.

(b) FOOD STAMP PROGRAM.—

(1) STANDARD DEDUCTION.—Section 9(e)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(1)) (as amended by section 413) is amended by striking subparagraph (D) and inserting the following:

(D) APPLICABLE PERCENTAGE.—For the purpose of subparagraph (A), the applicable percentage shall be—

(i) 8 percent for each of fiscal years 2002 through 2006;

(ii) 8.5 percent for each of fiscal years 2007 and 2008;

(iii) 9 percent for fiscal year 2009;

(iv) 9.5 percent for fiscal year 2010; and

(v) 10 percent for fiscal year 2011 and each fiscal year thereafter.

(2) WORK REQUIREMENT.—Section 6(o)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2015(o)(2)) (as amended by section 421(a)(2)(A)) is amended by striking ‘‘24-month period’’ and inserting ‘‘12-month period’’ (but in the case of fiscal years 2002 and 2003, 24-month period)’’.

SA 2637. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SEC. 165. RESTRICTION OF COMMODITY AND CROP INSURANCE PAYMENTS, LOANS, AND BENEFITS TO PREVIOUSLY CROPPED LAND; FOOD STAMP PROGRAM FUNDING INCREASES.

(a) RESTRICTION.—Section 194 of the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127; 110 Stat. 945) is amended to read as follows:

"SEC. 194. RESTRICTION OF COMMODITY AND CROP INSURANCE PAYMENTS, LOANS, AND BENEFITS TO PREVIOUSLY CROPPED LAND.

(a) DEFINITION OF AGRICULTURAL COMMODITY.—In this section:

(1) IN GENERAL.—The term ‘‘agricultural commodity’’ has the meaning given the term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 1501).

(2) EXCLUSIONS.—The term ‘‘agricultural commodity’’ does not include forage, livestock, timber, forest products, or hay.

(b) COMMODITIES.—

(1) IN GENERAL.—Notwithstanding any other provision of this title, except as provided in paragraph (2), the Secretary shall not provide a payment, loan, or other benefit under this title to an owner or producer, with respect to land or a loan commodity considered planted on land during at least 1 of the 20 crop years preceding the 2002 crop year; and

(2) EXCLUSIONS.—The term ‘‘agricultural commodity’’ does not include forage, livestock, timber, forest products, or hay.

(c) CROP INSURANCE.—Notwithstanding any provision of the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), the Federal Crop Insurance Corporation shall not pay premium subsidies or administrative costs of a reinsured company for insurance regarding a crop insurance policy of a producer under which Act unless the land that is covered by the insurance policy—

(1) has been planted, considered planted, or devoted to an agricultural commodity during—

(A) at least 1 of the 5 crop years preceding the 2002 crop year; or

(B) at least 3 of the 10 crop years preceding the 2002 crop year;

(2) has been maintained, and will continue to be maintained, using long-term crop rotation practices, as determined by the Secretary.

(d) CONSERVATION RESERVE LAND.—For purposes of this section, land that is enrolled in the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) shall be considered planted to an agricultural commodity.
during at least 1 of the 20 crop years preceding the 2002 crop year; and

"(B) has been maintained, and will continue to be maintained, using long-term crop rotation practices, as determined by the Secretary.

"(c) CROP INSURANCE.—Notwithstanding any provision of a federal crop insurance statute, policy, or regulations, in the event of a violation of section 12, the Department of Agriculture shall not pay premium subsidies or administrative costs of a reinsured company for insurance regarding a crop insurance policy of a producer under that Act unless, the land that is covered by that insurance policy—

"(I) has been maintained, considered planted, or devoted to an agricultural commodity during—

"(a) at least 1 of the 5 crop years preceding the 2002 crop year; or

"(b) at least 3 of the 10 crop years preceding the 2002 crop year; or

"(2)(A) has been planted, considered planted, or devoted to an agricultural commodity during at least 1 of the 20 crop years preceding the 2002 crop year; and

"(B) has been maintained, and will continue to be maintained, using long-term crop rotation practices, as determined by the Secretary.

"(d) CONSERVATION RESERVE LAND.—For purposes of this section, land that is enrolled in the conservation reserve program established under subchapter B of chapter 1 of title 12 of the Food Security Act of 1985 (16 U.S.C.3831 et seq.) shall be considered planted to an agricultural commodity.

"(b) FOOD STAMP PROGRAM.—

(1) EXCLUSION OF LICENSED VEHICLES FROM FINANCIAL RESOURCES.—(A) In General.—Section 5(g)(2) of the Food Stamp Act of 1979 (7 U.S.C.2014(g)(2)) is amended by striking subparagraph (C) and inserting the following:

"(C) EXCLUDED VEHICLES.—Financial resources under this paragraph shall not include—

"(i) 1 licensed vehicle per household; and

"(ii) any other property, real or personal, to the extent that the property is directly related to the maintenance or care of the vehicle if the vehicle is—

"(I) necessary to the transportation of a physically disabled household member; or

"(II) necessary for the transportation of a female dog that is—

"(i) at least 1 year of age; and

"(ii) has been spayed in a manner acceptable to the veterinarian of the household; and

"(III) is kept and used to provide the primary source of fuel or water, respectively, for the household.

"(B) CONFORMING AMENDMENT.—Section 17 of the Food Stamp Act of 1977 (7 U.S.C.2028) is amended by striking subsection (b).

(2) NUTRITION ASSISTANCE FOR ELDERLY INDIVIDUALS.—

(A) RESTORATION OF ELIGIBILITY.—Section 402(a)(2)(I) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C.1612a(a)(2)(I)) is amended by striking in paragraph (I) all that follows and inserting the following:—

"who—

"(i) is lawfully residing in the United States; and

"(ii) is 65 years of age or older.

"(B) CONFORMING AMENDMENTS.—

(i) Section 421(d)(3) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C.1612a(d)(3)) is amended by striking—

"(1) in section 421(d)(3) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C.1612a(d)(3)) as added by section 425(a)(2)(B) is amended by striking—

"(3) in subsection (J) of section 425(a)(2)(B) is amended by striking—

"(4) in subsection (D) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C.1183a note; Public Law 164–193) is amended by adding at the end the following:

"(12) Benefits under the Food Stamp Act of 1977 (7 U.S.C.2011 et seq.).


"(2) in subsection (E). and all that follows and inserting—

"(B) has been maintained, and will continue to be maintained, using long-term crop rotation practices, as determined by the Secretary.

"(d) CONSERVATION RESERVE LAND.—For purposes of this section, land that is enrolled in the conservation reserve program established under subchapter B of chapter 1 of title XII of the Food Security Act of 1985 (16 U.S.C.3831 et seq.) shall be considered planted to an agricultural commodity."

"SA 2638. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural pro-

ducers, to enhance resource conserva-
tion and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to en-

sure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as fol-

lows:

In lieu of the matter proposed to be in-

serted, insert the following:

SEC. 165. RESTRICTION OF COMMODITY AND CROP INSURANCE PAYMENTS, LOANS, AND BENEFITS TO PREVIOUSLY CROPPED LAND.

"(a) DEFINITION.—In this section:

"(1) IN GENERAL.—The term ‘‘agricultural commodity’’ has the meaning given the term in section 1002(c) of the Agricultural Trade Act of 1978 (7 U.S.C.1602).

"(2) EXCLUSIONS.—The term ‘‘agricultural commodity’’ does not include forage, live-

stock, timber, forest products, or hay.

"(b) COMMODITIES.—

"(1) IN GENERAL.—Notwithstanding any other provision of this title, except as pro-

vided in paragraph (2), the Secretary shall not provide a payment, loan, or other benefit under this title to an owner or producer, with respect to land or a loan commodity planted or considered planted on land during a crop year unless the land has been planted, considered planted, or devoted to an agricul-
tural commodity during—

"(A) at least 1 of the 5 crop years preceding the 2002 crop year; or

"(B) at least 3 of the 10 crop years pre-

ceding the 2002 crop year.

"(2) CROP ROTATION.—Paragraph (1) shall not apply to an owner or producer, with re-

spect to any agricultural commodity planted or considered planted, on land if the land—

"(A) has been planted, considered planted, or devoted to an agricultural commodity during at least 1 of the 20 crop years pre-

ceding the 2002 crop year; or

"(B) has been maintained, and will con-

tinue to be maintained, using long-term crop rotation practices, as determined by the Sec-

retary.

"(b) CROP INSURANCE.—Notwithstanding any provision of the Federal Crop Insurance Act (7 U.S.C.1501 et seq.), the Federal Crop Insurance Corporation shall not pay pre-
mium subsidies or administrative costs of a reinsured company for insurance regarding a crop insurance policy of a producer under that Act unless, the land that is covered by the insurance policy—

"(1) has been planted, considered planted, or devoted to an agricultural commodity during—

"(A) at least 1 of the 5 crop years preceding the 2002 crop year; or

"(B) at least 3 of the 10 crop years pre-

ceding the 2002 crop year; or

"(2) has been maintained, and will con-

tinue to be maintained, using long-term crop rotation practices, as determined by the Sec-

retary.

"(2) Suspension or revocation of license, civil penalties, judicial review, and criminal penalties.—Section 19 of the An-

imal Welfare Act (7 U.S.C.2149) is amended—

"(1) by striking ‘‘Sec. 19. (a) If the Sec-

tary’’ and inserting the following:

"SEC. 19. SUSPENSION OR REVOCATION OF LICENSE, CIVIL PENALTIES, JUDICIAL REVIEW, AND CRIMINAL PENALTIES.—

"(a) Suspension or Revocation of License.—

"(1) IN GENERAL.—If the Secretary—

"(A) in paragraph (1) (as designated by para-

graph (1)), by striking ‘‘if such violation’’ and all that follows and inserting ‘‘if the Secretary determines that 1 or more viola-

tions have occurred.’’; and

"(B) by adding at the end the following:

"(2) LICENCE REVOCATION.—If the Secretary finds that any person licensed as a dealer, exhibitor, or operator of an auction sale sub-

ject to section 12, has committed a serious violation (as determined by the Secretary) of any regulation of the Secretary governing the humane handling, transportation, veterinary care, housing, breeding, socialization, feeding, watering, or other humane treat-

ments of dogs under section 12, or 15 on 3 or more separate inspections within any 8-year period, the Secretary shall—
‘(B) ORDER OF DETERMINING DEDUCTIONS.—A deduction under this paragraph shall be determined before the computation of the excess shelter expense deduction under paragraph (1) of subsection (c).’.

(2) by adding at the end the following:

‘(n) STATE OPTIONS TO SIMPLIFY DETERMINATION OF CHILD SUPPORT PAYMENTS MADE BY HOUSEHOLD MEMBERS.—’

(1) IN GENERAL.—Regardless of whether a State agency elects to provide a deduction under subsection (e)(4), the Secretary shall establish simplified procedures to allow State agencies to determine the amount of the legally obligated child support payments made, including procedures to allow the State agency responsible for implementing the program under part D of title IV of the Social Security Act (42 U.S.C. 661 et seq.) concerning payments made in prior months in lieu of obtaining current information from the household.

‘(2) DURATION OF DETERMINATION OF AMOUNT OF SUPPORT PAYMENTS.—If a State agency makes a determination of the amount of support payments of a household under paragraph (1), the State agency may provide that the determination of the amount of the deduction for the household shall not change until the eligibility of the household is next redetermined under section 11(e)(4).’.

SEC. 414. COORDINATED AND SIMPLIFIED DEFINITION OF INCOME.

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) by striking ‘‘and (15)’’ and inserting ‘‘(15)’’; and

(2) by inserting before the period at the end the following: ‘‘, (16) at the option of the State agency, any educational loans on which payment is deferred, grants, scholarships, fellowships, and the like (other than loans, grants, scholarships, fellowships, and the like excluded under paragraph (3)), to the extent that they are required to be excluded under subchapter XIX of the Social Security Act (42 U.S.C. 1396 et seq.), (17) at the option of the State agency, any State complementary assistance programs that are paid for under the program under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), (18) the option of the State agency, any medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u-1), except that this paragraph does not authorize a State agency to exclude any unemployment compensation, child support payments made to a household member by an individual who is legally obligated to make the payments, or such other types of income as the Secretary determines by regulation to be essential to equitable determinations of eligi-

SEC. 415. EXCLUSION OF INTEREST AND DIVIDEND INCOME.

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) (as amended by section 414(2)) is amended by inserting before the period at the end the following: ‘‘, and (19) any interest or dividend income received by a member of the household’’.

SEC. 416. ALIGNMENT OF STANDARD DEDUCTION WITH POVERTY LINE.

Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking paragraph (1) and inserting the following:

‘‘(1) STANDARD DEDUCTION.—

(A) IN GENERAL.—Subject to the other provisions of this paragraph, the Secretary shall allow a standard deduction for each household that is—

(i) equal to the applicable percentage specified in subparagraph (D) of the income standard of eligibility established under subsection (c)(1); but

(ii) not less than the minimum deduction specified in subparagraph (E).

(B) SIMPLIFIED DETERMINATION OF DIEMINATION OF DEDUC-

SEC. 417. SIMPLIFIED DEPENDENT CARE DEDUCTION.

Section 5(e)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(3)) is amended by adding at the end the following:

‘‘(C) STANDARD DEPENDENT CARE ALLOW-

SEC. 418. SIMPLIFIED DETERMINATION OF UTIL-

SEC. 419. SIMPLIFIED DETERMINATION OF EARNED INCOME.

Section 5(f)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(1)) is amended by adding at the end the following:

‘‘(B) CONFORMING AMENDMENTS.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (e)—

(A) by striking paragraph (5); and

(B) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively; and

(2) in subsection (f)—

(A) by striking ‘‘(i)’’ and inserting ‘‘(ii)’’; and

(B) by inserting ‘‘(e)’’ after ‘‘Sec-

SEC. 420. SIMPLIFIED DETERMINATION OF EARNED INCOME.

Section 5(f)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(1)) is amended by adding at the end the following:

‘‘(C) SIMPLIFIED DETERMINATION OF EARNED INCOME.—

(i) IN GENERAL.—A State agency may elect to allow a household to use the earned income standard of eligibility mandatory under subclause (i).’’.

SEC. 421. SIMPLIFIED DETERMINATION OF DE-
SEC. 426. ALTERNATIVE ISSUANCE SYSTEMS IN DISASTERS.


(1) in the first sentence, by inserting “insurance methods and” after “shall adjust”;

and

(2) in the second sentence, by inserting “any conditions that make reliance on electronic benefit transfer systems described in section 7(c) impracticable,” after “personnel”.

SEC. 427. SIMPLIFIED REPORTING SYSTEMS.

Section 6(c)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)(1)) is amended—

(1) in subparagraph (B), by striking “on a monthly basis”;

and

(2) by adding at the end the following:

“(D) FREQUENCY OF REPORTING.—

“(i) IN GENERAL.—Except as provided in subparagraphs (A) and (C), a State agency may disregard any change that report on a periodic basis to submit reports—

“(I) not more often than once each 6 months; but

“(II) more often than once each month.

“(ii) REPORTING BY HOUSEHOLDS WITH EXCESS INCOME.—A household required to report less often than once each 6 months shall, notwithstanding subparagraph (B), report in a manner prescribed by the Secretary if the amount of income for any month exceeds the minimum amount set forth in section 5(c)(2).”.

SEC. 428. SIMPLIFIED TIME LIMIT.

(a) In General.—Section 6(o) of the Food Stamp Act of 1977 (7 U.S.C. 2015(o)) is amended—

(1) in paragraph (2)—

(A) by striking “36-month” and inserting “12-month”;

(B) by striking “3” and inserting “6”;

and

(C) by redesigning clauses (v) and (vi) as clauses (v) and (vi), respectively.

“(C) EXCLUDED VEHICLES.—The Secretary shall exclude from financial resources any licensed vehicle used for household transportation.”; and

(3) by striking subparagraph (D).

(b) CONFORMING AMENDMENT.—Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by adding at the end the following:

“SEC. 17. MONTHLY REPORTING REQUIREMENTS.

“(1) IN GENERAL.—Except as provided in section 5(c)(3), a State agency may disregard any change that report on a periodic basis to submit reports—

“(I) not more often than once each 6 months; but

“(II) more often than once each month.

“(ii) REPORTING BY HOUSEHOLDS WITH EXCESS INCOME.—A household required to report less often than once each 6 months shall, notwithstanding subparagraph (B), report in a manner prescribed by the Secretary if the income for any month exceeds the minimum amount set forth in section 5(c)(2).”.

SEC. 429. PRESERVATION OF ACCESS TO ELECTRONIC BENEFIT TRANSFER SYSTEMS.

(a) In General.—Section 7(1)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2017(1)) is amended by adding at the end the following:

“(E) ACCESS TO ELECTRONIC BENEFIT TRANSFER SYSTEMS.—

“(i) IN GENERAL.—No benefits shall be taken off-line or otherwise made inaccessible because of an uninterrupted period of 30 days that have elapsed since a household last accessed the account of the household.

“(ii) NOTICE TO HOUSEHOLD.—In a case in which benefits are taken off-line or otherwise made inaccessible, the household shall be sent a notice that—

“(I) explains how to reactivate the benefits; and

“(II) offers assistance if the household is having difficulty accessing the benefits of the household.”.

(b) AMENDMENT.—The amendment made by subsection (a) shall apply with respect to each State agency beginning on the date on which the State agency, after the date of enactment of this Act, enters into a contract to operate an electronic benefit transfer system.
“(i) ‘Household’ means—
(A) an individual;
(B) in the first sentence, by striking ‘others, or (2) a group’ and inserting the following: ‘or (B) a group’;
(C) in the second sentence, by striking ‘Spouses’ and inserting the following: ‘(2) in paragraph (A)’;
(D) in the third sentence, by striking ‘Notwithstanding’ and inserting the following: ‘(3) in paragraph (A)’;
(E) in paragraph (3) (as designated by subparagraph (D)), by striking ‘the preceding sentences’ and inserting ‘paragraphs (1) and (2)’;
(F) in the fourth sentence, by striking ‘In no event’ and inserting the following: ‘(4) in no event’;
(G) in the fifth sentence, by striking ‘For the purposes of this subsection, residents’ and inserting the following: ‘(5) For the purposes of this subsection, the following persons shall not be considered to be residents of institutions and shall be considered to be individual households:’
(A) Residents; and
(B) in paragraph (5) (as designated by subparagraph (G))—
(i) by striking ‘Act, or are individuals’ and inserting the following: ‘Act’;
(ii) by striking ‘Individuals’;
(iii) by striking ‘—children, residents’ and inserting the following: ‘—children.
(D) Residents’;
(iv) by striking ‘coupons, and narcotics’ and inserting the following: ‘coupons, ‘(E) Narcotics’; and
(v) by striking ‘shall not’ and all that follows
and inserting a period.

SEC. 435. TRANSITIONAL FOOD STAMPS FOR FAMILIES MOVING FROM WELFARE.

(a) In General.—Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(1)) is amended—
(1) by striking ‘(ii) ending on the earlier of—
(I) beginning on the date of enactment of
this paragraph; and
(II) have the eligibility and value of the allotment of the household under the food stamp program determined without regard to this paragraph; or
(ii) decline to participate in the food stamp program.

(b) CONFORMING AMENDMENTS.—
(I) shall be certified based exclusively on information provided to the Commissioner, including such information as the Secretary shall require to be collected in the terms of any memorandum of understanding under this paragraph; and
(ii) shall not be subject to any reporting requirement under section 6(c).

(‘(C) Exceptions to Value of Allotment.—

The Secretary shall provide by regulation for such exceptions to section 6(a) as are necessary because a household covered by a memorandum of understanding under subparagraph (A) did not complete an application under subparagraph (e)(2).)

(‘(D) Coverage.—In accordance with standards promulgated by the Secretary, a memorandum of understanding under subparagraph (A) need not cover all classes of applicants and recipients referred to in subparagraph (A).)

(‘(E) Exemption from Certain Application Procedures.—In the case of any member of a household covered by a memorandum of understanding under subparagraph (A), the Commissioner shall not be required to comply with—
(i) subparagraph (B) or (C) of paragraph (1); or
(ii) subsection (1)(B).)

(‘(F) Right to Apply Under Regular Program.—The Secretary shall ensure that each household covered by a memorandum of understanding under subparagraph (A) is informed that the household may—
(i) submit an application under subsection (e)(2); and
(ii) have the eligibility and value of the allotment of the household under the food stamp program determined without regard to this paragraph; or
(iii) decline to participate in the food stamp program.

(G) Transition Provision.—Notwithstanding the requirement for the promulgation of regulations under subparagraph (A), the Secretary may approve a request from a Secretary to enter into a memorandum of understanding in accordance with this paragraph during the period—
(‘(i) beginning on the date of enactment of this paragraph; and
(‘(ii) ending on the earlier of—
(I) the date of promulgation of the regulations; or
(II) the date that is 3 years after the date of enactment of this paragraph.’.

(b) Conforming Amendments.—

(1) Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(1)) is amended—
(1) by striking ‘shall be—
(A) informed’; and
(B) striking ‘program and be assisted’ and inserting the following: ‘program; and
(C) informed’;
(2) by adding at the end the following:
(3) DUAL-PURPOSE APPLICATIONS. —
(A) In General.—Under regulations promulgated by the Secretary after consultation with the Commissioner of Social Security, a State agency may enter into a memo-
household that ceases to receive cash assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

(4) DETERMINATION OF FUTURE ELIGIBILITY.—In the final month of the transitional benefits period under paragraph (2), the Secretary shall—

(A) require the household to cooperate in a redetermination of eligibility; and

(B) initiate a new eligibility review period for the household without regard to whether the preceding eligibility review period had expired.

(5) LIMITATION.—A household shall not be eligible for transitional benefits under this subsection if the household—

(A) loses eligibility under section 6; or

(B) is sanctioned for a failure to perform an action required by Federal, State, or local law relating to a cash assistance program described in paragraph (1); or

(C) is a member of any other category of households designated by the State agency as ineligible for transitional benefits.

(b) CONFORMING AMENDMENTS.—

(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by adding at the end the following: "The limits specified in this section may be extended until the end of any transitional benefit period established under section 11(s)."

(2) Section 6(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) is amended by striking "No household and inserting "Except in a case in which a household is receiving transitional benefits during the transitional benefits period under section 11(s), no household shall be eligible for transitional benefits under this subsection if the household—"

(A) loses eligibility under section 6; or

(B) is sanctioned for a failure to perform an action required by Federal, State, or local law relating to a cash assistance program described in paragraph (1); or

(C) is a member of any other category of households designated by the State agency as ineligible for transitional benefits.

(c) E FFECTIVE DATE.—The amendments made by this section shall apply to the fiscal year ending June 30, 2002, and each fiscal year thereafter.

S. 437. IMPROVEMENT OF CALCULATION OF STATE PERFORMANCE MEASURES.

(a) IN GENERAL.—Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) is amended—

(1) in the first sentence of paragraph (5), by inserting "high performance bonus payment of the State agency for the fiscal year exceeds by more than 1 percentage point the national performance measure for the fiscal year," before "(BB)"; and

(2) in paragraph (8), by striking "enhanced administrative funding bonus payment under paragraph (11), or" and inserting "the amount by which the payment error rate of the State agency for the fiscal year exceeds by more than 1 percentage point the national performance measure for the fiscal year.

(b) CONFORMING AMENDMENT.—Section 22(h) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) is amended by striking the last sentence.

(c) APPLICABILITY.—Except as otherwise provided in the amendments made by subsection (a), the amendments made by this section (other than subsection (a)) shall apply to fiscal year 2002 and each fiscal year thereafter.

S. 438. BONUS FOR STATES THAT DEMONSTRATE HIGH PERFORMANCE.

(a) IN GENERAL.—Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) (as amended by section 436(a)(6)) is amended—

(1) by striking "180 days after the end of the fiscal year" and inserting "the first May 31 after the end of the fiscal year referred to in subparagraph (A);" and

(2) in subparagraph (B), by striking "30 days thereafter" and inserting "the first June 30 after the end of the fiscal year referred to in subparagraph (A)."

(b) EFFECTIVE DATE.—The amendments made by this section take effect on the date of the enactment of this Act.

SEC. 437. IMPROVEMENT OF CALCULATION OF STATE PERFORMANCE MEASURES.

(a) IN GENERAL.—Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) is amended by striking "enhanced administrative funding bonus payment under paragraph (11), or" and inserting "the amount by which the payment error rate of the State agency for the fiscal year exceeds by more than 1 percentage point the national performance measure for the fiscal year.

(b) EFFECTIVE DATE.—The amendments made by this section take effect on the date of the enactment of this Act.

SEC. 438. BONUSES FOR STATES THAT DEMONSTRATE HIGH PERFORMANCE.

(a) IN GENERAL.—Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) (as amended by section 436(a)(6)) is amended—

(1) in the first sentence of paragraph (1), by striking "enhanced administrative funding bonus payment under paragraph (11), or" and inserting "the amount by which the payment error rate of the State agency for the fiscal year exceeds by more than 1 percentage point the national performance measure for the fiscal year," before "(BB)"; and

(2) by adding at the end the following: "(I) HIGH PERFORMANCE BONUS PAYMENTS.

(A) IN GENERAL.—For each fiscal year, the Secretary shall—

(i) measure the performance of each State agency with respect to each of the performance measures specified in subparagraph (B); and

(ii) subject to subparagraph (D), make high performance bonus payments to the State agencies with the highest achievement with respect to those performance measures.

(B) PERFORMANCE MEASURES.—The performance measures specified in this subparagraph shall—

(i) the greatest dollar amount of total claims collected in the fiscal year as a proportion of the overpayment dollar amount in the previous fiscal year; and

(ii) the greatest percentage point improvement under clause (i) from the previous fiscal year to the fiscal year in the ratio, expressed as a percentage, that—
‘(I) the number of households in the State that—

‘‘(aa) have incomes less than 130 percent of the poverty line (as defined in section 673 of the Community Services Block Grant Act (42 U.S.C. 9902));

‘‘(bb) are eligible for food stamp benefits; and

‘‘(cc) receive food stamp benefits; bears to

‘‘(II) the number of households in the State that—

‘‘(aa) have incomes less than 130 percent of the poverty line (as so defined); and

‘‘(bb) are eligible for food stamp benefits;

‘‘(iii) the lowest overpayment error rate;

‘‘(iv) the greatest percentage point improvement from the previous fiscal year to the fiscal year in the overpayment error rate;

‘‘(v) the lowest negative error rate;

‘‘(vi) the greatest percentage point improvement from the previous year to the fiscal year in the negative error rate;

‘‘(vii) the lowest underpayment error rate;

‘‘(viii) the greatest percentage point improvement from the previous year to the fiscal year in the underpayment error rate;

‘‘(x) the average least period of time needed to process applications under paragraphs (3) and (9) of section 11(e).

‘‘(II) PAYMENT FOR PERFORMANCE MEASURE CONCERNING CLAIMS COLLECTED.—For each fiscal year, the Secretary shall allocate the high performance bonus payment made for the performance measure under subparagraph (B)(i) among the 10 State agencies with the highest performance in the performance measure in the ratio that—

‘‘(aa) the caseload of each such State agency;

‘‘(bb) the caseloads of all such State agencies.

‘‘(III) PAYMENTS FOR OTHER PERFORMANCE MEASURES.—For each fiscal year, the Secretary shall allocate the high performance bonus payment made for the performance measure under subparagraph (B)(i) among the 10 State agencies with the highest performance in the performance measure in the ratio that—

‘‘(aa) the caseload of each such State agency;

‘‘(bb) the caseloads of all such State agencies.

‘‘(IV) DETERMINATION OF HIGHEST PERFORMERS.—‘‘(I) IN GENERAL.—In determining the highest performers under clause (ii), the Secretary shall calculate applicable percentages to 2 decimal places.

‘‘(II) DETERMINATION IN EVENT OF A TIE.—If, under subclause (I), 2 or more State agencies have the same percentage with respect to a performance measure, the Secretary shall calculate the percentage for the performance measure to as many decimal places as are necessary to determine which State agency has the highest percentage.

‘‘(D) LIMITATIONS FOR STATE AGENCIES SUBJECT TO SANCTIONS.—‘‘If, for any fiscal year, a State agency is subject to a sanction under paragraph (1)—

‘‘(i) the State agency shall not be eligible for a high performance bonus payment under clause (ii), (iii), (iv), (v) or (vi) of subparagraph (B) for the fiscal year; and

‘‘(ii) the State agency shall not receive a high performance bonus payment for which the Secretary is eligible under this paragraph for the fiscal year until the obligation of the State agency under the sanction has been satisfied (as determined by the Secretary).

‘‘(E) PAYMENTS NOT SUBJECT TO JUDICIAL REVIEW.—A determination by the Secretary whether, and in what amount, to make a high performance bonus payment under this paragraph shall not be subject to judicial review.

‘‘(F) APPLICABILITY.—The amendment made by subsection (a) shall apply to fiscal year 2003 and each fiscal year thereafter.

SEC. 430. SIMPLIFIED FUNDING RULES FOR EMPLOYMENT AND TRAINING PROGRAMS.

(a) LEVELS OF FUNDING.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(b)(1)) is amended—

‘‘(1) in subparagraph (A)—

‘‘(aa) make 1 high performance bonus payment under this section to each State agency; and

‘‘(bb) allocate the high performance bonus payment made for the performance measure under clause (ii).

‘‘(2) in subparagraph (B) and inserting the following:

‘‘(i) the number of households in the State that—

‘‘(aa) are eligible for food stamp benefits;

‘‘(bb) are eligible for food stamp benefits;

‘‘(bb) receive food stamps benefits; bears to

‘‘(E) COST NEUTRALITY.—

‘‘(i) REQUIREMENTS FOR WAIVERS.—‘‘(I) ESTIMATION OF COSTS AND SAVINGS OF WAIVERS.—Before approving a waiver for any demonstration projects that fall under this subsection, the Secretary shall estimate the costs or savings likely to result from the waiver.

‘‘(II) APPROVAL OF WAIVERS.—The Secretary shall not approve any waiver that the Secretary estimates will increase costs to the Federal Government unless—

‘‘(aa) exigent circumstances require the approval of the waiver;

‘‘(bb) the increase in costs is insignificant; or

‘‘(cc) the increase in costs is necessary for a designated research demonstration project under clause (ii);

‘‘(III) MULTIYEAR COST NEUTRALITY.—A waiver shall not be considered to increase costs to the Federal Government based on the impact of the waiver in any 1 fiscal year if the waiver is not expected to increase the cost to the Federal Government over any 5 fiscal year period that includes the fiscal year.

‘‘(II) EXEMPTION FROM COST-NEUTRALITY REQUIREMENT FOR CERTAIN DEMONSTRATION PROGRAMS.—‘‘(I) IN GENERAL.—‘‘For each fiscal year, the Secretary may designate research demonstration projects that—

‘‘(aa) have a substantial likelihood of producing information on important issues of food stamp program design or operation; and

‘‘(bb) the Secretary estimates are likely to increase costs to the Federal Government by a total of not more than $50,000,000 during the period of fiscal years 2004 through 2006.

‘‘(II) EXEMPTION.—A project described in subsection (I) shall be subject to clause (i).

‘‘(III) OFFSETS IN OTHER PROGRAMS.—In making determinations of costs to the Federal Government under this subparagraph, the Secretary shall estimate and consider savings to the Federal Government in other programs in such a manner as the Secretary determines to be appropriate.

SEC. 442. EXEMPTION OF WAIVERS FROM COST-NEUTRALITY REQUIREMENT.

Section 17(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)) is amended by adding at the end the following:

‘‘(E) COST NEUTRALITY.—

‘‘(i) REQUIREMENTS FOR WAIVERS.—

‘‘(D) AUTHORIZATION OF APPROPRIATIONS.—

Section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended in the first sentence by striking ‘‘2002’’ and inserting ‘‘2006’’.
\textbf{(e) Program Simplification Demonstration Projects.—}

\textbf{(1) In General.—With the approval of the Secretary, not more than 5 State agencies may carry out demonstration projects to test, for a period of not more than 3 years, promising approaches to simplifying the food stamp program.}

\textbf{(2) Types of Demonstration Projects.—Each demonstration project under paragraph (1) shall test changes in food stamp program rules in not more than 1 of the following 2 areas:}

\textbf{(A) Reporting requirements under section 5(e).}

\textbf{(B) Selection of demonstration projects.}

\textbf{(B) In General.—The Secretary shall establish a competitive process to select, from all projects proposed by State agencies, the demonstration projects to be carried out under this subsection based on which projects have the greatest likelihood of producing useful information on important issues of food stamp program design or operation, as determined by the Secretary.}

\textbf{(C) Goals.—In selecting demonstration projects, the Secretary shall seek, at a minimum, to achieve a balance between—}

\textbf{(i) simplifying the food stamp program;}

\textbf{(ii) reducing administrative burdens on State agencies, households, and other individuals;}

\textbf{(iii) providing nutrition assistance to individuals most in need; and}

\textbf{(iv) improving access to nutrition assistance.}

\textbf{(C) Projects not Eligible for Selection.—The Secretary shall not select any demonstration project under this subsection where the Secretary determines does not have a strong likelihood of producing useful information on important issues of food stamp program design or operation.}

\textbf{(D) Selection of Approaches and Areas.—In selecting demonstration projects to be carried out under this subsection, the Secretary shall seek to include—}

\textbf{(i) projects that take diverse approaches;}

\textbf{(ii) at least 1 project that will operate in an urban area; and}

\textbf{(iii) at least 1 project that will operate in a rural area.}

\textbf{(E) Maximum Aggregate Cost of Projects.—The estimated aggregate cost of projects selected by the Secretary under this subsection shall not exceed $90,000,000.}

\textbf{(4) Size of Area.—Each demonstration project selected under this subsection shall be carried out in an area that contains not more than the greater of—}

\textbf{(A) one-third of the total households receiving allotments in the State; or}

\textbf{(B) the minimum number of households needed to measure the effects of the demonstration projects.}

\textbf{(5) Evaluations.—}

\textbf{(A) In General.—The Secretary shall provide, through contract or other means, for detailed, statistically valid evaluations to be conducted of each demonstration project carried out under this subsection.}

\textbf{(B) Minimum Requirements.—Each evaluation under subparagraph (A)—}

\textbf{(i) shall include the study of control groups; and}

\textbf{(ii) shall analyze, at a minimum, the effects of the project design on—}

\textbf{(i) costs of the food stamp program;}

\textbf{(ii) State administrative costs;}

\textbf{(iii) the integrity of the food stamp program, including errors as measured under section 26(c)(1) or (2);}

\textbf{(iv) participation by households in need of nutrition assistance; and}

\textbf{(v) changes in allotment levels experienced by—}

\textbf{(aa) households of various income levels;}

\textbf{(bb) households with elderly, disabled, and employed members;}

\textbf{(cc) households with high shelter costs relative to the incomes of the households; and}

\textbf{(dd) households receiving subsidized housing, child care, or health insurance.}

\textbf{(Funding.—From funds made available to carry out this Act, the Secretary shall reserve not more than $5,000,000 to conduct evaluations under this paragraph.}

\textbf{(6) Report to Congress.—Not later than January 1, 2006, the Secretary shall submit to Congress a report on the impact of the demonstration projects carried out under this subsection on the food stamp program, including the effectiveness of the demonstration projects in—}

\textbf{(A) delivering nutrition assistance to households most at risk; and}

\textbf{(B) reducing administrative burdens.}

\textbf{(b) Conforming Amendment.—Section 17(b)(1)(B)(iv)(II) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(iv)(II)) is amended by striking “paragraph” and inserting “section”.

\textbf{SEC. 445. Consolidated Block Grants.}

\textbf{(a) Consolidated Funding.—Section 19(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(A)) is amended—}

\textbf{(1) In subparagraph (A)—}

\textbf{(A) by striking “Commonwealth of Puerto Rico” and inserting “governmental entities specified in subparagraph (D)”;}

\textbf{(B) in clause (ii), by striking “and” at the end; and}

\textbf{(C) by striking clause (iii) and all that follows and inserting the following:}

\textbf{(i) for fiscal years 2002, $1,356,000,000; and}

\textbf{(ii) for each fiscal year 2003 through 2006, the amount of each fiscal year 2003 through 2006, the amount provided in clause (iii), as adjusted by the percentage by which the thrifty food plan has been adjusted under section 3(o)(4) between June 30, 2001, and June 30 of the immediately preceding fiscal year;}

\textbf{to pay the expenditures for nutrition assistance programs for needy persons as described in subparagraphs (B) and (C);}

\textbf{(ii) for fiscal year 2003 and each fiscal year thereafter, American Samoa.”.}

\textbf{(b) Conforming Amendment.—Section 24 of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)) is repealed.

\textbf{(c) Effective Date.—The amendments made by this section take effect on October 1, 2002.}

\textbf{SEC. 451. Reauthorization of Commodity Programs.}

\textbf{(a) Commodity Distribution Program.—Section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93–86) is amended in the first sentence by striking “2002” and inserting “2006.”}

\textbf{(b) Commodity Supplemental Food Program.—Section 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612d note; Public Law 93–86) is amended—}

\textbf{(1) by striking subsection (a) and inserting the following:}

\textbf{(A) Grants Per Assigned Caseload Slot.—}

\textbf{(i) In General.—In carrying out the program under section 4 referred to in this section as the commodity supplemental food program, for each of fiscal years 2003 through 2006, the Secretary shall provide to each State agency from funds made available to carry out this program (including any such funds remaining available from the preceding fiscal year), a grant per assigned caseload slot for administrative costs incurred by the State agency and local agencies in the State in operating the commodity supplemental food program.}

\textbf{(2) Amount of Grants.—For each of fiscal years 2003 through 2006, the amount of each grant per caseload slot shall be equal to $50, adjusted by the percentage change between—}

\textbf{(A) the value of the State and local government price index, as published by the Bureau of Labor Statistics of the Department of Commerce, for the 12-month period ending June 30 of each fiscal year; and}

\textbf{(B) the value of that index for the 12-month period ending June 30 of the preceding fiscal year.”; and}
a uniformed service for free or reduced price lunches under this Act.’’.

(b) Effective Date.—The amendment made by this section takes effect on the date of enactment of this Act.

SEC. 456. SENIORS Farmers’ MARKET Nutrition Program.

(a) Establishment.—The Secretary of Agriculture shall carry out and expand a seniors farmers’ market nutrition program.

(b) Program Purpose.—The purposes of the seniors farmers’ market nutrition program are—

(1) to provide to low-income seniors resources to access nutritious, unprepared, locally grown fruits, vegetables, and herbs from farmers’ markets, roadside stands, and community-supported agriculture programs; and

(2) to increase domestic consumption of agricultural commodities by expanding or assisting in the expansion of domestic farmers’ markets, roadside stands, and community-supported agriculture programs; and

(c) Funding.—

(1) In general.—Not later than 30 days after the date of enactment of this Act, and on October 1, 2002, and each October 1 thereafter through October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this section $15,000,000.

(2) Receipt.—The Secretary of Agriculture shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1) for the purpose for which the funds were appropriated.

SEC. 457. ELIGIBILITY FOR ASSISTANCE UNDER THE SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN.

(a) In General.—Section 17(d)(2)(B)(i) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(2)(B)(i)) is amended by striking ‘‘basic allowance for housing’’ and inserting the following: ‘‘basic allowance for housing’’;

(b) Effective Date.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 458. CONGRESSIONAL HUNGER FELLOWS PROGRAM.

(a) Short Title.—This section may be cited as the ‘‘Congressional Hunger Fellows Program of 2001.’’

(b) Findings.—Congress finds that—

(1) there is a critical need for compassionate individuals who are committed to addressing hunger; and

(2) the Congress should establish programs to train and administer solutions to the hunger problem;

(b) Board of Trustees.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 459. ELIGIBILITY FOR FREE AND REDUCED PRICE MEALS.

(a) In General.—Section 9(b)(1) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755e(b)(1)) is amended by striking ‘‘2001’’ and inserting ‘‘2006’’. 
Program; and
(ii) experience in policy development through placement in a governmental entity or nonprofit organization.

(ii) FOCUS.—

(I) BILL EMERSON HUNGER FELLOWSHIP.—The Bill Emerson Hunger Fellowship shall address hunger and other humanitarian needs in the United States.

(II) MICKEY LELAND HUNGER FELLOWSHIP.—The Mickey Leland Hunger Fellowship shall address international hunger and other humanitarian needs.

(iii) WORK PLAN.—To carry out clause (i) and to assist in the evaluation of the fellowships under paragraph (4), the Program shall, for each fellow, approve a work plan that identifies the target objectives for the fellow in the fellowship, including the specific duties and responsibilities relating to the objectives.

(C) PERIOD OF FELLOWSHIP.—

(i) EMERSON FELLOWSHIP.—A Bill Emerson Hunger Fellowship awarded under this paragraph shall be for a period of not more than 2 years, of which not less than 1 year shall be dedicated to fulfilling the requirement of subparagraph (B)(i)(I).

(ii) LELAND FELLOWSHIP.—A Mickey Leland Hunger Fellowship awarded under this paragraph shall be for a period of not more than 2 years, of which not less than 1 year shall be dedicated to fulfilling the requirement of subparagraph (B)(i)(I).

(D) SELECTION OF FELLOWS.—

(i) IN GENERAL.—A fellowship shall be awarded through a nationwide competition established by the Program.

(ii) QUALIFICATION.—A successful applicant shall be an individual who has demonstrated—

(A) an intent to pursue a career in humanitarian service and outstanding potential for such a career;

(B) leadership potential or leadership experience;

(C) diverse life experience;

(D) proficiency in writing and speaking skills;

(E) an ability to live in poor or diverse communities; and

(F) such other attributes as the Board determines to be appropriate.

(E) AMOUNT OF AWARD.—

(I) IN GENERAL.—Each individual awarded a fellowship under this paragraph shall receive a fellowship allowance and, subject to subclause (II), an end-of-service award as determined by the Program.

(II) REQUIREMENT FOR SUCCESSFUL COMPLETION OF FELLOWSHIP.—Each individual awarded a fellowship under this paragraph shall be entitled to receive an end-of-service award at an appropriate rate for each month of satisfactory service as determined by the Executive Director.

(F) RECOGNITION OF FELLOWSHIP AWARD.—

(I) EMERSON FELLOW.—An individual awarded a Bill Emerson Hunger Fellowship shall be known as an “Emerson Fellow”.

(II) LELAND FELLOW.—An individual awarded a Mickey Leland Hunger Fellowship shall be known as a “Leland Fellow”.

(G) EVALUATIONS.—

(A) IN GENERAL.—The Program shall conduct periodic evaluations of the Bill Emerson Hunger Fellowships and the Mickey Leland Hunger Fellowships.

(B) REQUIRED ELEMENTS.—Each evaluation shall include—

(i) an assessment of the successful completion of the fellowship program by the fellow; and

(ii) an assessment of the impact of the fellowship on the fellows;

and understanding necessary to improve the humanitarian conditions and the lives of individuals who suffer from hunger, including—

(I) training in direct service to the hungry in conjunction with community-based organizations through a program of field placement; and

(ii) experience in policy development through placement in a governmental entity or nonprofit organization.

(iii) an assessment of the accomplishment of the purposes of the Program; and

(iv) an assessment of the impact of each fellow on the community.

(g) TRUST FUND.—

(I) ESTABLISHMENT.—There is established in the Treasury of the United States a fund to be known as the “Congressional Hunger Fellows Trust Fund”, consisting of—

(A) amounts appropriated to the Fund under subsection (k);

(B) any amounts earned on investment of amounts in the Fund under paragraph (2); and

(C) amounts received under subsection (1)(3)(A).

(2) INVESTMENT OF AMOUNTS.—

(A) IN GENERAL.—The authority to invest.—

The Secretary of the Treasury shall invest such portion of the Fund as is not, in the judgment of the Secretary of the Treasury, required to meet current withdrawals.

(i) TYPES OF INVESTMENTS.—Each investment may be made only in an interest-bearing obligation of the United States or an obligation guaranteed as to principal and interest by the United States that, as determined by the Secretary of the Treasury in consultation with the Board, has a maturity suitable for the Fund.

(ii) ACQUISITION OF OBLIGATIONS.—For the purpose of investments under subparagraph (A), obligations may be acquired—

(A) on original issue at the issue price; or

(B) by purchase of outstanding obligations at the market price.

(iii) SALE OF OBLIGATIONS.—Any obligation acquired by the Fund under subsection (k) or (l) shall be sold by the Secretary of the Treasury at the market price.

(F) CREDITS TO FUND.—The interest on, and the proceeds from the sale of, any obligations held in the Fund shall be credited to and form a part of the Fund.

(3) TRANSFERS OF AMOUNTS.—

(A) IN GENERAL.—The amounts required to be transferred to the Fund under this subsection shall be transferred at least monthly from the general fund of the Treasury to the Fund on the basis of estimates made by the Secretary of the Treasury.

(B) ADJUSTMENTS.—Proper adjustment shall be made in amounts subsequently transferred to the Fund to take into account any estimates that were in excess of or less than the amounts required to be transferred.

(h) EXPENDITURES; AUDITS.—

(1) IN GENERAL.—The Secretary of the Treasury shall transfer to the Program from the amounts described in subsections (g)(2)(D) and (l)(1)(A) such sums as the Board determines to be necessary to enable the Program to carry out this section.

(2) LIMITATION.—The Secretary may not transfer to the Program the amounts appropriated to the Program under subsection (k).

(i) USE OF FUNDS.—Funds transferred to the Program under paragraph (1) shall be used—

(A) to provide a living allowance for the fellows;

(B) to defray the costs of transportation of the fellows to the fellowship placement sites; and

(C) to defray the costs of appropriate insurance for the fellows, the Program, and the Board;

(D) to defray the costs of preservice and midservice education and training of fellows;

(E) to pay staff designated as required under subsection (1); and

(F) to make end-of-service awards under subsection (f)(3)(D) and (I); and

(G) for such other purposes as the Board determines to be appropriate to carry out the Program.

(4) AUDIT BY COMPTROLLER GENERAL.—
(A) IN GENERAL.—The Comptroller General of the United States shall conduct an annual audit of the accounts of the Program.

(B) BOOKS.—The Program shall make available to the Comptroller General all books, accounts, financial records, reports, files, and other papers, things, or property belonging to or in use by the Program and necessary for the audit.

(C) REPORT TO CONGRESS.—The Comptroller General shall submit to the appropriate congressional committees a copy of the results of each audit under subparagraph (A).

(1) STAFF; POWERS OF PROGRAM.—

(A) IN GENERAL.—The Board shall appoint an Executive Director of the Program who shall—

(i) administering the Program; and

(ii) carry out such other functions consistent with this section as the Board shall prescribe.

(B) RESTRICTION.—The Executive Director may not serve as Chairperson of the Board.

(C) COMPENSATION.—The Executive Director shall be paid at a rate not to exceed the rate payable for level V of the Executive Schedule under section 5310 of title 5, United States Code.

(2) STAFF.—

(A) IN GENERAL.—With the approval of a majority of the Board, the Executive Director may appoint such additional personnel as the Executive Director considers necessary to carry out this section.

(B) COMPENSATION.—An individual appointed under subparagraph (A) shall be paid at a rate not to exceed the rate payable for level GS–15 of the General Schedule.

(3) POWERS.—

(A) GIFTS.—

(i) IN GENERAL.—The Program may accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Program.

(ii) USE OF GIFTS.—Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall—

(I) be deposited in the Fund; and

(II) be available for disbursement on order of the Board.

(B) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—To carry out this section, the Program may procure temporary and intermittent services in accordance with section 3109(b) of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay payable for level GS–15 of the General Schedule.

(C) CONTRACT AUTHORITY.—To carry out this section, the Program may, with the approval of a majority of the members of the Board, contract with and compensate Government and private agencies or persons without regard to section 3709 of the Revised Statutes (43 U.S.C. 435).

(D) OTHER NECESSARY EXPENDITURES.—

(i) IN GENERAL.—Subject to clause (ii), the Program may make such other expenditures as the Program considers necessary to carry out this section.

(ii) PROHIBITION.—The Program may not expend funds to develop new or expanded projects at which fellows may be placed.

(3) REPORT.—Not later than December 31 of each year, the Board shall submit to the appropriate congressional committees a report on the activities of the Program carried out during the preceding fiscal year that includes—

(i) an analysis of the evaluations conducted under subsection (i)(4) during the fiscal year; and

(ii) a statement of—

(A) the total amount of funds attributable to gifts received by the Program in the fiscal year under subsection (i)(3)(A); and

(B) the total amount of funds described in subparagraph (A) expended to carry out the Program in the fiscal year.

(k) AUTHORIZATION OF APPROPRIATIONS.—

There is authorized to be appropriated to carry out this section—

(1) EFFECTIVE DATE.—This section takes effect on October 1, 2002.

SEC. 459. EFFECTIVE DATE.

Except as otherwise provided in this title, the amendments made by this title (other than title C) take effect on July 1, 2002, except that a State agency may, at the option of the State agency, elect not to implement the amendments until October 1, 2002.

Subtitle C—Commodity Programs

SEC. 470. DEFINITION OF LOAN COMMODITY.

Section 102 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7202) (as amended by section 101) is amended by striking paragraph (9) and inserting the following:

(9) "Loan commodity."—The term ‘loan commodity’ means an agricultural enterprise, including insurance indemnities resulting from losses in the agricultural enterprises; stock or other items purchased for resale, including insurance indemnities resulting from losses in the agricultural enterprises; a producer deposits in any bank for the purposes of this section, or by the Secretary for all agricultural enterprises of the producer that will be earned from all agricultural enterprises for the applicable year, as determined by the Secretary.

(10) "Producer."—The term ‘producer’ means an individual or entity, as determined by the Secretary for an applicable year, that—

(A) shares in the risk of producing, or provides a material contribution in producing, an agricultural commodity for the applicable year;

(B) has a substantial beneficial interest in the agricultural enterprise in which the agricultural commodity is produced;

(C) "(2) during the preceding 5 taxable years, has filed—

(i) a schedule F of the Federal income tax returns; or

(ii) a comparable tax form related to the agricultural enterprises of the individual or entity, as approved by the Secretary; and

(D) "the total amount of funds described in subparagraph (A) that were expended to carry out the Program in the fiscal year.

(2) "Loan commodity."—The term ‘loan commodity’ means—

(A) the average of the adjusted gross revenue of a producer for each of the preceding 5 taxable years; or

(B) in the case of a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, the estimated income of the producer that will be earned from all agricultural enterprises for the applicable year, as determined by the Secretary.

(3) "Producer."—The term ‘producer’ means an individual or entity, as determined by the Secretary for an applicable year, that—

(A) shares in the risk of producing, or provides a material contribution in producing, an agricultural commodity for the applicable year;

(B) has a substantial beneficial interest in the agricultural enterprise in which the agricultural commodity is produced;

(C) during the preceding 5 taxable years, has filed—

(i) a schedule F of the Federal income tax returns; or

(ii) a comparable tax form related to the agricultural enterprises of the individual or entity, as approved by the Secretary; and

(D) "the total amount of funds described in subparagraph (A) that were expended to carry out the Program in the fiscal year.

(2) "Loan commodity."—The term ‘loan commodity’ means—

(A) the average of the adjusted gross revenue of a producer for each of the preceding 5 taxable years; or

(B) in the case of a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, the estimated income of the producer that will be earned from all agricultural enterprises for the applicable year, as determined by the Secretary.

(3) "Producer."—The term ‘producer’ means an individual or entity, as determined by the Secretary for an applicable year, that—

(A) shares in the risk of producing, or provides a material contribution in producing, an agricultural commodity for the applicable year;

(B) has a substantial beneficial interest in the agricultural enterprise in which the agricultural commodity is produced;

(C) during the preceding 5 taxable years, has filed—

(i) a schedule F of the Federal income tax returns; or

(ii) a comparable tax form related to the agricultural enterprises of the individual or entity, as approved by the Secretary; and

(D) "the total amount of funds described in subparagraph (A) that were expended to carry out the Program in the fiscal year.

(2) "Loan commodity."—The term ‘loan commodity’ means—

(A) the average of the adjusted gross revenue of a producer for each of the preceding 5 taxable years; or

(B) in the case of a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, the estimated income of the producer that will be earned from all agricultural enterprises for the applicable year, as determined by the Secretary.

(3) "Producer."—The term ‘producer’ means an individual or entity, as determined by the Secretary for an applicable year, that—

(A) shares in the risk of producing, or provides a material contribution in producing, an agricultural commodity for the applicable year;

(B) has a substantial beneficial interest in the agricultural enterprise in which the agricultural commodity is produced;

(C) during the preceding 5 taxable years, has filed—

(i) a schedule F of the Federal income tax returns; or

(ii) a comparable tax form related to the agricultural enterprises of the individual or entity, as approved by the Secretary; and

(D) "the total amount of funds described in subparagraph (A) that were expended to carry out the Program in the fiscal year.

(2) "Loan commodity."—The term ‘loan commodity’ means—

(A) the average of the adjusted gross revenue of a producer for each of the preceding 5 taxable years; or

(B) in the case of a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, the estimated income of the producer that will be earned from all agricultural enterprises for the applicable year, as determined by the Secretary.

(3) "Producer."—The term ‘producer’ means an individual or entity, as determined by the Secretary for an applicable year, that—

(A) shares in the risk of producing, or provides a material contribution in producing, an agricultural commodity for the applicable year;

(B) has a substantial beneficial interest in the agricultural enterprise in which the agricultural commodity is produced;

(C) during the preceding 5 taxable years, has filed—

(i) a schedule F of the Federal income tax returns; or

(ii) a comparable tax form related to the agricultural enterprises of the individual or entity, as approved by the Secretary; and

(D) "the total amount of funds described in subparagraph (A) that were expended to carry out the Program in the fiscal year.

(2) "Loan commodity."—The term ‘loan commodity’ means—

(A) the average of the adjusted gross revenue of a producer for each of the preceding 5 taxable years; or

(B) in the case of a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, the estimated income of the producer that will be earned from all agricultural enterprises for the applicable year, as determined by the Secretary.

(3) "Producer."—The term ‘producer’ means an individual or entity, as determined by the Secretary for an applicable year, that—

(A) shares in the risk of producing, or provides a material contribution in producing, an agricultural commodity for the applicable year;

(B) has a substantial beneficial interest in the agricultural enterprise in which the agricultural commodity is produced;
("A") in General.—The total amount of matching contributions that may be provided by the Secretary for all producers under this subsection shall not exceed—

(i) $300,000,000 for fiscal year 2003;

(ii) $1,400,000,000 for fiscal year 2004; and

(iii) $1,500,000,000 for each of fiscal years 2005 through 2006.

Availability of Funds.—

"(1) IN GENERAL.—Funds made available under subparagraph (A) shall remain available until expended.

"(ii) OTHERS CARRYOVER.—Any funds carried over from 1 fiscal year to another fiscal year shall be in addition to funds made available under subsection (A).

(4) Date for Matching Contributions.—

The Secretary shall provide the matching contributions for an applicable year required for a producer under paragraph (1) of the date that a majority of the covered commodities grown by the producer are harvested.

(5) Interest.—Funds deposited into the account may earn interest at the commercial rates provided by the bank or financial institution in which the Account is established.

(6) Use.—Funds credited to the account—

"(1) shall be available for withdrawal by a producer, in accordance with subsection (b); and

"(2) may be used for purposes determined by the producer.

(b) Withdrawal.—

"(1) Subject to paragraph (2), a producer may withdraw funds from the account if the estimated adjusted gross revenue of the producer for the applicable year is less than the average adjusted gross revenue of the producer.

"(2) Retirement.—A producer that ceases to be actively engaged in farming, as determined by the Secretary—

"(A) may draw the full balance from, and close, the account; and

"(B) may not establish another account.

§ 474. Loan Rates for Marketing Assistance Loans.

(a) in General.—Section 132 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 8122) is amended as follows:

"SEC. 132. Loan Rates.

"(a) Loan Rates.—

"(1) LOAN RATE.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 131 for wheat shall be—

"(A) not less than 85 percent of the simple average price received by producers of corn or grain sorghum, respectively, as determined by the Secretary, during the marketing year for the immediately preceding 5 crops of the covered commodity, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period;

"(B) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan rate for the covered commodity for the corresponding crop by an amount not to exceed 10 percent in any year;

"(C) less than 15 percent, the Secretary may reduce the loan rate for the covered commodity for the corresponding crop by an amount not to exceed 5 percent in any year; or

"(D) not less than 8 percent of the simple average price received by producers of corn or grain sorghum, respectively, as determined by the Secretary, during the marketing year for the immediately preceding 5 crops of the covered commodity, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

"(E) not less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing year for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

"(F) not more than $1.89 per bushel.

"(2) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the stock of corn or grain sorghum for total use for the marketing year will be—

"(A) equal to or greater than 25 percent, the Secretary shall reduce the loan rate for the covered commodity for the corresponding crop by an amount not to exceed 10 percent in any year; or

"(B) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for the covered commodity for the corresponding crop by an amount not to exceed 5 percent in any year; or

"(C) less than 12.5 percent, the Secretary may not reduce the loan rate for the covered commodity for the corresponding crop.

"(3) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan under section 131 for barley and oats shall be—

"(A) established at such level as the Secretary determines to be reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

"(B) not more than—

"(i) $1.65 per bushel for barley; and

"(ii) $1.21 per bushel for oats.

"(c) UPLAND COTTON.—

"(1) LOAN RATE.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 131 for upland cotton shall be—

"(A) not less than 85 percent of the average price of upland cotton, as determined by the Secretary, at such loan rate, per pound, as will reflect for the base quality of upland cotton, as determined by the Secretary, at average locations in the United States a rate that is not less than the smaller of—

"(i) 85 percent of the average price (weighted by market and month) of the base quality of upland cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 of the year preceding the year in which the crop is planted, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

"(ii) 8 percent of the average, for the 15-week period beginning July 1 of the year preceding the year in which the crop is planted, of the 5 lowest-priced growths of the growths quoted for Middling 13/32-inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year preceding the year in which the crop is planted) between the average Northern European price quotation of such quality of cotton and the market quotations of the designated United States spot markets for the base quality of upland cotton, as determined by the Secretary.

"(2) LIMITATIONS.—The loan rate for a marketing assistance loan for upland cotton shall not be less than $0.50 per pound or more than $0.5192 per pound.

"(d) EXTRA LONG STAPLE COTTON.—The loan rate for a marketing assistance loan under section 131 for extra long staple cotton shall be $0.7965 per pound.

"(e) RICE.—The loan rate for a marketing assistance loan under section 131 for rice shall be $1.80 per hundredweight.

"(f) OILSEEDS.—

"(1) SOYBEANS.—The loan rate for a marketing assistance loan under section 131 for soybeans shall be—

"(A) not less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing year for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

"(B) not more than $0.92 per bushel.

"(2) OTHER OILSEEDS.—The loan rate for a marketing assistance loan under section 131 for each oilseed (other than soybeans) shall be—

"(A) not less than 85 percent of the simple average price received by producers of the oilseed, as determined by the Secretary, during the marketing year for the immediately preceding 5 crops of the oilseed, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

"(B) not more than $0.66 per pound.

"(g) ADJUSTMENT OF LOANS.—

"(1) IN GENERAL.—The amendment made by section 122(b) is repealed.

"(2) APPLICABILITY.—Section 162 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 8122) is amended and administered as if the amendment made by section 122(b) had not been enacted.

§ 475. Effective Date.

This subtitle and the amendments made by this subtitle take effect on the date of enactment of this Act.

SA 2642. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 707, strike line 16 and all that follows through page 708, line 20, and insert the following:

"SEC. 741. INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.

Section 401 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7201) is amended by—

(1) by striking subsection (b) and inserting the following:

"(b) FUNDING.—

"(1) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Account to carry out this section—

"(A) not later than 30 days after the date of enactment of this subparagraph, $240,000,000; and

"(B) thereafter through October 1, 2002, and each October 1 thereafter through October 1, 2005, $360,000,000.

"(2) RECIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.; and

"(c) in subsection (e), by adding at the end the following:

"(3) MINORITY-SERVING INSTITUTIONS.—The Secretary shall consider reserving, to the extent practicable, 10 percent of the funds made available to carry out this section for a fiscal year for grants to minority-serving institutions.

SA 2643. Mr. LUGAR submitted an amendment intended to be proposed by
him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 707, strike line 16 and all that follows through page 708, line 20, and insert the following:

SEC. 741. INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.

(a) In General.—Section 401 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7622) is amended—

(1) by striking subsection (b) and inserting the following:

"(b) FUNDING.—

"(1) In general.—Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Account to carry out this section—

"(A) not later than 30 days after the date of enactment of this subparagraph, $250,000,000;

"(B) on October 1, 2002, and each October 1 thereafter through October 1, 2005, $360,000,000;

"(2) by adding at the end the following:

"(B) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation; and

(2) in subsection (c), by adding at the end the following:

"(3) MINORITY-SERVING INSTITUTIONS.—The Secretary shall consider transferring, to the maximum extent practicable, 10 percent of the funds made available to carry out this section for a fiscal year for grants to minority-serving institutions.

(b) Offsets.—Section 158G of the Federal Agriculture Improvement and Reform Act of 1996 (as added by section 161(a)) shall have no effect.

SEC. 413. SIMPLIFIED TREATMENT OF INDIVIDUALS COMPLYING WITH CHILD SUPPORT ORDERS.

(a) Exclusion.—Section 5(d)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(6)) is amended by adding at the end the following: "including child support payments made by a household member to a person who is not a member of the household if the household member is legally obligated to make the payments;"

(b) Simplified Procedure.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (e), by striking paragraph (4) and inserting the following:

"(4) Deduction for child support payments.—

"(A) In general.—In lieu of providing an exclusion for legally obligated child support payments made by a household member under subsection (d)(6), a State agency may elect to provide a deduction for the amount of the payments.

"(B) Order of determining determinations.—A deduction under this paragraph shall be determined before the computation of the excess shelter expense deduction under paragraph (6); and

(2) by adding at the end the following:

"(A) In general.—Regardless of whether a State agency provides a deduction under subsection (e)(4), the Secretary shall establish simplified procedures to allow State agencies to determine the amount of the legally obligated child support payments made, including procedures to allow the State agency to rely on information from the agency responsible for implementing the food stamp program D of title IV of the Social Security Act (42 U.S.C. 661 et seq.) concerning payments made in prior months in lieu of obtaining current information from the household.

"(2) Duration of determination of amount of support payments.—If a State agency makes a determination of the amount of support payments of a household under paragraph (1), the State agency may provide that the amount of the exclusion or deduction for the household shall not change for 12 months until the eligibility determination is next redetermined under section 11(e)(4)."

SEC. 414. COORDINATED AND SIMPLIFIED DEFINITIONS.

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) by striking "and (15)" and inserting "(15)";

(2) by adding the following:

"(15) The Secretary shall, at the option of the State agency, any educational loans on which payment is deferred, grants, scholarships, fellowships, and any other types of educational benefits under subparagraph (A), the applicable percentage for which is not less than the minimum deduction provided in subparagraph (E);";

(3) by striking "(ii) a minimum of 8 percent" and inserting "(ii) a minimum of 10 percent"; and

SEC. 415. EXCLUSION OF INTEREST AND DIVIDEND INCOME.

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) (as amended by section 151(a)) is amended by striking paragraph (1) and inserting the following:

"(1) Standard deduction.—(A) Individual.—(i) In general.—Subject to the other provisions of this paragraph, the Secretary shall allow a standard deduction for each household that is—

"(I) equal to the applicable percentage specified in subparagraph (D) of the income standard of eligibility established under subsection (c)(1); but

"(II) not less than the minimum deduction specified in subparagraph (E).

"(B) Guam.—The Secretary shall allow a standard deduction for each household in Guam that is—

"(i) equal to the applicable percentage specified in subparagraph (D) of twice the income standard of eligibility established under subsection (c)(1) for the 48 contiguous States and the District of Columbia; but

"(ii) not less than the minimum deduction for Guam specified in subparagraph (E).

"(C) Households of 6 or more members.—The income standard of eligibility established under subsection (c)(1) for a household of 6 members shall be used to calculate the standard deduction for each household of 6 or more members.

"(D) Applicable percentage.—For the purpose of subparagraph (A), the applicable percentage shall be—

"(i) 8 percent for fiscal year 2002;

"(ii) 8.5 percent for each of fiscal years 2003 through 2005;

"(iii) 9 percent for each of fiscal years 2006 through 2008;

"(iv) 9.5 percent for each of fiscal years 2009 and 2010; and

"(v) 10 percent for each fiscal year thereafter.

"(E) Minimum deduction.—The minimum deduction shall be $154, $229, $300, and $1,000 for the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States, respectively."

SEC. 417. SIMPLIFIED DEPENDENT CARE DEDUCTION.

Section 5(e)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(3)) is amended by adding at the end the following:

"(E) Standard dependent care allowances.—

"(i) Establishment of allowances.—

"(1) In general.—In determining the dependent care deduction under this paragraph, the Secretary shall disregard the income of requiring the household to establish the actual dependent care costs of the household, a State agency may use..."
standard dependent care allowances established under subclause (II) for each dependent for whom the household incurs costs for care.

"(II) AMENDMENT TO STATE PLAN.—A State agency that elects to use standard dependent care allowances under subclause (I) shall submit for approval by the Secretary an amendment to the plan of operation under section 11(d) that—

"(aa) describes the allowances that the State agency will use; and

"(bb) supports documentation.

"(ii) HOUSEHOLD ELECTION.—

"(I) IN GENERAL.—Except as provided in clause (ii), a household may elect to have the deduction described in clause (ii) based on actual dependent care costs rather than the allowances established under clause (i).

"(II) FREQUENCY.—The Secretary may by regulation limit the frequency with which households may make the election described in subclause (I) or reverse the election.

"(iii) MANDATORY DEPENDANT CARE ALLOWANCES.—The State agency may make the use of standard dependent care allowances established under clause (i) mandatory for all households that incur dependent care costs.

SEC. 418. SIMPLIFIED DETERMINATION OF HOUSING COSTS.

(a) In General.—Section 5(e)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(7)) is amended—

(1) in subparagraph (A)—

(A) by striking “A household” and inserting the following:

“(i) IN GENERAL.—A household”; and

(B) by adding at the end the following:

“(II) DETERMINATION OF HOUSING COSTS.—In determining the shelter expenses of a household under this paragraph, the State agency shall include any required payment to the landlord of the household without regard to whether the required payment is designated to pay specific charges.”; and

(2) by adding at the end the following:

“(D) HOMELESS HOUSEHOLDS.—

“(i) ALTERNATIVE DEDUCTION.—In lieu of the deduction provided under subparagraph (A), a State agency may elect to allow a household to deduct for each member who is homeless individuals, but that is not receiving free shelter throughout the month, to receive a deduction of $143 per month.

“(ii) DETERMINATION OF HOUSING COSTS.—The State agency may make a household with extremely low shelter costs ineligible for the alternative deduction under clause (i).”.

(b) Conforming Amendments.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (e)—

(A) by striking paragraph (5); and

(B) by redesigning paragraphs (6) and (7) as paragraphs (5) and (6), respectively.

(ii) in subsection (k)(4)(B), by striking “subsection (e)(7)” and inserting “subsection (e)(6)”.

SEC. 419. SIMPLIFIED DETERMINATION OF UTILITY COSTS.

Section 5(e)(6)(C)(ii) of the Food Stamp Act of 1977 (as amended by section 418(b)(1)(B)) is amended—

(1) in subsection (l)(bb), by inserting “(without regard to subsection (III))” after “Secretary designate”;

(2) by adding at the end the following:

“(III) INAPPLICABILITY OF CERTAIN RESTRICTIONS.—Clauses (ii)(II) and (ii)(III) shall not apply to a State agency that has made the use of a standard utility allowance mandatory under subclause (I).”.

SEC. 420. SIMPLIFIED DETERMINATION OF EARNED INCOME.

Section 5(e)(11) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(11)) is amended by adding at the end the following:

“(C) SIMPLIFIED DETERMINATION OF EARNED INCOME.—

“(i) IN GENERAL.—A State agency may elect to determine monthly earned income by multiplying weekly income by 4 and biweekly income by 2.

“(ii) ADJUSTMENT OF EARNED INCOME DEDUCTION.—A State agency that makes an election described in clause (i) shall adjust the earned income deduction under subsection (e)(2)(B) to the extent that the election from resulting in increased costs to the food stamp program, as determined consistent with standards promulgated by the Secretary.

SEC. 421. SIMPLIFIED DETERMINATION OF DEDITIONS.

Section 5(f)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(1)) is amended by adding at the end the following:

“(D) SIMPLIFIED DETERMINATION OF DEDUCTIONS.—

“(i) IN GENERAL.—Except as provided in clause (ii), for purposes of subsection (e), a State agency may elect to disregard until the next determinations of eligibility under section 11(c)(4) 1 or more types of changes in the circumstances of a household that affect the amount of deductions the household may claim under subsection (e).

“(ii) CHANGES THAT MAY NOT BE DISREGARDED.—Under clause (i), a State agency may not disregard—

“(A) any report of changed residence; or

“(B) any change in income prescribed by the Secretary, any change in earned income.”.

SEC. 422. SIMPLIFIED RESOURCE ELIGIBILITY LIMIT.

Section 5(g)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(1)) is amended by striking “a member who is 60 years of age or older” and inserting “an elderly or disabled member”.

SEC. 423. EXCLUSION OF LICENSED VEHICLES FROM FINANCIAL RESOURCES.

(a) In General.—Section 5(g)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)) is amended—

(1) in subparagraph (B)—

(A) in clause (iii), by adding “and” at the end;

(B) by striking clause (iv); and

(C) by redesigning clause (v) as clause (iv);

(2) by striking subparagraph (C) and inserting the following:

“(C) EXCLUDED VEHICLES.—The Secretary shall exclude from financial resources any licensed vehicle used for household transportation.; and

(3) by striking subparagraph (D).

(b) Conforming Amendment.—Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by striking subsection (h).

SEC. 424. EXCLUSION OF RETIREMENT ACCOUNTS FROM FINANCIAL RESOURCES.

Section 5(g)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)(B)) is amended by section 423(a)(1) is amended by striking clause (iv) and inserting the following:

“(IV) any savings account (other than a retirement account (including an individual account)).”.

SEC. 425. COORDINATED AND SIMPLIFIED DEFINITION OF RESOURCES.

Section 5(g)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(3)) is amended—

(1) in paragraph (A)—

(A) by striking “36-month” and inserting “12-month”;

(B) by striking “3” and inserting “6”; and

(C) in subparagraph (D), by striking “(4), (5), or (6)” and inserting “(4), or (5)”;

(2) by striking paragraphs (B) and (C);

(3) in paragraph (A)(i)—

(A) in subclause (III), by adding “and” at the end;

(B) in subclause (IV), by striking “; and” and inserting a period; and

(C) by striking subclause (V); and

(4) by redesigning paragraphs (6) and (7) as paragraphs (5) and (6), respectively.

(b) Implementation of Amendments.—For the purpose of implementing the amendments made by subsection (a), a State agency may disregard any period during which an individual received food stamp benefits before the effective date of this title.
(a) IN GENERAL.—Section 7(i)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)(1)) is amended by adding at the end the following:

"(E) ACCESS TO ELECTRONIC BENEFIT TRANSFER SYSTEMS.—

"(1) IN GENERAL.—No benefits shall be taken off-line or otherwise made inaccessible because of inactivity until at least 180 days have elapsed since a household last accessed the account of the household.

"(ii) NOTICE TO HOUSEHOLD.—In a case in which benefits are taken off-line or otherwise made inaccessible, the household shall be sent a notice to:

"(I) explains how to reactivate the benefits of the household.

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply with respect to each State agency beginning on the date on which the State agency, after the date of enactment of this Act, enters into a contract to operate an electronic benefit transfer system.

SEC. 430. COST-NEUTRALITY FOR ELECTRONIC BENEFIT TRANSFER SYSTEMS.

Section 7(i)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)(1)) is amended by adding at the end the following:

"(A) IN GENERAL.—The State agency shall establish procedures to ensure that a facility described in paragraph (1), by striking subparagraph (A); and

(b) renumbering paragraphs (B) through (H), respectively.

SEC. 431. SIMPLIFIED PROCEDURES FOR RESIDENTS OF CERTAIN GROUP FACILITIES.

(a) IN GENERAL.—Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by adding at the end the following:

"(F) SIMPLIFIED PROCEDURES FOR RESIDENTS OF CERTAIN GROUP FACILITIES.—

"(1) IN GENERAL.—At the option of the State agency, allotments for residents of facilities described in subparagraph (B), (C), (D), or (E) of section 3(i)(5) may be determined and issued under this subsection in lieu of the allotments described in section 8(e), except that:

"(2) AMOUNT OF ALLOTMENT.—The allotment for each eligible resident described in paragraph (1) shall be calculated in accordance with procedures established by the Secretary that take into account the allotments typically received by residents of facilities described in paragraph (1).

"(3) ISSUANCE OF ALLOTMENT.—

"(A) IN GENERAL.—The State agency shall issue an allotment determined under this subsection to a resident of a facility described in paragraph (1) as the authorized representative of the residents of the facility.

"(B) ADJUSTMENT.—The Secretary shall establish procedures to ensure that a facility described in paragraph (1) does not receive a greater proportion of a resident's monthly allotment than the proportion of the month during which the resident lived in the facility.

"(4) DEPARTURES OF COVERED RESIDENTS.—

"(A) NOTIFICATION.—Any facility described in paragraph (1) that receives an allotment for a resident under this subsection shall:

"(I) notify the State agency promptly on the departure of the resident; and

"(II) notify the resident, before the departure of the resident, that the resident:

"(i) is eligible for continued benefits under the food stamp program; and

"(ii) should contact the State agency concerning continuation of the benefits.

"(B) ISSUANCE TO DEPARTED RESIDENTS.—On receipt of a request for a resident described in paragraph (1)(A) concerning the departure of a resident, the State agency—

"(i) shall promptly issue the departed resident an allotment for the days of the month after the departure of the resident (calculated in a manner prescribed by the Secretary) unless the resident reapplies to participate in the food stamp program; and

"(ii) may issue an allotment for the month following the departure (but not any subsequent month) based on this subsection unless the departed resident re-applies to participate in the food stamp program.

"(C) STATE OPTION.—The State agency may elect not to issue an allotment under subparagraph (B)(i) if the State agency lacks sufficient information on the location of the departed resident to provide the allotment.

"(D) EFFECT OF REAPPLICATION.—If the departed resident re-applies to participate in the food stamp program, the allotment of the departed resident shall be determined without regard to this subsection.

(b) CONFORMING AMENDMENTS.—

(1) Section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended—

"(A) by striking the first sentence, by striking "notwithstanding" and inserting the following: "Notwithstanding";

"(B) in paragraph (3) (as designated by subparagraph (D)), by striking "the preceding sentence" and inserting "paragraphs (1) and (2)";

"(C) in the second sentence, by striking "Spouses" and inserting the following: "(2) Spouses;";

"(D) in the third sentence, by striking "Notwithstanding" and inserting the following: "(3) Notwithstanding";

"(E) in paragraph (3) (as designated by subparagraph (D)), by striking "certification period" and inserting "eligibility period";

"(F) in the fourth sentence, by striking "In no event" and inserting the following: "(4) In no event;"

"(G) in the fifth sentence, by striking "For the purposes of this subsection, residents and inserting the following: "(5) For the purposes of this subsection, the following persons shall not be considered to be residents of institutions and shall be considered to be individual households:"

"(A) Residents;";

"(B) in paragraph (5) (as designated by subparagraph (G))—

"(i) by striking "Act, or are individuals" and inserting the following: "Act."

"(ii) by striking "such section, temporary" and inserting the following: "that section."

"(C) Temporary;"

"(iii) by striking "children, residents" and inserting the following: "children."

"(D) Residents;"

"(iv) by striking "coupons, and narcotics and inserting the following: "coupons;"

"(E) Narcotics;" and

"(v) by striking "shall not" and all that follows and inserting a period.

(2) Section 8(a) of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by striking the "third sentence of section 3(i)" each place it appears and inserting "section 3(4)(iv)".

(3) Section 8(e)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2017(e)(1)) is amended by striking "the last sentence of section 3(i)" and inserting "section 3(i)(5)";

(4) Section 17(b)(1)(B)(v)(III)(aa) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(v)(III)(aa)) is amended by striking "the last sentence of section 3(i)" and inserting paragraphs (4) and (5) of section 3(i)."
(B) in paragraph (2)(B), by striking "expira-
tion of" and all that follows through "dur-
ing a certification period," and inserting "termination of benefits to the household,".

Section 435 of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(16)) is amended by striking "the certification or recerti-
fication" and inserting "determining the eligi-
bility".

SEC. 434. SIMPLIFIED APPLICATION PROCEDURE-
 FOR THE ELDERLY AND DISABLED.

(a) In General.—Section 11(i) of the Food Stamp Act of 1977 (7 U.S.C. 2020(i)) is amend-
ed—

(1) in paragraph (1)—

(A) by striking "informed" and-

(B) by striking "program and be assisted" and inser-
ting the following: "program;" and

(C) by striking "office and be certified" and inser-
ting the following: "office; and"

and inserting the following: "income shall be-

(A) informed;"

(B) by striking "program and be assisted" and inser-
ting the following: "program;" and

(C) by striking "office and be certified" and inser-
ting the following: "office; and"

and inserting the following: "shall be-

(A) informed;" and

(2) by adding at the end the following: "

(3) DUAL-PURPOSE APPLICATIONS.—

(A) In General.—Under regulations promul-
gulated by the Secretary after consulta-
tion with the Commissioner of Social Secu-
ritv, a State agency may enter into a memo-
randum of understanding with the Commis-
sioner under which an application for supple-
mental nutrition assistance, benefits under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.) from a household composed entirely of appli-
cants for or recipients of those bene-
fits shall also be considered to be an applica-
tion for benefits under the food stamp pro-
gam.

(B) CERTIFICATION; REPORTING REQUIRE-
MENTS.—A household covered by a memo-
randum of understanding under subpara-
graph (A)—

(i) that is not received, or

(ii) shall not be subject to any reporting require-
ment under section 6(c).

(C) ALLOTMENT OF ALLOTMENT.—

The Secretary shall provide by regulation for such exceptions to section 8(a) as are nec-

erary because a household covered by a memo-

randum of understanding under sub-

paragraph (A) did not complete an applica-
tion under subsection (e)(2).

(D) COVERAGE.—In accordance with stand-

dards promulgated by the Secretary, a memo-

randum of understanding under subpara-

graph (A) need not cover all classes of appli-
cants and recipients referred to in subpara-

graph (1).

(E) EXEMPTION FROM CERTAIN APPLICATION 

PROCEDURES.—In the case of any member of a household covered by a memorandum of un-
derstanding under subparagraph (A), the Com-
missoner shall not be required to com-
ply with—

(i) subparagraph (B) or (C) of paragraph (1); or

(ii) subsection (j)(1)(B).

(F) RIGHT TO APPLY UNDER REGULAR PRO-
GRAM.—The Secretary shall ensure that each household covered by a memorandum of un-
derstanding under subparagraph (A) shall receive a copy of the memorandum of under-
standing under subparagraph (A) in for-

(1) in the first sentence of paragraph (4), by striking 

"Except in a case in which a household is receiving transi-
tional benefits during the transitional bene-

fits period under section 11(a), no house-
hold"

SEC. 436. QUALITY CONTROL.

(a) In General.—Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amend-
ed—

(1) by striking "(c)(1) The" and all that fol-

low through paragraph (1) and inser-
ting the following: "(c) QUALITY CONTROL.—

(1) In General.—The food stamp program shall include a system to enhance payment accuracy that has the following elements:

(C) Investigation and Initial Sanctions.—

(1) Investigation.—Except as provided under subparagraph (C), for any fiscal year in which the Secretary determines that a 95 percent statistical probability exists that the payment error rate of a State agency exceeds the national performance measure for payment error rates announced under paragraph (6) by more than 1 percentage point, other than for good cause shown, the Sec-

(2) Period for the Exemption.—In the final month of the transi-
tional benefits period under paragraph (2), a household shall receive an amount of food stamp benefits equal to the allotment that the household would have received if on the date of the termination of cash assistance; or

(3) Limitation.—In the final month of the transitional benefits period under paragraph (2), a household shall be considered to be an applicant for assistance under this paragraph if the household—

(a) loses eligibility under section 6;

(b) is sanctioned for a failure to perform an action required by Federal, State, or local law relating to a cash assistance program described in section 11(a); or

(c) is a member of any other category of households designated by the State agency as ineligible for transitional benefits.

(2) DETERMINATION OF FUTURE ELIGI-

ABILITY.—In the final month of the transi-
tional benefits period under paragraph (2), the State agency may—

(A) require the household to cooperate in a readetermination of eligibility; and

(B) initiates a review period for the household without regard to whether the preceding eligibility review period has expired.

(3) LIMITATION.—A household shall not be eligible for transitional benefits under this subsection if the household—

(a) loses eligibility under section 6;

(b) is sanctioned for a failure to perform an action required by Federal, State, or local law relating to a cash assistance program described in section 11(a); or

(c) is a member of any other category of households designated by the State agency as ineligible for transitional benefits.

(b) CONFORMING AMENDMENTS.—

(1) Section 6(c) of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended by adding at the end the following: "(c)(1) the food stamp program shall be—";

(2) in paragraph 2(A), by inserting before the semicolon the following: 

"(ii) not to exceed 5 percent, other than for good cause shown, and that the State agency was sanctioned under this Section 436 during the calendar year; or was the subject of an investigation or review under subparagraph (B)(i) for each of the 2 immediately preceding fiscal years, the State agency shall pay to the Sec-

(by) 10 percent; or

(by) 5 percent, other than for good cause shown, and that the State agency was sanctioned under this Section 436 during the calendar year; or was the subject of an investigation or review under subparagraph (B)(i) for each of the 2 immediately preceding fiscal years, the State agency shall pay to the Sec-

(b)(1) a 10 percent bonus payment under paragraph (11), or

(b)(2) a 5 percent bonus payment under paragraph (11), or

"(bb) 10 percent; or

(2) in paragraph 2(A), by inserting before the semicolon the following: 

"(ii) not to exceed 5 percent, other than for good cause shown, and that the State agency was sanctioned under this Section 436 during the calendar year; or was the subject of an investigation or review under subparagraph (B)(i) for each of the 2 immediately preceding fiscal years, the State agency shall pay to the Sec-

(by) 10 percent; or

(by) 5 percent, other than for good cause shown, and that the State agency was sanctioned under this Section 436 during the calendar year; or was the subject of an investigation or review under subparagraph (B)(i) for each of the 2 immediately preceding fiscal years, the State agency shall pay to the Sec-

(b)(1) a 10 percent bonus payment under paragraph (11), or

(b)(2) a 5 percent bonus payment under paragraph (11), or

"(bb) 10 percent; or

"(bb) 5 percent, other than for good cause shown, and that the State agency was sanctioned under this Section 436 during the calendar year; or was the subject of an investigation or review under subparagraph (B)(i) for each of the 2 immediately preceding fiscal years, the State agency shall pay to the Sec-

(by) 10 percent; or

(by) 5 percent, other than for good cause shown, and that the State agency was sanctioned under this Section 436 during the calendar year; or was the subject of an investigation or review under subparagraph (B)(i) for each of the 2 immediately preceding fiscal years, the State agency shall pay to the Sec-

(b)(1) a 10 percent bonus payment under paragraph (11), or

(b)(2) a 5 percent bonus payment under paragraph (11), or

"(bb) 10 percent; or

"(bb) 5 percent, other than for good cause shown, and that the State agency was sanctioned under this Section 436 during the calendar year; or was the subject of an investigation or review under subparagraph (B)(i) for each of the 2 immediately preceding fiscal years, the State agency shall pay to the Sec-

(by) 10 percent; or

(by) 5 percent, other than for good cause shown, and that the State agency was sanctioned under this Section 436 during the calendar year; or was the subject of an investigation or review under subparagraph (B)(i) for each of the 2 immediately preceding fiscal years, the State agency shall pay to the Sec-
claim for payment under paragraph (1)’’; (4) in the first sentence of paragraph (5), by striking ‘‘to establish’’ and all that follows and inserting ‘‘to establish the payment error rate for the State agency for the fiscal year, to comply with paragraph (10), and to determine the amount of any high performance bonus payment of the State agency under paragraph (11) or claim under paragraph (1)’’; (5) in the first sentence of paragraph (6), by striking ‘‘incentive payments’’ or claims pursuant to paragraphs (1)(A) and (1)(C),’’ and inserting ‘‘claims under paragraph (1)’’; and (6) by adding at the end the following: ‘‘(II) ADJUSTMENTS OF PAYMENT ERROR RATE.— ‘‘(A) IN GENERAL.— ‘‘(i) FISCAL YEAR 2002.—Subject to clause (ii), for fiscal year 2002, in applying paragraph (1), the Secretary shall adjust the payment error rate determined under paragraph (2)(A) as necessary to eliminate any increases in errors that result from the State agency’s serving a higher percentage of households with earned income, households with 1 or more members who are not United States citizens, or both, than the lesser of, as the case may be— ‘‘(I) the percentage of households of the corresponding type that receive food stamps nationally; or ‘‘(II) the percentage of— ‘‘(aa) households with earned income that received food stamps in the State in fiscal year 2001; or ‘‘(bb) households with members who are not United States citizens that received food stamps in the State in fiscal year 1998. ‘‘(ii) APPLICABILITY TO STATE AGENCIES SUBJECT TO SANCTIONS.—In the case of a State subject to sanctions for fiscal year 2001 or any fiscal year thereafter under subparagraph (A) of an adjustment described in clause (i) shall apply to the State agency for the fiscal year. ‘‘(B) CONTINUATION OR MODIFICATION OF ADJUSTMENTS.—For fiscal year 2003 and each fiscal year thereafter, the Secretary may determine whether the continuation or modification of the adjustments described in subparagraph (A) or the substitution of other adjustments is most consistent with achieving the purposes of this Act. ‘‘(C) APPLICABILITY.—Except as otherwise provided in the amendments made by subsection (a), the amendments made by subsection (a) shall apply to fiscal year 2001 and each fiscal year thereafter. ‘‘SEC. 437. IMPROVEMENT OF CALCULATION OF STATE PERFORMANCE MEASURES. (a) IN GENERAL.—Section 16(e)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)(8)) is amended by— (1) in subparagraph (A)— (i) by striking ‘‘180 days after the end of the fiscal year’’ and inserting ‘‘the first day of the following fiscal year’’; and (ii) by striking ‘‘30 days thereafter’’ and inserting ‘‘the first 30 days after the end of the fiscal year referred to in subparagraph (A)’’; and (2) in subparagraph (C), by striking ‘‘30 days thereafter’’ and inserting ‘‘the first 30 days after the end of the fiscal year referred to in subparagraph (A)’’. (b) EFFECT.—These amendments made by this section take effect on the date of enactment of this Act. ‘‘SEC. 438. DUES FOR STATES THAT DEMONSTRATE HIGH PERFORMANCE. (a) IN GENERAL.—Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)(6)) is amended— (1) in the first sentence of paragraph (1), by striking ‘‘enhanced administrative funding to States with the lowest error rates’’ and inserting ‘‘bonus payments to States that demonstrate high levels of performance’’; and (2) by adding at the end the following: ‘‘(II) HIGH PERFORMANCE BONUS PAYMENTS.— ‘‘(A) IN GENERAL.—For each fiscal year, the Secretary shall— ‘‘(i) measure the performance of each State agency with respect to each of the performance measures specified in subparagraph (B); and ‘‘(ii) subject to subparagraph (D), make high performance bonus payments to the State agency for achievements with respect to those performance measures. ‘‘(B) PERFORMANCE MEASURES.—The performance measures specified in this subparagraph are— ‘‘(I) the greatest dollar amount of total claims collected in the fiscal year as a proportion of the overpayment dollar amount in the previous fiscal year; and ‘‘(II) the greatest percentage point improvement under clause (i(I) from the previous fiscal year to the fiscal year; ‘‘(iii) subject to subparagraph (D), the greatest percentage improvement from the previous fiscal year to the fiscal year in the ratio, expressed as a percentage, that— ‘‘(I) the number of households in the State that— ‘‘(aa) have incomes less than 130 percent of the poverty line (as defined); and ‘‘(bb) are eligible for food stamp benefits; and ‘‘(II) the number of households in the State that— ‘‘(aa) have incomes less than 130 percent of the poverty line; and ‘‘(bb) are eligible for food stamp benefits; ‘‘(iv) the greatest percentage point improvement from the previous fiscal year to the fiscal year in the overpayment error rate; ‘‘(v) the lowest negative error rate; ‘‘(vi) the greatest percentage point improvement from the previous year to the fiscal year in the negative error rate; ‘‘(vii) the lowest underpayment error rate; ‘‘(viii) the greatest percentage point improvement from the previous year to the fiscal year in the underpayment error rate; ‘‘(ix) the greatest percentage of new applications processed within the deadlines established under paragraphs (3) and (9) of section 11(e); and ‘‘(x) the least average period of time needed to process applications under paragraphs (3) and (9) of section 11(e). ‘‘(C) HIGH PERFORMANCE BONUS PAYMENTS.— ‘‘(I) DEFINITION OF CASHELOAD.—In this subpart, the term ‘caseload’ shall have the meaning given in section 6(o)(5)(A). ‘‘(II) AMOUNT OF PAYMENTS.— ‘‘(A) IN GENERAL.—For each fiscal year, the Secretary shall— ‘‘(aa) make 1 high performance bonus payment of $10,000,000 for each of the 10 performance measures under subparagraph (B); and ‘‘(bb) allocate the high performance bonus payment with respect to each performance measure in accordance with subclauses (II) and (III). ‘‘(B) PAYMENT FOR PERFORMANCE MEASURE CONCERNING CLAIMS COLLECTED.—For each fiscal year, the Secretary shall allocate the high performance bonus payment made for the performance measure under subparagraph (B)(i) among the 20 State agencies with the highest performance in the performance measure in the ratio that— ‘‘(aa) the caseload of each such State agency; bears to "(bb) the caseloads of all such State agencies. ‘‘(C) SIMPLIFIED FUNDING RULES FOR EMPLOYMENT AND TRAINING PROGRAMS. (1) IN GENERAL.—In determining the highest performers under clause (ii), the Secretary shall calculate applicable percentages to 2 decimal places. ‘‘(2) DETERMINATION IN EVENT OF A TIE.—If, under subclause (1), 2 or more State agencies have the same percentage with respect to a performance measure, the Secretary shall calculate the percentage for the performance measure to as many decimal places as are necessary to determine which State agency has the greatest percentage. ‘‘(2) LIMITATIONS FOR STATE AGENCIES SUBJECT TO SANCTIONS.—If, for any fiscal year, a State agency is subject to a sanction under paragraph (1)— ‘‘(i) the State agency shall not be eligible for a high performance bonus payment under clause (ii), (iv), (vii), or (viii) of subparagraph (B) for the fiscal year; ‘‘(ii) the State agency shall not receive a high performance bonus payment for which the State agency is otherwise eligible under this paragraph for which until the obligation of the State agency under the sanction has been satisfied (as determined by the Secretary). ‘‘(3) PAYMENTS NOT SUBJECT TO JUDICIAL REVIEW.—A determination by the Secretary whether, and in what amount, to make a high performance bonus payment under this paragraph shall not be subject to judicial review. ‘‘(b) APPLICABILITY.—The amendment made by subsection (a) shall apply to fiscal year 2003 and each fiscal year thereafter. SEC. 439. SIMPLIFIED FUNDING RULES FOR EMPLOYMENT AND TRAINING PROGRAMS. (a) LEVELS OF FUNDING.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended— (1) in subparagraph (A)— (A) by striking ‘‘, to remain available until expended,’’; and (B) by striking clause (vii) and inserting the following: ‘‘(vii) to remain available until expended— ‘‘(I) for fiscal year 2002, $122,000,000; ‘‘(II) for fiscal year 2003, $129,000,000; ‘‘(III) for fiscal year 2004, $135,000,000; ‘‘(IV) for fiscal year 2005, $142,000,000; and ‘‘(V) for fiscal year 2006, $149,000,000; ’’; (2) by striking subparagraph (B) and inserting the following: ‘‘(B) ALLOCATION.—Funds made available under subparagraph (A) shall be made available to and reallocated among State agencies under a reasonable formula that— ‘‘(i) is determined and adjusted by the Secretary; and ‘‘(ii) takes into account the number of individuals who are not exempt from the work requirement under section 6(o);’’; and (3) by striking subparagraphs (E) through (G). (b) RECISSION OF CAREGIVER FUNDS.—Notwithstanding any other provision of law, funds provided under section 16(h)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)(A)) for any fiscal year before fiscal year 2002 shall cease to be available on the
date of enactment of this Act, unless oblig-
ated by a State agency before that date.
(c) PARTICIPANT EXPENSES.—Section 6(d)(4)(1)(i) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)(1)(i)) is amended by striking "$25 per month" and inserting "an amount not less than $25 per month".
(d) EMBRITTLEMENT.—Section 16(b)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(3)) is amended by striking "$32" and inserting "the limit established by the State agency under section 6(d)(4)(1)(i)".
(e) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 440. REAUTHORIZATION OF FOOD STAMP PROGRAM.

(a) REDUCTIONS IN PAYMENTS FOR ADMINISTRATIVE COSTS.—Section 16(k)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(3)) is amended—
(1) in the first sentence of subparagraph (A), by striking "2002" and inserting "2006"; and
(2) in subparagraph (B), by striking "2002" and inserting "2006".

(b) CASH PAYMENT PILOT PROJECTS.—Section 17(b)(1)(B)(vi) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(vi)) is amended by striking "2002" and inserting "2006".

(c) GRANTS TO IMPROVE FOOD STAMP PARTICIPATION.—Section 17(i)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(A)) is amended by striking "2002" and inserting "2006".

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 18(a)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2026(a)(3)) is amended in the first sentence by striking "2002" and inserting "2006".

SEC. 441. EXPANDED GRANT AUTHORITY.

Section 17(a)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(a)(1)(A)) is amended—
(1) by striking "by way of making con-
tracts with or grants to public or private or-
ganizations or agencies," and inserting "enter into contracts with or make grants to public or private organizations or agencies under this section;" and
(2) by adding at the end the following:—
"The waiver authority of the Secretary under subsection (b) shall extend to all con-
tracts and grants made under this section."

SEC. 442. EXEMPTION OF WAIVERS FROM COST-
NEUTRALITY REQUIREMENT.

Section 17(b)(1)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)) is amended by adding at the end of the following:
"(E) COST NEUTRALITY.—
(i) REQUIREMENTS FOR WAIVERS.—
(A) IN GENERAL.—The Secretary shall es-
tablish competitive process to select, from all projects proposed by State agencies, the demonstration projects to be carried out under this subsection, based on which projects have the greatest likelihood of pro-
ducing useful information on important issues of food stamp program design or oper-
ation, as determined by the Secretary.
(B) GOALS.—In selecting demonstration projects, the Secretary shall seek, at a mini-
um, to achieve a balance be-
 tween—
(I) simplifying the food stamp program;
(II) reducing administrative burdens on State agencies, households, and other indi-
viduals and entities;
(III) providing nutrition assistance to in-
dividuals most in need; and
(iv) improving access to nutrition assist-
ance.
(C) PROJECTS NOT ELIGIBLE FOR SELEC-
tion.—The Secretary shall not select any demonstration project under this subsection on the food stamp program, including the effectiveness of the demonstra-
tion projects in—
(1) delivering nutrition assistance to homes most at risk; and
(2) reducing administrative burdens..
"(B) PROGRAM SIMPLIFICATION DEMON-
STRATION PROJECTS.—
(A) IN GENERAL.—The Secretary shall es-
-establish a competitive process to select, from all projects proposed by State agencies, the demonstration projects to be carried out under this subsection, based on which projects have the greatest likelihood of pro-
ducing useful information on important issues of food stamp program design or oper-
ation, as determined by the Secretary.
(B) GOALS.—In selecting demonstration projects, the Secretary shall seek, at a mini-
um, to achieve a balance be-
 tween—
(I) simplifying the food stamp program;
(II) reducing administrative burdens on State agencies, households, and other indi-
viduals and entities;
(III) providing nutrition assistance to in-
dividuals most in need; and
(iv) improving access to nutrition assist-
ance.
(C) PROJECTS NOT ELIGIBLE FOR SELEC-
tion.—The Secretary shall not select any demonstration project under this subsection on the food stamp program, including the effectiveness of the demonstra-
tion projects in—
(1) delivering nutrition assistance to homes most at risk; and
(2) reducing administrative burdens..
"(C) FUNDING.—From funds made available to carry out this Act, the Secretary shall re-
serve not more than $6,000,000 to conduct evaluations under this paragraph.
"(D) REPORT TO CONGRESS.—Not later than January 1, 2006, the Secretary shall submit to Congress a report on the impact of the demonstration projects carried out under this subsection on the food stamp program, including the effectiveness of the demonstra-
tion projects in—
(1) delivering nutrition assistance to homes most at risk; and
(2) reducing administrative burdens..
"(E) MAXIMUM AGGREGATE COST OF-
PROJECTS.—The estimated aggregate cost of projects selected under this subsection shall not exceed $10,000,000.
"(F) SIZE OF AREA.—Each demonstration project selected under this subsection shall be carried out in an area that contains not more than the greater of—
(A) one-third of the total households receiving allotments in the State; or
(B) the minimum number of households needed to measure the effects of the demo-
stration projects.
"(G) EVALUATIONS.—
(A) IN GENERAL.—The Secretary shall pro-
vide, through contract or other means, for
detailed, statistically valid evaluations to be conducted of each demonstration project carried out under this subsection.
(B) MINIMUM REQUIREMENTS.—Each eval-
uation under subparagraph (A)—
(1) shall include the study of control
groups or areas; and
(2) shall analyze, at a minimum, the ef-
fects of the project design on—
(i) costs of the food stamp program;
(ii) State administrative costs;
(iii) the integrity of the food stamp program,
including errors as measured under section 16(c);
(iv) participation by households in need of
nutrition assistance; and
(v) changes in allotment levels experi-
enced by—
(aa) households of various income levels;
(bb) households with elderly, disabled,
and employed members;
(cc) households with high shelter costs
relative to the incomes of the households; and
(dd) households receiving subsidized hous-
ing, child care, or health insurance.
(C) FUNDING.—From funds made available to carry out this Act, the Secretary shall re-
serve not more than $6,000,000 to conduct evaluations under this paragraph.
"(E) REPORT TO CONGRESS.—Not later than January 1, 2006, the Secretary shall submit to Congress a report on the impact of the demonstration projects carried out under this subsection on the food stamp program, including the effectiveness of the demonstra-
tion projects in—
(1) delivering nutrition assistance to homes most at risk; and
(2) reducing administrative burdens..
"(B) CONFORMING AMENDMENT.—Section 17(b)(1)(B)(iv)(III)(i) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(iv)(III)(i)) is amended by striking "paragraph" and insert-
ing "section."
to pay the expenditures for nutrition assistance programs for needy persons as described in subparagraphs (B) and (C); 

(2) in subparagraph (B), by inserting “Puerto Rico (2 U.S.C. 1758(e)(1)(B))”, “Commonwealth” each place it appears; and 

(3) by adding at the end the following: 

“(C) AMERICAN SAMOA.—For each fiscal year, the Secretary shall reserve of the funds made available under subparagraph (A) for payment to American Samoa to pay the expenditures for a nutrition assistance program extended under section 601(c) of Public Law 96–597 (48 U.S.C. 1469d(c)).” 

(D) GOVERNMENTAL ENTITY.—A governmental entity specified in this subparagraph is—

“(1) the Commonwealth of Puerto Rico; and 

“(ii) for fiscal year 2003 and each fiscal year thereafter, American Samoa.”; 

(b) CONFORMING AMENDMENT.—Section 24 of the Food Stamp Act of 1977 (7 U.S.C. 2033) is repealed. 

(c) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2006.

SEC. 445. EXPANDED AVAILABILITY OF COMMODITIES. 

(a) IN GENERAL.—Section 27 of the Food Stamp Act of 1977 (7 U.S.C. 2033) is amended—

(1) in subsection (a)—

(A) by striking “amounts” and inserting the following:

“(1) IN GENERAL.—From amounts;” 

(B) by striking “for each of fiscal years 1997 through 2002, the Secretary shall purchase $100,000,000 of” and inserting “the Secretary shall use the amount specified in paragraph (2) to purchase”; and 

(C) by striking “(2)” and inserting “(A)” and “(B)” the following:

“(2) AMOUNTS.—The amounts specified in this paragraph are—

“(A) for each of fiscal years 1997 through 2002, $100,000,000; and 

“(B) for each of fiscal years 2002 through 2006, $10,000,000.”; and 

(2) by adding at the end the following:

“(c) USE OF FUNDS FOR RELATED COSTS.—

“(1) IN GENERAL.—For each of fiscal years 1997 through 2002, the Secretary shall reserve 0.4 percent of the amount of each grant per caseeload slot shall be equal to $50, adjusted by the percentage change between—

“(A) the value of the State and local government price index, as published by the Bureau of Labor Statistics of the Department of Labor, for the 12-month period ending June 30 of the preceding fiscal year; and 

“(B) the value of that index for the 12-month period ending June 30 of the preceding fiscal year.”; and 

(2) in subsection (d)(2), by striking “2002” each place it appears and inserting “2006”. 

(d) DISTRIBUTION OF SURPLUS COMMODITIES TO SUSTAINABLE PRODUCTION PROGRAMS.—Section 114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended in the first sentence by striking “2002” and inserting “2006”. 

(e) EMERGENCY FOOD ASSISTANCE.—Section 204(a)(1) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1)) is amended in the first sentence—

“(1) by striking “2002” and inserting “2006”; 

“(2) by striking “administrative”; and 

“(3) by inserting “storage,” after “processing.”.

SEC. 452. WORK REQUIREMENT FOR LEGAL IMMIGRANTS. 


(c) REGULATIONS.—The Secretary of Agriculture may promulgate such regulations as the Secretary considers necessary to carry out the provisions of this section. 

SEC. 453. QUALIFIED ALIENS. 

Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) is amended by adding at the end the following:

“(L) Food stamp exemption for certain qualified aliens.—With respect to eligibility for benefits for the specified Federal program described in paragraph (3)(B), paragraph (1) shall not apply to any individual who—

(1) has continuously resided in the United States as a qualified alien for a period of 5 years or more;”.

SEC. 454. COMMODITIES FOR SCHOOL LUNCH PROGRAMS. 

(a) IN GENERAL.—Section 6(e)(1)(B) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1756(b)(1)) is amended by striking “2001” and inserting “2003”. 

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on the date of enactment of this Act.

SEC. 455. ELIGIBILITY FOR FREE AND REDUCED PRICE MEALS. 

(a) IN GENERAL.—Section 9(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1756(b)) is amended by adding at the end the following:

“(7) EXCLUSION OF CERTAIN MILITARY HOUSING ALLOWANCES.—For fiscal years 2002 and 2003, the amount of a basic allowance provided under section 403 of title 37, United States Code, on behalf of a member of a uniformed service for housing that is acquired or constructed under subchapter IV of chapter 169 of title 10, United States Code, or any related provision of law, shall not be counted to the income standard of determining the eligibility of a child who is a member of the household of the member of a uniformed service for free or reduced price lunches under this Act. 

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on the date of enactment of this Act.

SEC. 456. SENIORS FARMERS’ MARKET NUTRITION PROGRAM. 

(a) ESTABLISHMENT.—The Secretary of Agriculture shall carry out and expand a seniors farmers’ market nutrition program. 

(b) PROGRAM PURPOSES.—The purposes of the seniors farmers’ market nutrition program are—

(1) to provide to low-income seniors residing in the form of fresh, nutritious, unprepared, locally grown fruits, vegetables, and herbs from farmers’ markets, roadside stands, and community-supported agriculture programs; 

(2) to increase domestic consumption of agricultural commodities by expanding or assisting in the expansion of domestic farmers’ markets, roadside stands, and community-supported agriculture programs; and 

(3) to develop or aid in the development of new farmers’ markets, roadside stands, and community-supported agriculture programs. 

(c) REGULATIONS.—The Secretary of Agriculture may promulgate such regulations as the Secretary considers necessary to carry out the seniors farmers’ market nutrition program under this section.

(d) FUNDING.—

(1) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, and on October 1, 2002, and each October 1 thereafter after October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of Agriculture shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.

SEC. 457. ELIGIBILITY FOR ASSISTANCE UNDER THE SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN. 

(a) IN GENERAL.—Section 17(d)(2)(B)(i) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(2)(B)(i)) is amended—

(1) by striking “public assistance for housing” and inserting the following: “basic allowance—

“(1) for housing;”

(2) by striking “and” at the end and inserting “or”; and 

(3) by adding at the end the following:


SEC. 458. CONGRESSIONAL HUNGER FELLOWS PROGRAM.

(a) Short Title.—This section may be cited as the "Congressional Hunger Fellows Act of 2001."

(b) Purpose.—Congress finds that—

(1) there are—

(A) a critical need for compassionate individuals who are committed to assisting people who suffer from hunger; and

(B) a need for those individuals to initiate and administer solutions to the hunger problem;

(2) Bill Emerson, the distinguished late Representative from the 8th District of Missouri, demonstrated—

(A) his commitment to solving the problem of hunger in a bipartisan manner;

(B) his commitment to public service; and

(C) his great affection for the institution and the ideals of Congress;

(3) George T. (Mickey) Leland, the distinguished late Representative from the 18th District of Texas, demonstrated—

(A) his compassion for individuals in need;

(B) his ability to provide public service; and

(C) his lively exercise of political talents;

(4) the special concern that Mr. Emerson and Mr. Leland demonstrated during their lives for the hungry and poor was an inspiration for others to work toward the goals of equality and justice for all; and

(5) the Board of Trustees maintains a special bond of friendship regardless of political affiliation and worked together to encourage future leaders to recognize and provide service to others, it is especially appropriate to honor the memory of Mr. Emerson and Mr. Leland by establishing a fellowship program to develop and train the future leaders of the United States to pursue careers in humanitarian service.

(c) Definitions.—In this section:

(1) Appropriate Congressional Committees.—The term "appropriate congressional committees" means—

(A) the Committee on Agriculture and the Committee on Foreign Relations of the Senate;

(B) the Committee on Agriculture, Nutrition, and Forestry and the Committee on Foreign Relations of the House of Representatives.

(2) Board.—The term "Board" means the Board of Trustees of the Program.

(3) Fund.—The term "Fund" means the Congressional Hunger Fellows Trust Fund established by subsection (g).

(4) Program.—The term "Program" means the Congressional Hunger Fellows Program established by subsection (d).

(5) Priority.—The term "priority" means the priority of programs to be carried out under the Program, including the fellowships described in this section.

(d) Establishment.—There is established a Bill Emerson Hunger Fellows Program to develop and train the future leaders of the United States to pursue careers in humanitarian service.

(e) Board of Trustees.—

(1) In General.—The Program shall be subject to the supervision and direction of a Board of Trustees.

(2) Members of the Board.—

(i) Appointment.—

(A) In General.—The Board shall be composed of 6 voting members appointed under clause (ii) and 1 nonvoting ex-officio member designated by clause (iii).

(B) Voting Members.—The voting members of the Board shall consist of the following:

(1) 2 members appointed by the Speaker of the House of Representatives.

(2) 1 member appointed by the minority leader of the House of Representatives.

(3) 2 members appointed by the majority leader of the Senate.

(4) 1 member appointed by the minority leader of the Senate.

(3) Nonvoting Member.—The Executive Director of the Program shall serve as a nonvoting ex-officio member of the Board.

(f) Terms.—

(i) In General.—Each member of the Board shall serve for a term of 4 years.

(ii) Incomplete Term.—If a member of the Board dies or leaves the Board or otherwise terminates the term of the member, the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

(iii) Vacancy.—A vacancy on the Board—

(A) shall not affect the powers of the Board; and

(B) shall be filled in the same manner as the original appointment was made.

(g) Chairperson.—As the first order of business of the first meeting of the Board, the members shall elect a Chairperson.

(h) Compensation.—

(i) In General.—Subject to clause (ii), a member of the Board shall not receive compensation for service on the Board.

(ii) Travel.—A member of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Board.

(i) Duties.—

(A) Bylaws.—

(i) Establishment.—The Board shall establish such bylaws and other regulations as are appropriate to enable the Board to carry out its duties under this paragraph, including the duties described in this section, including the duties described in this paragraph.

(ii) Contents.—Bylaws and other regulations established under clause (i) shall include provisions—

(A) for appropriate fiscal control, accountability for funds, and operating principles;

(B) for determining when the appearance of any conflict of interest, in—

(aa) the procurement and employment actions taken by any officer or employee of the Board; and

(bb) the selection and placement of individuals in the fellowships established under the Program;

(iii) Period of Fellowship.—The Board shall review and approve a work plan that identifies the target objectives for the fellowships described in this section, including the duties described in this section, including the duties described in this paragraph.

(iv) Selection of Fellows.—The Board shall develop and implement procedures for the selection and placement of individuals in the fellowships established under the Program, including the fellowships described in this section, including the duties described in this paragraph.

(v) Public Service.—The Board shall ensure that the purposes of the Program, including the fellowships established under subsection (2)(3)(A), are to—

(A) encourage future leaders of the United States to pursue careers in humanitarian service;

(B) to recognize the needs of people who are hungry and poor;

(C) to provide assistance and compassion for people in need;

(D) to increase awareness of the importance of public service; and

(E) to provide training and development opportunities for the leaders through placement in the programs operated by appropriate entities.

(2) Authority.—The Program may develop fellowships to carry out the purposes of the Program, including the fellowships described in paragraph (3).

(3) Fellowships.—

(A) In General.—The Program shall establish and carry out the Bill Emerson Hunger Fellowship and the Mickey Leland Hunger Fellowship.

(B) Procedures.—In General.—The fellowships established under subparagraph (A) shall provide experience and training to develop the skills and understanding necessary to improve the humanitarian condition of the lives of individuals who suffer from hunger, including—

(i) training in direct service to the hungry in conjunction with community-based organizations through a program of field placement; and

(ii) experience in policy development through placement in a governmental entity or nonprofit organization.

(4) Work Plan.—To carry out clause (i) and to assist in the evaluation of the fellowships under paragraph (3), the Program shall, for each fellow, approve a work plan that identifies the goals of the individual fellow; the objectives of the fellow in the fellowship; the specific duties and responsibilities relating to the objectives; and

(C) Period of Fellowship.—

(i) Emerson Fellowship.—A Bill Emerson Hunger Fellowship awarded under this paragraph shall be for a period of not more than 1 year.

(ii) Leland Fellowship.—A Mickey Leland Hunger Fellowship awarded under this paragraph shall be for a period of not more than 2 years.

(D) Selection of Fellows.—In General.—A fellowship shall be awarded through a nationwide competition established by the Program.

(E) Qualification.—A successful applicant shall—

(i) be an individual who has demonstrated—

(A) an intent to pursue a career in humanitarian service and outstanding potential for such a career;

(B) leadership potential or leadership experience;

(iii) diverse life experience;

(iv) proficiency in writing and speaking skills; and

(v) an ability to live in poor or diverse communities; and

(g) Priorities.—

(i) In General.—The fellowships established under subsection (2)(3)(A) shall give priority to—

(A) individuals who have had an experience;

(B) individuals who have had an experience;

(C) individuals who have had an experience;

(D) individuals who have had an experience;

(E) individuals who have had an experience;

(F) individuals who have had an experience;

(G) individuals who have had an experience;

(H) individuals who have had an experience;

(I) individuals who have had an experience;

(J) individuals who have had an experience;

(K) individuals who have had an experience;

(L) individuals who have had an experience;

(M) individuals who have had an experience;

(N) individuals who have had an experience;

(O) individuals who have had an experience;

(P) individuals who have had an experience;

(Q) individuals who have had an experience;

(R) individuals who have had an experience;

(S) individuals who have had an experience;

(T) individuals who have had an experience;

(U) individuals who have had an experience;

(V) individuals who have had an experience;

(W) individuals who have had an experience;

(X) individuals who have had an experience;

(Y) individuals who have had an experience;

(Z) individuals who have had an experience;

(aa) the procurement and employment actions taken by any officer or employee of the Board; and

(bb) the selection and placement of individuals in the fellowships established under the Program;

(iii) Period of Fellowship.—The Board shall review and approve a work plan that identifies the target objectives for the fellowships described in this section, including the duties described in this section, including the duties described in this paragraph.

(iv) Selection of Fellows.—The Board shall develop and implement procedures for the selection and placement of individuals in the fellowships established under the Program, including the fellowships described in this section, including the duties described in this section, including the duties described in this paragraph.

(v) Public Service.—The Board shall ensure that the purposes of the Program, including the fellowships established under subsection (2)(3)(A), are to—

(A) encourage future leaders of the United States to pursue careers in humanitarian service;

(B) to recognize the needs of people who are hungry and poor;

(C) to provide assistance and compassion for people in need;

(D) to increase awareness of the importance of public service; and

(E) to provide training and development opportunities for the leaders through placement in the programs operated by appropriate entities.

(2) Authority.—The Program may develop fellowships to carry out the purposes of the Program, including the fellowships described in paragraph (3).

(3) Fellowships.—

(A) In General.—The Program shall establish and carry out the Bill Emerson Hunger Fellowship and the Mickey Leland Hunger Fellowship.

(B) Procedures.—In General.—The fellowships established under subparagraph (A) shall provide experience and training to develop the skills and understanding necessary to improve the humanitarian condition of the lives of individuals who suffer from hunger, including—

(i) training in direct service to the hungry in conjunction with community-based organizations through a program of field placement; and

(ii) experience in policy development through placement in a governmental entity or nonprofit organization.

(4) Work Plan.—To carry out clause (i) and to assist in the evaluation of the fellowships under paragraph (4), the Program shall, for each fellow, approve a work plan that identifies the goals of the individual fellow; the objectives of the fellow in the fellowship; the specific duties and responsibilities relating to the objectives; and

(C) Period of Fellowship.—

(i) Emerson Fellowship.—A Bill Emerson Hunger Fellowship awarded under this paragraph shall be for a period of not more than 1 year.

(ii) Leland Fellowship.—A Mickey Leland Hunger Fellowship awarded under this paragraph shall be for a period of not more than 2 years.

(D) Selection of Fellows.—In General.—A fellowship shall be awarded through a nationwide competition established by the Program.

(E) Qualification.—A successful applicant shall—

(i) be an individual who has demonstrated—

(A) an intent to pursue a career in humanitarian service and outstanding potential for such a career;

(B) leadership potential or leadership experience;

(iii) diverse life experience;

(iv) proficiency in writing and speaking skills; and

(V) an ability to live in poor or diverse communities; and
(VI) such other attributes as the Board determines to be appropriate.

(III) AMOUNT OF AWARD.—

(I) IN GENERAL.—Each individual awarded a fellowship under paragraph (1) shall receive a living allowance and, subject to subclause (II), an end-of-service award as determined by the Program.

(II) FELLOWSHIP DURATION.—Each individual awarded a fellowship under this section shall be—

(A) IN GENERAL.—The fellowship shall be—

(i) ten months in length;

(ii) an assessment of the work completed by the fellow during the fellowship.

(B) PROHIBITION.—The Program may not expand the Program to cover projects at which fellows may be placed.

(III) RECOGNITION OF FELLOWSHIP.—

(I) IN GENERAL.—The Program shall conduct periodic evaluations of the Bill Emerson Hunger Fellowships and Mickey Leland Hunger Fellowships.

[B] REQUIRED ELEMENTS.—Each evaluation shall include—

(i) an assessment of the successful completion of the work plan of each fellow;

(ii) an assessment of the impact of the fellowship on the fellows;

(iii) an assessment of the accomplishment of the purposes of the Program; and

(iv) an assessment of the impact of each fellow on the community.

(IV) TRUST FUND.—

(I) ESTABLISHMENT.—There is established in the Treasury of the United States a fund to be known as the “Congressional Hunger Fellowship Trust Fund” consisting of

(A) amounts appropriated to the Fund under subsection (k);

(B) any amounts earned on investment of amounts in the Fund under paragraph (2); and

(C) amounts received under subsection (1)(b)(A).

(2) INVESTMENT OF AMOUNTS.—

(A) IN GENERAL.—The Secretary of the Treasury, required to meet curtailment withdrawals, may invest any amounts in the Fund as determined by the Secretary of the Treasury, required to meet curtailment withdrawals.

(B) TYPES OF INVESTMENTS.—Each investment of amounts in the Fund shall be—

(i) suitable for the Fund.

(C) AMOUNTS RECEIVED UNDER SUBSECTION (A).—

(i) AUTHORITY TO INVEST.—The Secretary of the Treasury shall be paid at a rate not to exceed the rate of basic pay payable for level GS–15 of the General Schedule.

(ii) USE OF GIFTS.—Gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Program.

(iii) CONTRACT AUTHORITY.—To carry out this section, the Program may, with the approval of a majority of the members of the Board, enter into contracts with Government and private agencies or persons without regard to section 709 of the Revised Statutes of the United States.

(3) USE OF FUNDS.—Funds transferred to the Program under paragraph (1) shall be used—

(A) to provide a living allowance for the fellows;

(B) to defray the costs of transportation of the fellows to the fellowship placement sites;

(C) to defray the costs of appropriate insurance of the fellows, the Program, and the Board;

(D) to defray the costs of preschool and_midservice education and training of fellows;

(E) to pay staff described in subsection (i);

(F) to make end-of-service awards under subsection (1)(b)(II); and

(G) for such other purposes as the Board determines to be appropriate to carry out the Program.

(4) AUDIT BY COMPTROLLER GENERAL.—

(A) IN GENERAL.—The Comptroller General of the United States shall conduct an annual audit of the accounts of the Program.

(B) BOOKS.—The Program shall maintain books, accounts, financial records, reports, files, and other papers, things, or property belonging to or in use by the Program and necessary to facilitate the audit.

(C) REPORT TO CONGRESS.—The Comptroller General shall submit to the appropriate congressional committees a report on the activities of the Program carried out during the preceding fiscal year that includes—

(i) an analysis of the evaluations conducted under subsection (i)(4) during the fiscal year; and

(ii) a statement of—

(A) the total amount of funds attributable to gifts received by the Program in the fiscal year under subsection (i)(3)(A); and

(B) the total amount of funds described in subparagraph (A) that were expended to carry out the Program.

(5) AUTHORIZATION OF APPROPRIATIONS.—

There is authorized to be appropriated to carry out this section $18,000,000.

(I) EFFECTIVE DATE.—This section takes effect on October 1, 2002.

SEC. 459. EFFECTIVE DATE.

Not later than December 31 of each year, the Board shall submit to the appropriate congressional committees a report on the activities of the Program carried out during the preceding fiscal year that includes—

(I) an analysis of the evaluations conducted under subsection (i)(4) during the fiscal year; and

(ii) a statement of—

(A) the total amount of funds attributable to gifts received by the Program in the fiscal year under subsection (i)(3)(A); and

(B) the total amount of funds described in subparagraph (A) that were expended to carry out the Program.

(I) EFFECTIVE DATE.—This section takes effect on October 1, 2002.

SEC. 471. INCOME PROTECTION PRICES FOR COUNTER-CYCLICAL PAYMENTS.

Section 114(c) of the Federal Agriculture Improvement and Reform Act of 1996 (as amended by section 111) is amended by striking paragraph (2) and inserting the following:

''(2) INCOME PROTECTION PRICES.—The income protection prices for contract commodities under paragraph (1)(A) are as follows:

[(a) Wheat, $3.59 per bushel.

(b) Corn, $2.31 per bushel.

(c) Grain sorghum, $2.31 per bushel.

(d) Barley, $2.19 per bushel.

(e) Oats, $1.52 per bushel.

(f) Upland cotton, $0.696 per pound.

(g) Rice, $0.16 per hundredweight.

(h) Soybeans, $1.66 per bushel.

(i) Olseeds (other than soybeans), $0.103 per pound."'"

(SEC. 472. LOAN RATES FOR MARKETING ASSISTANCE LOANS.

(a) IN GENERAL.—Section 132 of the Federal Agriculture Improvement and Reform Act of 1996 (as amended by section 123(a)) is amended by adding the following:

''SEC. 132. LOAN RATES.

The loan rate for a marketing assistance loan under section 131 for a loan commodity shall be—

(1) in the case of wheat, $2.94 per bushel.

(2) in the case of corn, $2.04 per bushel.

(3) in the case of grain sorghum, $2.04 per bushel.

(4) in the case of barley, $1.96 per bushel.

(5) in the case of oats, $1.47 per bushel.

(6) in the case of upland cotton, $0.559 per pound.

(7) in the case of extra long staple cotton, $0.7965 per pound;
section 123(b) is repealed.

ment SA 2471 proposed by Mr. DASCHLE
mitted by Mr. FITZGERALD and in-
SEC. 171. ESTABLISHMENT OF COMMISSION.

section 123(b) is repealed.

ment SA 2471 proposed by Mr. DASCHLE
mitted by Mr. FITZGERALD and in-
SEC. 171. ESTABLISHMENT OF COMMISSION.

ment SA 2471 proposed by Mr. DASCHLE
mitted by Mr. FITZGERALD and in-
SEC. 171. ESTABLISHMENT OF COMMISSION.

ment SA 2471 proposed by Mr. DASCHLE
mitted by Mr. FITZGERALD and in-
SEC. 171. ESTABLISHMENT OF COMMISSION.

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mitted by Mr. FITZGERALD and in-
SEC. 171. ESTABLISHMENT OF COMMISSION.

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SEC. 171. ESTABLISHMENT OF COMMISSION.

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SEC. 171. ESTABLISHMENT OF COMMISSION.

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SEC. 171. ESTABLISHMENT OF COMMISSION.

ment SA 2471 proposed by Mr. DASCHLE
mitted by Mr. FITZGERALD and in-
SEC. 171. ESTABLISHMENT OF COMMISSION.

ment SA 2471 proposed by Mr. DASCHLE
mitted by Mr. FITZGERALD and in-
SEC. 171. ESTABLISHMENT OF COMMISSION.
SA 2647. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

**SEC. 10. AMERICAN ANIMAL ENTERPRISE TERRORISM.**

(a) **DEFINITIONS.**—In this section—

(1) **SECRETARY.**—The term "Secretary" means the Secretary of Agriculture, acting through the Administrator of the Service.

(b) **SERVICE.**—The term "Service" means the Animal and Plant Health Inspection Service of the Department of Agriculture.

(c) **EXEMPTION.**—Notwithstanding any other provision of law, any migratory bird management carried out by the Secretary shall be exempt from the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) (including regulations).

(d) **PERMITS; MANAGEMENT.**—An agent, officer, or employee of the Service that carries out any activity relating to migratory bird management may, under the Migratory Bird Treaty Act (16 U.S.C. 703 et seq.)—

(1) issue a depredation permit to a stakeholder under this section and the Service shall—

(a) provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

**TITLES**

**—ANIMAL ENTERPRISE TERRORISM.**

SEC. 10. ANIMAL ENTERPRISE TERRORISM. (a) **GENERAL.**—Section 43(a) of title 18, United States Code, is amended to read as follows:

(1) **OFFENSE.**—

(1) **GENERAL.**—Whoever—

(a) **AVAILABILITY OF FUNDS.**—Of the amount authorized by this act, $200,000 is to be authorized for the Ozark Foothills Recreation Conservation Development Council for the Forest Landowners Education Project in Batesville, Arkansas.

SA 2650. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

**TITLES**

**—ANIMAL ENTERPRISE TERRORISM.**

SEC. 10. ANIMAL ENTERPRISE TERRORISM. (a) **GENERAL.**—Section 43(a) of title 18, United States Code, is amended to read as follows:

(1) **ECONOMIC DAMAGE.**—Any person who, in the course of a violation of subsection (a), causes economic damage not exceeding $10,000 to an animal enterprise shall be fined under this title or imprisoned not more than 6 months after the enactment of this Act.

(b) **PERMITS; MANAGEMENT.**—An agent, officer, or employee of the Service that carries out any activity relating to migratory bird management may, under the Migratory Bird Treaty Act (16 U.S.C. 703 et seq.)—

(1) issue a depredation permit to a stakeholder under this section and the Service shall—

(a) provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

**TITLES**

**—ANIMAL ENTERPRISE TERRORISM.**

SEC. 10. ANIMAL ENTERPRISE TERRORISM. (a) **GENERAL.**—Section 43(a) of title 18, United States Code, is amended to read as follows:

(1) **ECONOMIC DAMAGE.**—Any person who, in the course of a violation of subsection (a), causes economic damage not exceeding $10,000 to an animal enterprise shall be fined under this title or imprisoned not more than 6 months, or both.

(2) **MAJOR ECONOMIC DAMAGE.**—Any person who, in the course of a violation of subsection (a), causes economic damage exceeding $10,000 to an animal enterprise shall be fined under this title or imprisoned not more than 3 years, or both.

(3) **SERIOUS BODILY INJURY.**—Any person who, in the course of a violation of subsection (a), causes serious bodily injury to another individual shall be fined under this title or imprisoned not more than 20 years, or both.
food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**TITLE —ANIMAL ENTERPRISE TERRORISM**

**SEC. 2652.** Mr. HUTCHINSON submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCILLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 984, line 2, strike the period at the end and insert a period and the following:

**CONGRESSIONAL RECORD — SENATE**

December 18, 2001

S13500

**TITLE —ANIMAL ENTERPRISE TERRORISM**

**SEC. 01.** **ANIMAL ENTERPRISE TERRORISM**

(a) **IN GENERAL.** —Section 43(a) of title 18, United States Code, is amended to read as follows:

(1) **DEFENSE.** —Whoever —

(A) travels in interstate or foreign commerce, or uses or causes to be used the mail or any facility in interstate or foreign commerce for the purpose of causing physical disruption to the functioning of an animal enterprise; and

(B) intentionally damages or causes the loss of any property (including animals or records) used by the animal enterprise, or conspires to do so,

shall be punished as provided for in subsection (b).

(b) **PENALTIES.** —Section 43(b) of title 18, United States Code, is amended to read as follows:

(1) **Penalties.** —

(A) The terms in paragraph (1), by striking ''and'' at the end of paragraph (1), by striking ''or'' at the end of paragraph (1), and striking the period at the end of paragraph (1); and

(B) in paragraph (5), by striking the period and inserting a comma; and

(2) in paragraph (5), by striking the period and inserting a comma and;

(3) by adding at the end the following:

(6) any requirement for the labeling of food described in subsection (a), that is not identical to the requirement of such subsection,

(7) any requirement for a food described in section 403A(a)(7), 402(f)(2), 402(a)(7), 402(f)(7), 404, 406, 409, 512, or 721(a), that is not identical to the requirement of such subsection.

(c) **Uniformity in Food Safety Warning Notification Requirements.** —Chapter IV of title 21 (U.S.C. 341 et seq.) is amended by —

(1) redesignating sections 403B and 403C as sections 403C and 403D, respectively; and

(2) by inserting after section 403A the following new section:

**SEC. 403B.** No safety in food safety warning notification requirements.

(a) **Uniformity Requirement.** —

(1) **In General.** —As provided in subsections (c) and (d), no State or political subdivision of a State may, directly or indirectly, establish or continue in effect under any authority any notification requirement for a food that provides for a warning concerning the safety of the food, or any component or package of the food, unless such a notification requirement has been prescribed in subsection (c), by the authority of this Act and the State or political subdivision notification requirement is identical to the notification requirement prescribed under the authority of this Act.

(2) **Definitions.** —For purposes of paragraph (1),

(A) the term ‘‘notification requirement’’ includes any mandatory disclosure requirement relating to the dissemination of information about a food by a manufacturer or distributor; or any communication, except as provided in paragraph (3),

(B) the term ‘‘warning’’, used with respect to a food, means any statement, vignette, or other representation that indicates, directly or by implication, that the food presents or may present a hazard to health or safety; and

(C) a reference to a notification requirement that provides for a warning shall not be construed to refer to any requirement or prohibition relating to food safety that does not involve a notification requirement.

(3) **Construction.** —Nothing in this section shall be construed to prohibit a State from conducting the State’s notification, disclosure, or other dissemination of information, or to prohibit any action taken relating to a mandatory recall or court injunction involving food adulteration under a State statutory or common law identical to a food adulteration requirement under this Act.

(b) **Review of Existing State Requirements.** —

(1) **Existing State Requirements; Deferral.** —Any requirement that—

(A) is a State notification requirement for a food that provides for a warning described in subsection (a) that does not meet the uniformity requirement specified in subsection (a), or

(B) is in effect on the date of enactment of the National Uniformity for Food Act of 2000, shall remain in effect for 180 days after that date of enactment;

(2) **State Petitions.** —With respect to a State notification or food safety requirement that is described in paragraph (1), the State may petition the Secretary for an exemption or a national standard under subsection (c). If a State submits a petition within 180 days after the date of enactment of the National Uniformity for Food Act of 2000, the notification or food safety requirement shall remain in effect until the Secretary makes all administrative determinations on the petition pursuant to paragraph (3), and the time periods and provisions specified in paragraph (3) shall apply in lieu of the time period and provisions specified in subsection (c)(3) but not the time periods and provisions specified in subsection (d)(2).

(c) **Judicial Review.** —The failure of the Secretary to comply with any requirement of this paragraph shall constitute final agency action for purposes of judicial review. If the court conducting the review determines that the Secretary has failed to comply with the requirement, the court shall order the Secretary to comply within a period determined to be appropriate by the court.

(d) **Exemptions and National Standards.** —

(1) **Exemptions.** —Any State may petition the Secretary to provide by regulation an exemption from paragraph (6) or (7) of section 403A(a) or subsection (a), for a requirement that relates to a State or a political subdivision of a State. The Secretary may provide such an exemption, under such conditions as the Secretary may impose, for such a requirement that—

(A) protects an important public interest that would otherwise be unprotected, in the absence of the exemption;

(B) would not cause any food to be in violation of any applicable requirement or prohibition under Federal law; and

(C) would not unduly burden interstate commerce, balancing the importance of the public interest of the State or political subdivision against the impact on interstate commerce.

(2) **National Standards.** —Any State may petition the Secretary to establish by regulation a national standard respecting any requirement that is in effect under this Act or the Fair Packaging and Labeling Act (15 U.S.C. 1451 et seq.), relating to the regulation of a food.

(e) **Action on Petitions.** —

(1) **Publication.** —Not later than 30 days after receipt of any petition under paragraph (1) or (2), the Secretary shall publish such petition in the Federal Register for public comment during a period specified by the Secretary.

(2) **Time Periods for Action.** —Not later than 60 days after the end of the period for public comment, the Secretary shall take final agency action on the petition. If the Secretary is unable to take final agency action on the petition during the 60-day period, the Secretary shall inform the petitioner, in writing, the reasons that taking the final agency action is not possible, the date by which the final agency action will be taken, and the final agency action that will be taken or is likely to be taken. In every case, the Secretary shall take final agency action on the petition not later than 120 days after the end of the period for public comment.

(3) **Judicial Review.** —The failure of the Secretary to comply with any requirement...
of this subsection shall constitute final agency action for purposes of judicial review. If the court conducting the review determines that the Secretary has failed to comply with the requirement, the court shall order the Secretary to comply within a period determined to be appropriate by the court.

"(c) ACTION ON PETITION.—

"(1) In General.—The Secretary shall take final agency action on any petition submitted under section 403A(a) or subsection (a), if—

"(i) the petition is submitted by the State or political subdivision of a State from which the Secretary has not initiated enforcement action with respect to the matter or that the Secretary has not notified the State about the matter involved and the Secretary has not initiated enforcement action with respect to the matter;

"(ii) a petition is submitted by the State under subsection (c) for an exemption or national standard relating to the requirement not later than 7 days after the petition is received, and the provisions of subsection (c) shall not apply to the petition; and

"(iii) in the case of a petition under paragraph (A), the Secretary failed to comply with the requirement or that the court conducting the review determines that the Secretary has failed to comply with the requirement, the court shall order the Secretary to comply within a period determined to be appropriate by the court.

"(2) ACTION ON PETITION.—

"(A) In General.—The Secretary shall take final agency action on any petition submitted under paragraph (1)(C) not later than 7 days after the petition is received, and the provisions of subsection (c) shall not apply to the petition.

"(B) Judicial Review.—The failure of the Secretary to comply with the requirement described in subparagraph (A) shall constitute final agency action for purposes of judicial review. If the court conducting the review determines that the Secretary has failed to comply with the requirement, the court shall order the Secretary to comply within a period determined to be appropriate by the court.

"(3) DURATION.—If a State establishes a requirement under subsection (a), the requirement may remain in effect until the Secretary takes final agency action on a petition submitted under paragraph (1)(C).

"(g) No EFFECT on certain state law.—Nothing in this section shall be construed to modify or otherwise affect the requirements of State or political subdivision of a State from which the Secretary has not initiated enforcement action with respect to the matter in compliance with State or political subdivision of a State that is identical to a requirement that is identical to a requirement relating to—

"(1) religious dietary labeling, organic or natural food labeling, or food labeling that is not otherwise subject to the Federal action or prohibition, means a mandatory action or prohibition established under this Act or the Fair Packaging and Labeling Act (15 U.S.C. 141 et seq.), as applicable, or by or under a regulation issued under or by a court order relating to, this Act or the Fair Packaging and Labeling Act, as appropriate.

"(h) Definition.—In section 403A and this section, the term ‘requirement’, used with respect to a Federal action or prohibition, means a mandatory action or prohibition established under this Act or the Fair Packaging and Labeling Act (15 U.S.C. 141 et seq.), as applicable, or by or under a regulation issued under or by a court order relating to, this Act or the Fair Packaging and Labeling Act, as appropriate.

SEC. 135. LOAN DEFICIENCY PAYMENTS.

Section 135 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7255) is amended to read as follows:

SEC. 135. LOAN DEFICIENCY PAYMENTS.

(a) IN GENERAL.—Section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 808c(5)), reenacted with the Agricultural Marketing Agreement Act of 1937, is amended by adding at the end the following:

"(1) the date on which the producers on the farm request the payment.

"(2) the rate at which a loan for the commodity may be repaid under section 134.

"(c) Loan Payment Rate.—For purposes of this subsection, the loan payment rate shall be the amount by which—

"(1) the loan rate established under section 132 for the loan commodity; and

"(2) the rate at which a loan for the commodity may be repaid under section 134.

"(d) Exception for Extra Long Staple Cotton.—This section shall not apply with respect to long staple cotton.

"(e) Time for Payment.—The Secretary shall make a payment under this section to the producers on a farm with respect to a quantity of a loan commodity as of the earlier of—

"(1) the date on which the producers on the farm marketed or otherwise lost beneficial interest in the loan commodity, or

"(2) the date the producers on the farm request the payment.

"(f) Lost Beneficial Interest.—Effective for the 2001 crop only, if a producer is eligible for a payment under subsection (a) loses beneficial interest in the loan commodity, the producer shall be eligible for the payment described as of the date the producer lost beneficial interest in the loan commodity, as determined by the Secretary."
SEC. 127. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.

Subtitle C of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7271 et seq.) is amended by adding at the end the following:

"SEC. 128. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.

"(a) In General.—For each of the 2002 through 2006 crops of wheat, grain sorghum, barley, and oats, in the case of the producers on a farm that would be eligible for a loan deficiency payment under section 135 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7271 et seq.) and for which the producer elected to forgo harvesting of the wheat, grain sorghum, barley, or oats on the acreage, there shall be made at the same time and in the manner provided for under this section, a payment from the Secretary to the farmer with respect to which the producers on the farm elect to forgo harvesting of the wheat, grain sorghum, barley, or oats on the acreage.

"(b) Payment Amount.—The amount of a payment made to the producers on a farm under this section shall be equal to the amount obtained by multiplying—

"(1) the loan deficiency payment rate determined under section 135(c) in effect, as of the date of the agreement, for the county in which the farm is located; by

"(2) the payment quantity obtained by multiplying—

"(A) the quantity of the grazed acreage on the farm with respect to which the producers on the farm elect to forgo harvesting of the wheat, grain sorghum, barley, or oats; and

"(B) the payment yield for that contract commodity on the farm.

"(c) MANNER, AND AVAILABILITY OF PAYMENT.—

"(1) TIME AND MANNER.—A payment under this section shall be made at the same time and in the same manner as loan deficiency payments are made under section 135.

"(2) AVAILABILITY.—The Secretary shall establish an availability period for the payment authorized by this section that is consistent with the availability period for wheat, grain sorghum, barley, and oats established by the Secretary for marketing assistance loans authorized by this subtitle.

"(d) PROHIBITION ON CROP INSURANCE OR NONINSURED CROP ASSISTANCE.—The producers of a crop of wheat, grain sorghum, barley, or oats shall receive a payment from the Secretary under this section if the producers on the farm elect to forgo harvesting of the wheat, grain sorghum, barley, or oats planted on acreage that the producers on the farm elect, in the agreement required by subsection (a), to use for the grazing of livestock in lieu of any other harvesting of the crop."

SA 2656. Mr. ROBERTS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 58, strike line 22 and all that follows through page 62, line 24, and insert the following:

"(f) CERTIFICATION OF PRIVATE PROVIDERS OF TECHNICAL ASSISTANCE.—

"(1) In General.—The Secretary shall, to the maximum extent practicable, subject to paragraphs (2), (3), and (4), establish a more effective and more broadly functioning system for the delivery of technical assistance in support of the conservation programs administered by the Secretary.

"(A) integrating the use of third party technical assistance providers (including farmers and ranchers) into the technical assistance delivery system of the Secretary; and

"(B) using, to the maximum extent practicable, private, third party providers.

"(2) Purpose.—To achieve the timely completion of conservation plans and enhancement of technical assistance, third party providers described in paragraph (1)(A) shall be used to—

"(A) prepare conservation plans, including agronomically sound nutrient management plans;

"(B) design, install and certify conservation practices;

"(C) train producers; and

"(D) carry out such other activities as the Secretary determines to be appropriate.

"(3) OUTSIDE ASSISTANCE.—

"(A) IN GENERAL.—The Secretary may contract directly with qualified persons not employed by the Department to provide conservation technical assistance.

"(B) PAYMENT.—

"(1) IN GENERAL.—The Secretary shall provide a payment or voucher to an owner or operator electing to receive conservation assistance administered by the Secretary if the owner or operator elects to obtain technical assistance from a person certified to provide technical assistance under this subsection.

"(2) DETERMINATION.—In determining whether to provide a payment or voucher under clause (1), the Secretary shall seek to maximize the assistance received from qualified persons to most expeditiously and efficiently achieve the objectives of this title.

"(4) CERTIFICATION OF PUBLIC AND PRIVATE PROVIDERS OF TECHNICAL ASSISTANCE.—

"(A) ESTABLISHMENT OF PROCEDURES.—The Secretary shall establish procedures for ensuring that only persons with the training, experience, and capability to provide professional, high quality assistance are certified by the Secretary to provide, to agricultural producers and landowners participating, or seeking to participate, in a conservation program administered by the Secretary, technical assistance in planning, designing, or certifying any aspect of a particular project under the conservation program.

"(B) PUBLIC AND PRIVATE PROVIDERS.—Certified technical assistance providers shall include—

"(i) agricultural producers;

"(ii) agriculture extensionists;

"(iii) representatives from agricultural cooperatives;

"(iv) agricultural input retailers;

"(v) certified crop advisors;

"(vi) employees of the Department; or

"(vii) any group recognized by a Memorandum of Understanding between the Department and a certifying entity.

"(C) REGULATIONS.—The Secretary shall promulgate regulations to carry out this subsection.

"(5) CERTIFICATION.—The Secretary shall not require a provider to pay a fee under subclause (I) for the certification of skills and qualifications that have already been certified by another entity under this subsection.

"(6) NATIONAL TRAINING CENTERS.—

"(1) IN GENERAL.—The Secretary, acting in close cooperation with the Certified Crop Adviser program, shall establish training centers to facilitate the training and certification of technical assistance providers under this subsection.

"(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this sub-paragraph.

"(7) FEE REQUIREMENTS.—The Secretary may establish such other requirements as the Secretary determines are necessary to carry out this subsection.

"(8) REGULATIONS.—Not later than 180 days after the date of enactment of this section, the Secretary shall promulgate regulations to carry out this subsection.

"SA 2657. Mr. CRAIG submitted an amendment intended to be proposed to amendment SA 2345 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the end of section 1021, add the following:

"(c) PACKERS AND StockyardS Act.—Notwithstanding any other provision of this Act, any amendment to section 202 of the Packers and Stockyards Act, 1921 (7 U.S.C. 192), made by this Act shall have no effect.

"SA 2658. Mr. TORRICELLI (for himself and Mr. SMITH of New Hampshire) submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes;
which was ordered to lie on the table; as follows:

Strike section 335.

SA 2659. Mr. SMITH of Oregon submitted an amendment intended to be proposed for amendment SA 2659 as committed by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 937, between lines 16 and 17, insert the following:

SEC. 10. Feasibility of producer indemnification from government-caused disasters.

(1) FINDINGS.—Congress finds that the implementation of current federal disaster assistance programs fails to adequately address situations where disaster conditions are primarily the result of federal action.

(2) AUTHORITY.—The Secretary is authorized and directed to evaluate the feasibility of expanding crop insurance and noninsured crop assistance program payment eligibility to producers experiencing disaster conditions caused primarily by federal agency action.

(3) EVALUATION AND RECOMMENDATIONS.—Within 60 days of the enactment of this bill, the Secretary shall report the findings of this evaluation and recommendations to the Senate Committee on Agriculture and the House Committee on Agriculture.

SA 2660. Mr. SMITH of Oregon (for himself, Mr. CRAIG, and Mr. CRAPO) submitted an amendment intended to be proposed to amendment SA 2471 as committed by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 937, between lines 16 and 17, insert the following:

SEC. 10. Crop insurance and noninsured crop assistance programs.

(a) FINDINGS.—Congress finds that the implementation of current federal disaster assistance programs fails to adequately address situations where disaster conditions are caused by federal actions.

(b) PROVISIONS.—

(i) 7 U.S.C. 7333, as amended by P.L. 104-127, is amended—

(l) in Section (a)(3) by striking "or" and

(ii) in Section (a)(3) by striking "as determined by the Secretary." and inserting in lieu thereof "other natural disaster, or disaster conditions caused primarily by federal agency action, as determined by the Secretary." and

(iii) in Section (c)(3) by striking "or other natural disaster, or disaster conditions caused primarily by federal agency action, as determined by the Secretary." and inserting in lieu thereof "other natural disaster, or disaster conditions caused primarily by federal agency action, as determined by the Secretary.";

(iv) in Section (d)(3)(iii) by striking "or other natural disaster (as determined by the Secretary)." and inserting in lieu thereof "other natural disaster, or disaster conditions caused primarily by federal agency action, as determined by the Secretary.";

(v) 7 U.S.C. 1508 is amended—

(i) in Section (a)(1) by striking "or other natural disaster (as determined by the Secretary)." and inserting in lieu thereof "other natural disaster, or disaster conditions caused primarily by federal agency action, as determined by the Secretary.";

(ii) in Section (b)(1) by striking "or other natural disaster (as determined by the Secretary)." and inserting in lieu thereof "other natural disaster, or disaster conditions caused primarily by federal agency action, as determined by the Secretary.";

(c) ADMINISTRATIVE RULES.—The Secretary is encouraged and amend administrative rules and guidelines describing disaster conditions to accommodate situations where planting decisions are based on federal water allocations. The Secretary is further encouraged to review the level of disaster payments to irrigated agricultural producers in such cases where federal water allocations are withheld prior to the planting period.

(d) EFFECTIVENESS.—

(i) Sections (a)(1) and (a)(2) of this section shall be made effective only upon:

(A) finding by the Secretary that implementation of subsections (a)(1) and (a)(2): (A) do not add to the soundness of approved insurance providers or the integrity of the federal crop insurance program, and

(B) additional authorities are not needed to achieve actuarial soundness of implementing subsections (a)(1) and (a)(2), and

(ii) report of findings, as described in subsection (d)(1)(i), to the Senate and House Committees on Agriculture.

SA 2661. Mr. FITZGERALD submitted an amendment intended to be proposed to amendment SA 2471 as committed by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike the period at the end of title I and insert a period and the following:

Subtitle E.—Payment Limitation Commission

SEC. 175. Establishment of Commission.

(a) Establishment.—There is established a commission to be known as the "Commission on the Application of Payment Limitations for Agriculture" and referred to in this subtitle as the "Commission".

(b) Membership.—

(1) COMPOSITION.—

(A) In General.—The Commission shall be composed of 11 members appointed as follows:

(i) 3 members shall be appointed by the President of the United States, 1 of whom shall be from land grant colleges or universities and have expertise in agricultural economics.

(ii) 1 member shall be appointed by the Majority Leader of the Senate.

(iii) 1 member shall be appointed by the Minority Leader of the Senate.

(iv) 1 member shall be appointed by the Speaker of the House of Representatives;

(v) 1 member shall be appointed by the Minority Leader of the House of Representa
tives;

(vi) 1 member shall be appointed by the Chairman of the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(vii) 1 member shall be appointed by the ranking minority member of the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(viii) 1 member shall be appointed by the Chairman of the Committee on Agriculture of the House of Representatives.

(ix) 1 member shall be appointed by the ranking minority member of the Committee on Agriculture of the House of Representatives.

(B) DIVERSITY OF VIEWS.—The appointing authorities under subparagraph (A) shall seek to ensure that the membership of the Commission has a diversity of experiences and expertise on the issues to be studied by the Commission, such as agricultural production, agricultural lending, farmland appraisal, agricultural accounting and finance, and other relevant areas.

(2) FEDERAL GOVERNMENT EMPLOYMENT.—The membership of the Commission may include 1 or more employees of the Department of Agriculture or other Federal agencies.

(3) DATE OF APPOINTMENTS.—The appointment of a member of the Commission shall be made not later than 60 days after the date of enactment of this Act.

(4) TERMS.—

(A) TERM.—A member shall be appointed for the life of the Commission.

(B) VACANCIES.—A vacancy on the Commission shall not affect the powers of the Commission and shall be filled in the same manner as the original appointment was made.

(5) INITIAL MEETING.—Not later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold the initial meeting of the Commission.

(e) MEETINGS.—The Commission shall meet—

(1) on a regular basis, as determined by the Chairperson; and

(2) at the call of the Chairperson or a majority of the members of the Commission.

(4) QUORUM.—A majority of the members of the Commission shall constitute a quorum for the transaction of business, but a lesser number of members may hold hearings.

(5) MINORITY REPRESENTATION.—The Secretary shall appoint 1 of the members of the Commission to serve as Chairperson of the Commission.

SEC. 176. Duties.

(a) COMPREHENSIVE REVIEW.—The Commission shall conduct a comprehensive review of—

(1) the laws (including regulations) that apply to or apply to payments to agricultural commodity and conservation programs administered by the Secretary;

(2) the impact that failing to apply effective payment limitations has on—

(A) the agricultural producers that participate in the programs;

(B) overproduction of agricultural commodities; and

(C) the prices that agricultural producers receive for agricultural commodities in the marketplace; and

(3) the feasibility of improving the application and effectiveness of payment limitation requirements, including the use of commodity certiﬁcates and the forfeiture of loan collateral; and

(4) alternatives to payment limitation requirements in effect on the date of enactment of this Act that would apply meaningful limitations to improve the effectiveness and integrity of the requirements.

(b) RECOMMENDATIONS.—In carrying out the requirements under subsection (a), the Commission shall develop specific recommendations for modifications to applicable legislation and
regulations that would improve payment limitation requirements.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Commission shall submit to the President, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the results of the review conducted, and any recommendations developed, under this section.

SEC. 173. POWERS.

(a)Hdr. — The Commission may hold such hearings, meet and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out this subtitle.

(b)INFORMATION FROM FEDERAL AGENCIES.—

(1) IN GENERAL.—The Commission may secure directly from a Federal agency such information as the Commission considers necessary to carry out this subtitle.

(c) POSTAL SERVICES.—The Commission may use the facilities of the Postal Service in the manner and under the same conditions as other agencies of the Federal Government.

(d) ASSISTANCE FROM SECRETARY.—The Secretary may provide to the Commission the appropriate office space and such reasonable administrative and support services as the Commission may request.

SEC. 174. COMMISSION PERSONNEL MATTERS.

(a) COMPENSATION OF MEMBERS.—

(1) NON-FEDERAL EMPLOYEES.—A member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay of an employee of the Federal Government who is not an officer or employee of the Federal Government received for the services of the member in the performance of the duties of the Commission.

(b) FEDERAL EMPLOYEES.—A member of the Commission who is an officer or employee of the Federal Government shall serve without compensation for the services of the member in the performance of the duties of the Commission.

(c) TRAVEL EXPENSES.—A member of the Commission who is an officer or employee of the Federal Government shall be reimbursed for travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the performance of the duties of the Commission.

(d) MAIL.—The Commission may use postal facilities in the manner and under the same conditions as other agencies of the Federal Government.

(e) STOCKS AND SECURITIES.—Nothing in this section shall be construed to require the Commission to divest any member of the Commission of any stock or security in an agricultural cooperative association.

SEC. 175. FEDERAL ADVISORY COMMITTEE ACT.

The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Commission or any proceeding of the Commission.

SEC. 176. FUNDING.

Of the funds of the Commodity Credit Corporation, the Secretary shall use not more than $100,000 to carry out this subtitle.

SEC. 177. TERMINATION OF COMMISSION.

The Commission shall terminate on the 1-year date on which the Commission submits the report of the Commission under section 172(c).

SA 2662. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

(a) SELECTION BY PRODUCER.—If a county in which a historical peanut producer described in subparagraph (A) is located is declared a disaster area during 1 or more of the 4 crop years described in subparagraph (A), for the purposes of determining the 4-year average yield for the historical peanut producer the Secretary may elect to substitute, for not more than 1 of the crop years during which a disaster is declared—

(1) the State 4-year average yield of peanuts produced in the State; or

(2) the average yield for the historical peanut producer determined by the Secretary under subparagraph (A).

(b) LIMITATION REQUIREMENTS.—

(1) LIMITATION REQUIREMENTS.—The Commission shall submit to the President, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report on the implications of including cats, dogs, horses, other farm animals, the use of harmonized by the increase in the number of inspections by the Department of Agriculture relating to other animals are not diminished by the increase in the number of inspections if the definition were amended to include rats, mice, and birds.

SA 2666. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

(a) LIMITATION REQUIREMENTS.—The Commission shall submit to the President, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report on the implications of including cats, dogs, horses, other farm animals, the use of harmonized by the increase in the number of inspections by the Department of Agriculture relating to other animals are not diminished by the increase in the number of inspections if the definition were amended to include rats, mice, and birds.
to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes, which was ordered to lie on the table; as follows:

On page 984, line 2, strike the period at the end and insert the following:

SEC. 10. STUDY OF NONAMBULATORY LIVE-STOCK.

The Secretary—

(1) shall investigate and submit to Congress a report on—

(A) the scope and cause of nonambulatory livestock; and

(B) the extent to which nonambulatory livestock may present handling and disposition problems during processing; and

(2) based on the findings in the report, may promulgate regulations for the appropriate treatment, handling, and disposition of nonambulatory livestock at market agencies and dealers.

SA 2667. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

(1) shall investigate and submit to Congress a report on—

(A) the scope and cause of nonambulatory livestock; and

(B) the extent to which nonambulatory livestock may present handling and disposition problems during processing; and

(2) based on the findings in the report, may promulgate regulations for the appropriate treatment, handling, and disposition of nonambulatory livestock at market agencies and dealers.

SA 2668. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 374, line 12, strike “more than 50 percent” and insert the words “40 percent or more”.

SA 2669. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 97, strike line 11 and all that follows through page 116, line 15, and insert the following:

(3) SELECTION BY PRODUCER.—If a county in which a historical peanut producer described in subparagraph (A) is located is declared a disaster area during 1 or more of the 4 crop years described in subparagraph (A), the historical peanut producer may elect to substitute, for not more than 1 of the crop years during which a disaster is declared—

(i) the State 4-year average yield of peanuts produced in the county;

(ii) the average yield for the historical peanut producer determined by the Secretary under subparagraph (A).

(4) PAYMENT ACRES.—The payment acres for peanuts on a farm shall be equal to 85 percent of the peanut acres assigned to the farm.

(5) PREVENTION OF EXCESS PEANUT ACRES.—

(1) REQUIRED REDUCTION.—If the total of the peanut acres for a farm, together with the acreage described in paragraph (3), exceeds the actual crop year acreage of the farm, the Secretary shall reduce the quantity of peanut acres for the farm or contract acreage for 1 or more covered commodities for the farm as necessary so that the total of the peanut acres and acreage described in paragraph (3) does not exceed the actual cropland acreage of the farm.

(2) SELECTION OF ACRES.—The Secretary shall give the peanut producers on the farm the opportunity to select the peanut acres or contract acreage against which the reduction will be made.

(3) OTHER ACREAGE.—For the purposes of paragraph (1), the Secretary shall include—

(A) any contract acreage for the farm under subtitle B.

(B) any acreage on the farm enrolled in the conservation reserve program or wetland reserve program under section 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.); and

(C) any other acreage on the farm enrolled in a conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage.

(6) DOUBLE-CROPPED ACREAGE.—In applying paragraph (1), the Secretary shall take into account additional acreage as a result of an established double-cropping history on a farm, as determined by the Secretary.

SEC. 156C. DIRECT PAYMENTS FOR PEANUTS.

(a) IN GENERAL.—For each of the 2002 through 2006 fiscal years, the Secretary shall make direct payments to peanut producers on a farm with peanut acres under section 156D and a payment yield for peanuts under section 158B.

(b) PAYMENT RATE.—The payment rate used to make direct payments with respect to peanuts for a fiscal year shall be equal to $0.018 per pound.

(c) PAYMENT AMOUNT.—The amount of the direct payment to be paid to the peanut producers on a farm for peanuts for a fiscal year shall be equal to the product obtained by multiplying—

(1) the payment rate specified in subsection (b); and

(2) the payment acres on the farm; by

(3) the payment yield for the farm.

(4) TIME FOR PAYMENT.—

(1) IN GENERAL.—The Secretary shall make direct payments—

(A) in the case of the 2002 fiscal year, during the period beginning December 1, 2001, and ending September 30, 2002; and

(B) in the case of each of the 2003 through 2006 fiscal years, not later than September 30 of the fiscal year.

(2) ADVANCE PAYMENTS.—

(A) IN GENERAL.—At the option of the peanut producers on a farm, the Secretary shall pay by check 50 percent of the direct payment for a fiscal year for the producers on the farm on a date selected by the peanut producers on the farm.

(B) SELECTED DATE.—The selected date for a fiscal year shall be on or after December 1 of the fiscal year.
"(a) IN GENERAL.—For each of the 2002 through 2006 crop years (in which no plantings of peanuts were made), the Secretary shall impose a planting deficiency payment on the farm equal to the average annual planting history of the agricultural commodity specified in paragraph (1), multiplied by $520 per ton.

(b) APPROPRIATION.—The amount of the deficiency payment shall be equal to the difference between—

(1) the payment rate specified in subsection (e); and

(2) the payment yield for the farm.

(c) ACREAGE REPORTS.—As a condition on the receipt of any benefits under this section (e), may be obtained at the option of the peanut producers on a farm through—

(1) Secretary acreage reports for the farm; and

(2) planting flexibility reports for peanuts, as determined by the Secretary; and

(3) established planting history of a specific agricultural commodity; or

(4) the projected counter-cyclical payment on the farm for the crop year in which the average annual planting history is established for peanuts, in the case of peanuts.

(d) PAYMENT AMOUNT.—The amount of the deficiency payment due to the peanut producers on a farm for a crop year shall be equal to the product obtained by multiplying—

(1) the payment rate specified in subsection (e); and

(2) the payment yield for the farm; by

(e) EFFECT.—For the purposes of subsection (c), the income protection price for peanuts for a crop year shall be equal to $520 per ton.

(f) MODIFICATION.—(1) IN GENERAL.—The Secretary shall not modify the requirements of subsection (c) in effect for peanuts for a crop year

(2) IN GENERAL.—The Secretary shall not modify the requirements of subsection (c) in effect for peanuts for a crop year (including any partial payments) except that the Secretary may modify the planting deficiency payment requirements made under subsection (a) that the payments are required for the crop year.

(g) ACREAGE REPORTS.—As a condition on the receipt of any benefits under this section (e), may be obtained at the option of the peanut producers on a farm through—

(1) Secretary acreage reports for the farm; and

(2) planting flexibility reports for peanuts, as determined by the Secretary; and

(3) established planting history of a specific agricultural commodity; or

(4) the projected counter-cyclical payment on the farm for the crop year in which the average annual planting history is established for peanuts, in the case of peanuts.

(h) APPROPRIATION.—The amount of the deficiency payment shall be equal to the difference between—

(1) the payment rate specified in subsection (e); and

(2) the payment yield for the farm.

(i) ACREAGE REPORTS.—As a condition on the receipt of any benefits under this section (e), may be obtained at the option of the peanut producers on a farm through—

(1) Secretary acreage reports for the farm; and

(2) planting flexibility reports for peanuts, as determined by the Secretary; and

(3) established planting history of a specific agricultural commodity; or

(4) the projected counter-cyclical payment on the farm for the crop year in which the average annual planting history is established for peanuts, in the case of peanuts.

(j) MODIFICATION.—(1) IN GENERAL.—The Secretary shall not modify the requirements of subsection (c) in effect for peanuts for a crop year

(2) IN GENERAL.—The Secretary shall not modify the requirements of subsection (c) in effect for peanuts for a crop year (including any partial payments) except that the Secretary may modify the planting deficiency payment requirements made under subsection (a) that the payments are required for the crop year.

(k) ACREAGE REPORTS.—As a condition on the receipt of any benefits under this section (e), may be obtained at the option of the peanut producers on a farm through—

(1) Secretary acreage reports for the farm; and

(2) planting flexibility reports for peanuts, as determined by the Secretary; and

(3) established planting history of a specific agricultural commodity; or

(4) the projected counter-cyclical payment on the farm for the crop year in which the average annual planting history is established for peanuts, in the case of peanuts.

(l) MODIFICATION.—(1) IN GENERAL.—The Secretary shall not modify the requirements of subsection (c) in effect for peanuts for a crop year

(2) IN GENERAL.—The Secretary shall not modify the requirements of subsection (c) in effect for peanuts for a crop year (including any partial payments) except that the Secretary may modify the planting deficiency payment requirements made under subsection (a) that the payments are required for the crop year.

(3) ACREAGE REPORTS.—As a condition on the receipt of any benefits under this section (e), may be obtained at the option of the peanut producers on a farm through—

(1) Secretary acreage reports for the farm; and

(2) planting flexibility reports for peanuts, as determined by the Secretary; and

(3) established planting history of a specific agricultural commodity; or

(4) the projected counter-cyclical payment on the farm for the crop year in which the average annual planting history is established for peanuts, in the case of peanuts.
shall comply during the term of the loan to the Secretary, which may own or construct necessary storage facilities; (b) the Farm Service Agency; or (c) a loan servicing agent approved by the Secretary.

(b) LOAN RATE.—The loan rate for a marketing assistance loan for peanuts under subsection (a) shall be equal to $460 per ton.

(c) TERM OF LOAN.—(1) IN GENERAL.—A marketing assistance loan for peanuts under subsection (a) shall be made for a term of 180 days beginning on the first day of the first month after the month in which the loan is made.

(2) EXTENSIONS PROHIBITED.—The Secretary may not extend the term of a marketing assistance loan for peanuts under subsection (a) without the written consent of the peanut producers on a farm marketed or otherwise sold or marketed under the loan.

(d) REPAYMENT RATE.—The Secretary shall determine the repayment rate for a loan under paragraph (3) for peanuts; by multiplying—

(A) the loan rate established for peanuts under subsection (b), plus interest (as determined by the Secretary); or

(B) a rate that the Secretary determines will—(1) minimize potential loan forfeitures; (2) minimize the accumulation of stocks of peanuts by the Federal Government; (3) minimize the cost incurred by the Federal Government in storing peanuts; and

(D) allow peanuts produced in the United States to be marketed freely and competitively, both domestically and internationally.

(e) LOAN DEFICIENCY PAYMENTS.—(1) AVAILABILITY.—The Secretary may make loan deficiency payments available to the peanut producers on a farm that, although eligible to obtain a marketing assistance loan for peanuts under subsection (a), agree to forgo obtaining the loan for the peanuts in return for payments under this subsection.

(2) AMOUNT.—A loan deficiency payment under this subsection shall be obtained by multiplying—

(A) the loan payment rate determined under paragraph (3) for peanuts; by

(B) the quantity of the peanuts produced by the peanut producers on the farm, excluding any quantity for which the producers on the farm that meet the conditions under subsection (a);

(3) LOAN PAYMENT RATE.—For the purposes of this subsection, the loan payment rate shall be the amount by which—

(A) the rate established under subsection (b) exceeds

(B) the rate at which a loan may be repaid under subsection (d).

(4) TIME FOR PAYMENT.—The Secretary shall make a payment under this subsection to the peanut producers on a farm with respect to a quantity of peanuts as of the earlier of—

(A) the date on which the peanut producers on the farm marketed or otherwise lost beneficial interest in the peanuts, as determined by the Secretary; or

(B) the date the peanut producers on the farm request the payment.

(f) COMPLIANCE WITH CONSERVATION REQUIREMENTS.—As a condition of the receipt of a marketing assistance loan under subsection (a), the peanut producers on a farm shall comply during the term of the loan with—

(1) applicable highly erodible land conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.); and

(2) applicable wetland conservation requirements under subtitle C of title XII of that Act (16 U.S.C. 3811 et seq.).

(g) REIMBURSABLE AGREEMENTS AND PAYMENT OF EXPENSES.—To the maximum extent practicable, the Secretary shall implement any reimbursable agreements or provide for the payment of expenses under this chapter in a manner that is consistent with the implementation of the agreements or payment of the expenses for other commodities.

SEC. 158H. QUALITY IMPROVEMENT.

(a) OFFICIAL INSPECTION.—All peanuts placed under a marketing assistance loan for peanuts under section 1467(e) or marketed shall be officially inspected and graded by a Federal or State Inspector.

SA 2670. Mrs. BOXER submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table as follows:

On page 202, strike line 24 and insert the following:

(a) REGIONAL EQUITY.—Section 1230(b) of the Food Security Act of 1985 (16 U.S.C. 3800(b)) is amended by adding at the end the following:

(b) REGIONAL EQUITY.—Not later than 1 year after the date of enactment of this paragraph, the Secretary shall reexamine the regional equity for agricultural price supports, selection, and other policies and rules to ensure that the overall enrollment of land in the comprehensive conservation enhancement program—(1) is equitable on a regional basis; (2) promotes achievement of important environmental goals; and (3) does not discriminate against regions in which the cost of land is high.

(b) REAUTHORIZATION.—

SA 2671. Mr. COCHRAN (for himself and Mr. ROBERTS) proposed an amendment to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table as follows:

In lieu of the matter proposed to be inserted insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Agriculture, Conservation, and Rural Enhancement Act of 2001".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

TITLE I—COMMODITY PROGRAMS

Sec. 100. Definitions.

Subtitle A—Fixed Decoupled Payments and Farm Counter-Cyclical Savings Account Payments

Sec. 101. Payments to eligible producers.

Sec. 102. Payment yields.

Sec. 103. Base acres and payment acres for covered commodities.

Sec. 104. Fixed, decoupled payments.

Sec. 105. Farm counter-cyclical savings accounts.

Sec. 106. Payment agreements.

Sec. 107. Planting flexibility.

Sec. 108. Production flexibility contracts.

Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

Sec. 121. Nonrecourse marketing assistance loans for covered commodities.

Sec. 122. Loan rates.

Sec. 123. Term of loans.

Sec. 124. Repayment of loans.

Sec. 125. Loan deficiency payments.

Sec. 126. Payments in lieu of loan deficiency payments available for upland cotton.

Sec. 128. Special competitive provisions for extra long staple cotton.

Sec. 129. Recourse loans for high moisture feed grains and seed cotton and other fibers.

Sec. 130. Nonrecourse marketing assistance loans for wool and mohair.

Sec. 131. Nonrecourse marketing assistance loans for honey.

Subtitle C—Other Commodities

CHAPTER I—DAIRY

Sec. 141. Milk price support program.

Sec. 142. Dairy export incentive and dairy indemnity programs.

Sec. 143. Fluid milk promotion.

Sec. 144. Dairy product mandatory reporting.

Sec. 145. Exemption of milk handlers from minimum price requirements.

CHAPTER II—SUGAR

Sec. 151. Sugar program.

Sec. 152. Storage facility loans.

Sec. 153. Flexible marketing allotments for sugar.

CHAPTER III—PEANUTS

Sec. 161. Definitions.

Sec. 162. Payment yields, peanut acres, and payment acres for farms.

Sec. 163. Fixed, decoupled payments for peanuts.

Sec. 164. Counter-cyclical payments for peanuts.

Sec. 165. Producer agreements.

Sec. 166. Planting flexibility.

Sec. 167. Marketing assistance loans and loan deficiency payments for peanuts.

Sec. 168. Quality improvement.

Sec. 169. Termination of marketing quotas for peanuts and compensation for peanut quota holders.

Subtitle D—Administration

Sec. 171. Administration.

Sec. 172. Adjustments of payments.

Sec. 173. Commodity Credit Corporation interest rate.

Sec. 174. Personal liability of producers for deficiencies.

Sec. 175. Commodity Credit Corporation sales price restrictions.

Sec. 176. Commodity certificates.

Sec. 177. Assignment of payments.

Sec. 178. Payment limitations.

Subtitle E—Price Support Authority

Sec. 181. Suspension and repeal of price support authority.

Subtitle F—Miscellaneous Commodity Provisions

Sec. 191. Agricultural producers supplemental payments and assistance.

TITLE II—CONSERVATION

Subtitle A—Working Land Conservation Programs

Sec. 201. Environmental quality incentives program.


Sec. 203. Wetlands reserve program.

Sec. 204. Farmland protection program.

Sec. 205. Wildlife habitat incentive program.

Sec. 206. Grassland reserve program.
Sec. 207. Resource conservation and development program.

Sec. 208. Conservation of private grazing land.

Sec. 209. Other conservation programs.

Subtitle B—Miscellaneous Reforms and Extensions

Sec. 211. Privacy of personal information relating to natural resources conservation programs.

Sec. 212. Administrative requirements for conservation programs.

Sec. 213. Reform and assessment of conservation programs.

Sec. 214. Certification of private providers of technical assistance.

Sec. 215. Extension of conservation authorities.

Sec. 216. Use of symbols, slogans, and logos.

Sec. 217. Technical amendments.

Sec. 218. Effect of amendments.

TITLE III—TRADE

Subtitle A—Agricultural Trade Development and Assistance Act of 1994 and Related Statutes

Sec. 301. United States policy.

Sec. 302. Provisions of agricultural commodities.

Sec. 303. Generation and use of currencies by private voluntary organizations with operations abroad.

Sec. 304. Levels of assistance.

Sec. 305. Food Aid Consultative Group.

Sec. 306. Maximum level of expenditures.

Sec. 307. Administration.

Sec. 308. Assistance for stockpiling and rapid transportation, delivery, and distribution of shelf-stable prepackaged foods.

Sec. 309. Sale procedure.

Sec. 310. Prepositioning.

Sec. 311. Expiration date.

Sec. 312. Micronutrient fortification program.

Sec. 313. Farmer-to-farmer program.

Subtitle B—Agricultural Trade Act of 1978

Sec. 321. Export credit guarantee program.

Sec. 322. Market access program.

Sec. 323. Export enhancement program.

Sec. 324. Foreign market development cooperation program.

Sec. 325. Food for progress and education programs.

Sec. 326. Exporter assistance initiative.

Subtitle C—Miscellaneous Agricultural Development Programs

Sec. 331. Bill Emerson Humanitarian Trust.

Sec. 332. Emerging markets.

Sec. 333. Biotechnology and agricultural trade program.

Sec. 334. Surplus commodities for developing or friendly countries.

Sec. 335. Agricultural trade with Cuba.

TITLE IV—NUTRITION PROGRAMS

Sec. 401. Short title.

Subtitle A—Food Stamp Program

Sec. 411. Encouragement of payment of child support.

Sec. 412. Simplified definition of income.

Sec. 413. Increase in benefits to households with children.

Sec. 414. Simplified determination of housing costs.

Sec. 415. Simplified utility allowance.

Sec. 416. Simplified procedure for determination of earned income.

Sec. 417. Simplified determination of deductions.

Sec. 418. Simplified definition of resources.

Sec. 419. Alternative issuance systems in disasters.

Sec. 420. State option to reduce reporting requirements.

Sec. 421. Benefits for adults without dependents.

Sec. 422. Preservation of access to electronic benefits.

Sec. 423. Cost neutrality for electronic benefit transfer systems.

Sec. 424. Alternative procedures for residents of certain group facilities.

Sec. 425. Availability of food stamp program applications on the Internet.

Sec. 426. Simplified determinations of continuing eligibility.

Sec. 427. Clearinghouse for successful nutrition education efforts.

Sec. 428. Transitional food stamps for families moving from welfare.

Sec. 429. Delivery to retailers of notices of adverse action.

Sec. 430. Reform of quality control system.

Sec. 431. Improvement of calculation of State performance measures.

Sec. 432. Bonuses for States that demonstrate high performance.

Sec. 433. Employment and training program.

Sec. 434. Reauthorization of food stamp program and food distribution program on Indian reservations.

Sec. 435. Coordination of program information efforts.

Sec. 436. Expanded grant authority.

Sec. 437. Access and outreach pilot projects.

Sec. 438. Consolidated block grants and administrative funds.

Sec. 439. Assistance for community food projects.

Sec. 440. Availability of commodities for the emergency food assistance program.

Sec. 441. Innovative programs for addressing common community problems.

Sec. 442. Report on use of electronic benefit transfer systems.

Sec. 443. Vitamin and mineral supplements.

Subtitle B—Miscellaneous Provisions

Sec. 451. Reauthorization of commodity programs.

Sec. 452. Partial restoration of benefits to legal immigrants.

Sec. 453. Commodities for school lunch programs.

Sec. 454. Eligibility for free and reduced price meals.

Sec. 455. Eligibility for assistance under the special supplemental nutrition program for women, infants, and children.

Sec. 456. Seniors farmers’ market nutrition program.

Sec. 457. Fruit and vegetable pilot program.

Sec. 458. Congressional Hunger Fellows Program.

Sec. 459. Nutrition information and awareness pilot program.

Sec. 460. Effective date.

TITLE V—CREDIT

Subtitle A—Farm Ownership Loans

Sec. 501. Direct loans.

Sec. 502. Financing of bridge loans.

Sec. 503. Limitations on amount of farm ownership loans.

Sec. 504. Joint financing arrangements.

Sec. 505. Guarantee percentage for beginning farmers and ranchers.

Sec. 506. Guarantee of loans made under State beginning farmer or rancher programs.

Sec. 507. Down payment loan program.

Sec. 508. Beginning farmer and rancher contract land sales program.

Subtitle B—Operating Loans

Sec. 511. Direct loans.

Sec. 512. Amount of guarantee of loans for tribally owned operations; waiver of limitations for tribal operations and other operations.

Subtitle C—Administrative Provisions

Sec. 521. Eligibility of limited liability companies for farm ownership loans, farm operating loans, and emergency loans.

Sec. 522. Debt settlement.

Sec. 523. Temporary authority to enter into contracts; private collection agencies.

Sec. 524. Interest rate options for loans in servicing.

Sec. 525. Annual review of borrowers.

Sec. 526. Simplified loan applications.

Sec. 527. Inventory property.

Sec. 528. Definitions.

Sec. 529. Loan authorization levels.

Sec. 530. Interest rate reduction program.

Sec. 531. Options for satisfaction of obligation to pay recapture amount for shared appreciation agreements.

Sec. 532. Waiver of borrower training certification requirement.

Sec. 533. Annual review of borrowers.

Subtitle D—Farm Credit

Sec. 541. Repeal of burdensome approval requirements.

Sec. 542. Banks for cooperatives.

Sec. 543. Insurance Corporation premiums.

Sec. 544. Board of Directors of the Federal Agricultural Mortgage Corporation.

Subtitle E—General Provisions

Sec. 551. Inapplicability of finality rule.

Sec. 552. Technical amendments.

Sec. 553. Effective date.

TITLE VI—RURAL DEVELOPMENT

Subtitle A—Empowerment of Rural America

Sec. 601. National Rural Cooperative and Business Equity Fund.

Sec. 602. Rural business investment program.

Sec. 603. Full funding of pending rural development loan and grant applications.

Sec. 604. Rural Endowment Program.

Sec. 605. Enhancement of access to broadband service in rural areas.

Sec. 606. Value-added agricultural product market development grants.

Sec. 607. National Rural Development Information Clearinghouse.

Subtitle B—National Rural Development Partnership

Sec. 611. Short title.

Sec. 612. National Rural Development Partnership.

Subtitle C—Consolidated Farm and Rural Development Act

Sec. 621. Water or waste disposal grants.

Sec. 622. Rural business opportunity grants.

Sec. 623. Rural water and wastewater circuit rider program.

Sec. 624. Multijurisdictional regional planning organizations.

Sec. 625. Certified nonprofit organizations sharing expertise.

Sec. 626. Loan guarantees for certain rural development loans.

Sec. 627. Rural firefighters and emergency personnel grants.

Sec. 628. Emergency community water assistance grant program.

Sec. 629. Water and waste facility grants.

Sec. 630. Water systems for rural and native villages in Alaska.

Sec. 631. Rural cooperative development grants.

Sec. 632. Grants to broadcasting systems.

Sec. 633. Business and industry loan modifications.

Sec. 634. Value-added intermediary lending program.

Sec. 635. Use of rural development loans and grants for other purposes.

Sec. 636. Simplified application forms for loan guarantees.

Sec. 637. Definition of rural and rural area.
in effect prior to the suspensions under section 181(b).

(2) AGRICULTURAL COMMODITY.—The term "agricultural commodity" means any agricultural commodity, food, feed, fiber, or livestock.

(3) BASE ACRES.—The term "base acres", with respect to a covered commodity on a farm, means of acres established under section 103 with respect to the covered commodity on the election made by the producers on the farm under section 103(a).

(4) COVERED COMMODITY.—The term "covered commodity" means—

(A) wheat, corn, grain sorghum, barley, oats, upland cotton, rice, and oilseeds; and

(B) cotton, flaxseed, extra long staple cotton, dry peas, lentils, and chickpeas.

(5) ELIGIBLE PRODUCER.—The term "eligible producer" means a producer described in section 103(a).

(6) EXTRA LONG STAPLE COTTON.—The term "extra long staple cotton" means cotton that—

(A) is produced from pure strain varieties of the Barbadense species or any hybrid thereof, or other similar types of extra long staple cotton, designated by the Secretary, having characteristics needed for various end uses to make it suitable and grown in irrigated cotton-growing regions of the United States designated by the Secretary as suitable for the production of the varieties or types; and

(B) is ginned on a roller-type gin or, if authorized by the Secretary, ginned on another type gin for experimental purposes.

(7) FARM COUNTER-CYCLICAL SAVINGS ACCOUNT.—The term "farm counter-cyclical savings account" or "account" means a farm counter-cyclical savings account established under section 105.

(8) FARM COUNTER-CYCLICAL SAVINGS ACCOUNT PAYMENT.—The term "farm counter-cyclical savings account payment" means a matching contribution made by the Secretary to a farm counter-cyclical savings account established under section 105.

(9) FIXED, DECOUPLED PAYMENT.—The term "fixed, decoupled payment" means a payment made to producers under section 104.

(10) OILSEED.—The term "oilseed" means a crop of soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or, if designated by the Secretary, another oilseed.

(11) PAYMENT ACRES.—The term "payment acres" means 85 percent of the base acres of a covered commodity on a farm, as established under section 103, on which fixed, decoupled payments are made.

(12) PAYMENT YIELD.—The term "payment yield" means the yield established under section 102 for a farm for a covered commodity.

(13) PRODUCER.—

(A) IN GENERAL.—The term "producer" means an owner, operator, landlord, tenant, or sharecropper that shares in the risk of producing a crop and that is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced.

(B) HYBRID SEED.—In determining whether a grower of hybrid seed is a producer, the Secretary—

(i) shall not take into consideration the existence of a hybrid seed contract; and

(ii) shall ensure that program requirements do not adversely affect the ability of the grower to receive a payment under this title.

(14) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(15) "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.

(16) UNITED STATES.—The term "United States", when used in a geographical sense, means all of the States.

Subtitle A—Fixed Decoupled Payments and Farm Counter-Cyclical Savings Account Payments

SEC. 101. PAYMENTS TO ELIGIBLE PRODUCERS.

(a) IN GENERAL.—For each of the 2002 through 2006 crop years of a covered commodity, the Secretary shall make fixed, decoupled payments and farm counter-cyclical savings account payments under this subtitle to—

(1) producers on a farm that were parties to a production flexibility contract under section 111 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7211) for fiscal year 2002; and

(2) other producers on farms in the United States described in section 103(a).

(b) TEN YEAR AVERAGE.—In carrying out this title, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

(1) SHARING PAYMENTS.—In each crop year for which a farm program payment yield is unavailable for a covered commodity on a farm, the Secretary shall provide for the sharing of fixed, decoupled payments among the eligible producers on a farm on a fair and equitable basis.

SEC. 102. PAYMENT YIELDS.

(a) IN GENERAL.—For the purpose of making fixed, decoupled payments under this subtitle, the Secretary shall provide for the establishment of a payment yield for each farm for each covered commodity in accordance with this section.

(b) USE OF FARM PROGRAM PAYMENT YIELD.—Except as provided in this section, the payment yield for each of the 2002 through 2006 crops of a covered commodity for a farm shall be the farm program payment yield for the 2002 crop of the covered commodity on the farm established under section 105 of the Agricultural Act of 1949 (7 U.S.C. 1465).

(c) FARMS WITHOUT FARM PROGRAM PAYMENT YIELD.—In the case of a farm for which a farm program payment yield is unavailable for a covered commodity other than oilseeds, the Secretary shall establish an appropriate payment yield which, in general, is the national average yield for the oilseed on a farm that make the election described in subsection (a).

(d) PAYMENT YIELDS FOR OILSEEDS.—

(1) IN GENERAL.—In the case of each oilseed, the Secretary shall determine the average yield for the farm for the 1998 through 2001 crops, excluding any crop year in which the acreage planted to the oilseed was zero.

(2) ADJUSTMENT OF PAYMENT YIELD.—If, for any of the crop years referred to in paragraph (1) in which the oilseed was planted, the producers on the farm would have satisfied the eligibility criteria established to carry out section 1102 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (7 U.S.C. 1421 note; Public Law 105-277) with respect to the production of the oilseed, the Secretary shall assign a yield for the crop year equal to 65 percent of the county yield.

(3) ADJUSTMENT OF PAYMENT YIELD.—The payment yield for a farm for an oilseed shall be equal to the product obtained by multiplying—

(A) the average yield for the oilseed determined under paragraphs (1) and (2); and

(B) the ratio resulting from dividing—

(i) the national average yield for the oilseed for the 1998 through 2001 crops; or

(ii) the national average yield for the oilseed for the 1998 through 2001 crops.
Section 104, Fixed, Decoupled Payments.

(a) In General.—For each of the 2002 through 2006 fiscal years, the Secretary shall make fixed, decoupled payments—

(A) to each producer on a farm enrolled in the conservation reserve program or wetlands reserve program under chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (18 U.S.C. 9930 et seq.); and

(C) any other acreage on the farm enrolled in a voluntary conservation program under which production of any agricultural commodity is prohibited.

(b) Payment Rate.—The payment rates used to make fixed, decoupled payments with respect to certain commodities for a crop year are as follows:

1. Wheat:
   (A) In the case of each of the 2002 through 2005 crops, $0.7675 per bushel.
   (B) In the case of the 2006 crop, $0.6368 per bushel.

2. Corn:
   (A) In the case of each of the 2002 through 2005 crops, $0.4334 per bushel.
   (B) In the case of the 2006 crop, $0.3571 per bushel.

3. Grain sorghum:
   (A) In the case of each of the 2002 through 2005 crops, $0.5201 per bushel.
   (B) In the case of the 2006 crop, $0.4224 per bushel.

4. Barley:
   (A) In the case of each of the 2002 through 2005 crops, $0.3612 per bushel.
   (B) In the case of the 2006 crop, $0.2976 per bushel.

5. Oats:
   (A) In the case of each of the 2002 through 2005 crops, $0.1489 per bushel.
   (B) In the case of the 2006 crop, $0.1227 per bushel.

6. Upland cotton:
   (A) In the case of each of the 2002 through 2005 crops, $0.39 per pound.
   (B) In the case of the 2006 crop, $0.3611 per pound.

7. Soybeans:
   (A) In the case of each of the 2002 through 2005 crops, $0.6968 per bushel.
   (B) In the case of the 2006 crop, $0.6999 per bushel.

8. Oilseeds (other than soybeans):
   (A) In the case of each of the 2002 through 2005 crops, $0.1990 per bushel.
   (B) In the case of the 2006 crop, $0.2149 per bushel.

9. Oats:
   (A) In the case of each of the 2002 through 2005 crops, $0.6393 per bushel.
   (B) In the case of the 2006 crop, $0.5201 per bushel.

10. Barley:
    (A) In the case of each of the 2002 through 2005 crops, $0.3571 per bushel.
    (B) In the case of the 2006 crop, $0.2976 per bushel.

11. Soybeans:
    (A) In the case of each of the 2002 through 2005 crops, $0.6968 per bushel.
    (B) In the case of the 2006 crop, $0.6999 per bushel.

12. Oilseeds (other than soybeans):
    (A) In the case of each of the 2002 through 2005 crops, $0.1990 per bushel.
    (B) In the case of the 2006 crop, $0.2149 per bushel.

Section 105, Farm Counter-Cyclical Savings Accounts.

(a) Definitions.—In this section:

(1) Adjusted Gross Revenue.—The term ‘‘adjusted gross revenue’’ means the adjusted gross income for all agricultural enterprises of a producer for each of the preceding 5 taxable years, excluding nonagricultural income sources.

(2) Matching Contributions.—
   (A) the average adjusted gross revenue of the producer for each of the preceding 5 taxable years;
   (B) the average of the adjusted gross revenue of a producer for each of the preceding 5 taxable years; or
   (C) the average of the adjusted gross revenue of a producer for each of the preceding 5 taxable years.
contributions required for a producer under paragraph (1) as of the date that a majority of the covered commodities grown by the producer are harvested.

(1) TERMINATION.—Except as provided in paragraph (5), a transfer of (or change in) the interest of the producers on a farm in base acres for which fixed, decoupled payments are made shall result in the termination of the payments with respect to the base acres, unless the transferee or owner of the acreage agrees to assume all obligations under subsection (a).

(2) EFFECTIVE DATE.—The termination takes effect on the date of the transfer or change.

(3) TRANSFER OF PAYMENT BASE AND YIELD.—There is no restriction on the transfer of the base acres or payment yield of a farm as part of a transfer or change described in paragraph (1).

(4) MODIFICATION.—At the request of the transferee or owner, the Secretary may modify the requirements specified in paragraph (3) if the modifications are consistent with the objectives of subsection (a), as determined by the Secretary.

(5) EXCEPTION.—If a producer entitled to a fixed, decoupled payment dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment in accordance with regulations promulgated by the Secretary.

SEC. 107. PLANTING FLEXIBILITY.

(a) PERMITTED CROPS.—Subject to subsection (b), a producer may plant a crop may be planted on base acres on a farm.

(b) LIMITATIONS AND EXCEPTIONS REGARDING CERTAIN COMMODITIES.—

(1) LIMITATIONS.—The planting of the following agricultural commodities shall be prohibited on base acres:

(A) Fruits.

(B) Vegetables (other than lentils, mung beans, and dry peas).

(C) Wild rice.

(2) EXCEPTIONS.—

(A) In any region in which there is a history of double-cropping of covered commodities with agricultural commodities specified in paragraph (1), as determined by the Secretary, in which the case the double-cropping shall be permitted;

(B) on a farm that the Secretary determines has an established history of planting agricultural commodities specified in paragraph (1), as determined by the Secretary, in which case the double-cropping shall be permitted; and

(C) by the Secretary that the Secretary determines has an established planting history of a specific agricultural commodity specified in paragraph (1), except that:

(i) the quantity planted may not exceed the average annual planting history of the agricultural commodity by the producers on the farm during the 1991 through 1995 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

(ii) fixed, decoupled payments and counter-cyclical payments shall be reduced by an acre for each acre planted to the agricultural commodity.

(3) EXCEPTIONS.—Paragraph (1) shall not apply to a marketing assistance loan or a loan made under terms and conditions that are prescribed by the Secretary and at the loan rate established under section 122 for the covered commodity.

(b) ELIGIBLE PRODUCTION.—The producers on a farm shall be eligible for a marketing assistance loan under subsection (a) for any quantity of a covered commodity produced on the farm.

(c) TREATMENT OF CERTAIN COMMINGLED COMMODITIES.—In carrying out this subtitle, the Secretary shall make loans to the producers on a farm that would be eligible to receive marketing assistance loans but for the fact the covered commodity owned by the producers on the farm is commingled with other commodities in facilities licensed by the Secretary for the storage of agricultural commodities by the Secretary or a State licensing authority, if the producers on the farm obtaining the loan agree to immediately redeem their collateral in accordance with section 176.

(d) COMPLIANCE WITH CONSERVATION REQUIREMENTS.—As a condition of the receipt of a marketing assistance loan, or any other loan under this title, the Secretary shall, consistent withsubtitle C of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wetland conservation regulations, require all producers in facilities licensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the producers on the farm obtaining the loan agree to immediately redeem their collateral in accordance with section 176.

SEC. 108. PRODUCTION FLEXIBILITY CONTRACTS.

If, on or before the date of the enactment of this Act, the producers on a farm receive any or all portion of the payment authorized for fiscal year 2002 under a production flexibility contract entered into under section 111 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7211), the Secretary may reduce the amount of the fixed, decoupled payment otherwise due the producers on the farm for fiscal year 2002 by the amount of the payment received by the producers on the farm under the production flexibility contract.

Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

SEC. 122. LOAN RATES.

(a) WHEAT.—

(1) LOAN RATE.—Subject to paragraph (2), the loan rate for a market year 2002 marketing assistance loan under section 121 for wheat shall be—

(A) not less than 85 percent of the simple average price received by producers of wheat determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the lowest and the year in which the average price was the highest; and

(B) not more than $2.58 per bushel.

(2) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

(A) not less than 15 percent, and the Secretary may reduce the loan rate for any wheat for the corresponding crop by an amount not to exceed 10 percent in any year; or

(B) less than 15 percent but not less than 10 percent, the Secretary may reduce the loan rate for any wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

(C) less than 15 percent, the Secretary shall not reduce the loan rate for wheat for the corresponding crop.

(b) FEED GRAINS.—

(1) LOAN RATE FOR CORN AND GRAIN SORGHUM.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 121 for corn and grain sorghum shall be—

(A) not less than 85 percent of the average price received by producers of corn

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or grain sorghum, respectively, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of the covered commodity, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but
(B) not more than $1.88 per bushel.
(2) MARKETING ASSISTANCE LOAN.—If the Secretary estimates for any marketing year that the ratio of ending stocks of corn or grain sorghum to total use for the marketing year will be
(A) equal to or greater than 25 percent, the Secretary may reduce the loan rate for the covered commodity for the corresponding crop by an amount not to exceed 10 percent in any year;
(B) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for the covered commodity for the corresponding crop by an amount not to exceed 5 percent in any year; or
(C) less than 12.5 percent, the Secretary may not reduce the loan rate for the covered commodity for the corresponding crop.
(3) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan under section 121 for barley and oats shall be—
(A) established at such level as the Secretary determines is fair and reasonable in relation to corn and to the quality of feed and market conditions, taking into consideration the feeding value of the commodity in relation to corn; but
(B) not more than—
(i) $1.25 per bushel for barley; or
(ii) $1.70 per bushel for barley used only for feed purposes, as determined by the Secretary.
(4) UPLAND COTTON.—
(A) LOAN RATE.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 121 for upland cotton shall be established by the Secretary at such loan rate, per pound, as will reflect for the base quality of upland cotton, as determined by the Secretary, at average locations in the United States a rate that is not less than the smaller of—
(A) 85 percent of the average price (weighted by market and month) of the base quality of cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending 31 of the year preceeding the year in which the crop is planted, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or
(B) 90 percent of the average, for the 15-week period beginning July 1 of the year preceding the year in which the crop is planted, of the 5 lowest-priced growths of the growths quoted for Middling 1 3\(\frac{3}{4}\) -inch cotton C.I.F. Northern Europe (referred to in this section as the “Northern Europe price”), excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or
(B) not less than—
(1) the loan rate established for the covered commodity (other than upland cotton) under section 121 for the immediately preceding 5 crops of the covered commodity, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but
(B) not more than $0.091 per pound.
(g) DRY PEAS, LENTILS, AND CHICKPEAS.—The loan rate for a marketing assistance loan under section 121 for dry peas, lentils, large chickpeas, and small chickpeas shall be—
(A) not less than 85 percent of the simple average price received by producers of dry peas, lentils, large chickpeas, and small chickpeas, individually, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of dry peas, lentils, large chickpeas, and small chickpeas, individually, excluding the year in which the average price was the highest and the year in which the average rice was the lowest in the period; but
(B) not less than $0.583 per hundredweight.
(h) DRY PEAS, LENTILS, AND CHICKPEAS.—The loan rate for a marketing assistance loan under section 121 for garlic, aubergines, and small grain shall be—
(A) established by the Secretary, taking into consideration the feed value of garlic, aubergines and small grain, as determined by the Secretary; but
(B) not more than $1.00 per hundredweight.
(i) SOYBEANS.—The loan rate for a marketing assistance loan under section 121 for soybeans shall be—
(A) not less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but
(B) not more than $1.92 per bushel.
(j) OTHER OILSEEDS.—The loan rate for a marketing assistance loan under section 121 for one oilseed (other than soybeans) shall be—
(A) not less than 85 percent of the simple average price received by producers of the oilseed, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of the oilseed, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but
(B) not more than $0.091 per pound.
(2) OTHER OILSEEDS.—The loan rate for a marketing assistance loan under section 121 for extra long staple cotton shall be—
(A) not less than $0.7965 per pound.
(3) LENTILS AND CHICKPEAS.—The loan rate for a marketing assistance loan under section 121 for dry peas, lentils, large chickpeas, and small chickpeas shall be—
(A) not less than $0.7965 per pound.
(4) DRY PEAS, LENTILS, AND CHICKPEAS.—The loan rate for a marketing assistance loan under section 121 for garlic, aubergines, and small grain shall be—
(A) not less than $0.7965 per pound.
(5) SOYBEANS.—The loan rate for a marketing assistance loan under section 121 for soybeans shall be—
(A) not less than $0.7965 per pound.
(6) OTHER OILSEEDS.—The loan rate for a marketing assistance loan under section 121 for one oilseed (other than soybeans) shall be—
(A) not less than $0.7965 per pound.
(7) DRY PEAS, LENTILS, AND CHICKPEAS.—The loan rate for a marketing assistance loan under section 121 for dry peas, lentils, large chickpeas, and small chickpeas shall be—
(A) not less than $0.7965 per pound.
(8) SOYBEANS.—The loan rate for a marketing assistance loan under section 121 for soybeans shall be—
(A) not less than $0.7965 per pound.
(9) OTHER OILSEEDS.—The loan rate for a marketing assistance loan under section 121 for one oilseed (other than soybeans) shall be—
(A) not less than $0.7965 per pound.
(10) DRY PEAS, LENTILS, AND CHICKPEAS.—The loan rate for a marketing assistance loan under section 121 for garlic, aubergines, and small grain shall be—
(A) not less than $0.7965 per pound.
(11) SOYBEANS.—The loan rate for a marketing assistance loan under section 121 for soybeans shall be—
(A) not less than $0.7965 per pound.
(12) OTHER OILSEEDS.—The loan rate for a marketing assistance loan under section 121 for one oilseed (other than soybeans) shall be—
(A) not less than $0.7965 per pound.
(13) DRY PEAS, LENTILS, AND CHICKPEAS.—The loan rate for a marketing assistance loan under section 121 for dry peas, lentils, large chickpeas, and small chickpeas shall be—
(A) not less than $0.7965 per pound.

121 with respect to the covered commodity, the Secretary shall permit the producers on the farm to repay the loan at the lowest repayment rate that was in effect for the covered commodity on the farm for the crop year beginning before the date that the producers on the farm lost beneficial interest, as determined by the Secretary.

SEC. 125. LOAN DEFICIENCY PAYMENTS.

(a) IN GENERAL.—Except as provided in subsection (d), the Secretary may make loan deficiency payments available to—

(1) the loan rate determined under subsection (c) for the covered commodity for which the producers on the farm are eligible for assistance loans under section 121, produce a covered commodity, and

(2) effective only for the 2000 and 2001 crop years, producers that, although not eligible to obtain such a marketing assistance loan under section 121, produce a covered commodity.

(b) AMOUNT.—A loan deficiency payment under this section shall be obtained by multiplying—

(1) the loan payment rate determined under subsection (c) for the covered commodity for which the producers on the farm are eligible for assistance loans under section 121, produce a covered commodity; and

(2) the rate at which a loan for the covered commodity may be repaid under section 124.

(d) EXCEPTION FOR EXTRA LONG STAPLE COTTON.—This section shall not apply with respect to extra long staple cotton.

(c) LOAN PAYMENT RATE.—For purposes of this section, the loan payment rate shall be the amount by which—

(1) the loan rate determined under section 122 for the covered commodity, exceeds

(2) the rate at which a loan for the covered commodity may be repaid under section 124.

(d) EXCEPTION FOR EXTRA LONG STAPLE COTTON.—This section shall not apply with respect to extra long staple cotton.

(e) EFFECT ON PRODUCTION.—The Secretary shall make a payment under this section to the producers on a farm with respect to a quantity of a covered commodity as of the earlier of—

(1) the date on which the producers on the farm marketed or otherwise lost beneficial interest in the covered commodity, as determined by the Secretary; or

(2) the date the producers on the farm request the payment.

(f) LOST BENEFICIAL INTEREST.—Effective for the 2001 crop only, if a producer eligible for a payment under subsection (a) loses beneficial interest in the covered commodity, the producer shall be eligible for a payment determined as of the date the producer lost beneficial interest in the covered commodity, as determined by the Secretary.

SEC. 126. PAYMENTS IN LIU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.

(a) IN GENERAL.—For each of the 2002 through 2006 crops of wheat, barley, grain sorghum, and oats, in the case of the producers on a farm that would be eligible for a loan deficiency payment under section 125 with respect to the production of wheat, barley, grain sorghum, or oats, but that elects to use acreage planted to the wheat, barley, grain sorghum, or oats for the grazing of livestock, the Secretary shall make a payment to the producers on the farm under this section if the producers on the farm enter into an agreement with the Secretary to forgo any other harvesting of the wheat, barley, grain sorghum, or oats on the acreage.

(b) PAYMENT AMOUNT.—The amount of a payment under this subsection shall be equal to the amount obtained by multiplying—

(1) the loan deficiency payment rate determined under subsection (c) for the crop year beginning before the date of the agreement, for the county in which the farm is located; by

(2) the payment quantity obtained by multiplying—

(A) the quantity of the grazed acreage on the farm with respect to which the producers on the farm would be eligible for a loan deficiency payment with respect to a crop of wheat, barley, grain sorghum, or oats; and

(B) the payment yield for that covered commodity on the farm.

SEC. 127. SPECIAL MARKETING LOAN PROVISIONS FOR UPLAND COTTON.

(a) COTTON USER MARKETING CERTIFICATES.—

(1) ISSUANCE.—During the period beginning on the date of the enactment of this Act and ending July 31, 2007, subject to paragraph (4), the Secretary shall issue marketing certificates, as determined by the Secretary, to cotton users.

(b)(1)(A) the quantity of cotton purchased not later than 90 days after the date of the Secretary’s announcement under paragraph (1) and entered into the United States during the marketing year.

(2) QUANTITY.—The quota shall apply to the redemption of certificates under this subsection.

(b) TERMINATION.—The President shall terminate the program for cotton purchased not later than 90 days after the date of the Secretary’s announcement under paragraph (1) and entered into the United States not later than 180 days after the date of the Secretary’s announcement under paragraph (1).

(c) TRANSFERS.—Marketing certificates issued to domestic users and exporters of upland cotton may be transferred to other persons in accordance with regulations promulgated by the Secretary.

(d) PROHIBITION ON CROP INSURANCE OR NONINSURED CROP ASSISTANCE.—The producers on a farm shall not be eligible for insurance under the Federal Crop Insurance Act (7 U.S. 1501 et seq.) or noninsured crop assistance under section 192 with respect to a 2002 through 2006 crop of wheat, barley, grain sorghum, or oats established by the Secretary for marketing assistance loans authorized by this subtitle.

(e) CONCLUSION.—

(f) LOST BENEFICIAL INTEREST.—Effective 7 days after the date of the enactment of this Act and ending July 31, 2007, subject to paragraph (4), 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 exceeds the Northern Europe price by more than 1.25 cents per pound; and

(b)(1)(B) without regard to the 1.25 cent threshold provided those paragraphs and subsection.

(b) SPECIAL IMPORT QUOTA.—

(1) ESTABLISHMENT.—The President shall establish a special import quota for the 2001 crop only, if a producer eligible for a payment under subsection (a) loses beneficial interest in the covered commodity, as determined by the Secretary.

(b)(3) ADMINISTRATION OF MARKETING CERTIFICATES.—

(A) the quantity of the grazed acreage on the farm to repay the loan at the lowest repayment rate that was in effect for the covered commodity on the farm for the crop year beginning before the date that the producers on the farm lost beneficial interest, as determined by the Secretary.

(c) TRANSFERS.—Marketing certificates issued to domestic users and exporters of upland cotton may be transferred to other persons in accordance with regulations promulgated by the Secretary.

(d) PROHIBITION ON CROP INSURANCE OR NONINSURED CROP ASSISTANCE.—The producers on a farm shall not be eligible for insurance under the Federal Crop Insurance Act (7 U.S. 1501 et seq.) or noninsured crop assistance under section 192 with respect to a 2002 through 2006 crop of wheat, barley, grain sorghum, and oats established by the Secretary for marketing assistance loans authorized by this subtitle.

(e) CONCLUSION.—

(f) LOST BENEFICIAL INTEREST.—Effective 7 days after the date of the enactment of this Act and ending July 31, 2007, subject to paragraph (4), 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 marketing year for which the Secretary estimates the season-ending United States upland cotton stocks-to-use ratio, as determined under subparagraph (A), the Secretary shall permit owners of certificates to apply the redemption of certificates under this subsection.

(2) VALUE OF CERTIFICATES OR PAYMENTS.—Subject to paragraph (4), the Secretary shall be entitled to use a price for the upland cotton (adjusted to United States quality and location) does not exceed 134 percent of the loan rate for upland cotton established under subsection (b)(1)(B) without regard to the 1.25 cent threshold provided those paragraphs and subsection.

(2) VALUE OF CERTIFICATES OR PAYMENTS.—Subject to paragraph (4), the value of the marketing certificates or cash payments shall be equal to the difference (reduced by 1.25 cents per pound) in the prices during the 4th week of the consecutive 4-week period multiplied by the quantity of upland cotton included in the documented sales.

(3) ADMINISTRATION OF MARKETING CERTIFICATES.—

(A) REDEMPTION, MARKETING, OR EXCHANGE.—(i) IN GENERAL.—The Secretary shall establish procedures for redeeming marketing certificates for cash or marketing or exchange of the certificates for agricultural commodities owned by the Commodity Credit Corporation or pledged to the Commodity Credit Corporation or entered into aircraft or other collateral, in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates, including enhancement of the competitive- ness and marketability of United States cotton.

(ii) PRICE RESTRICTIONS.—Any price restrictions imposed with respect to the disposition of agricultural commodities by the Commodity Credit Corporation shall not apply to the redemption of certificates under this subsection.

(B) DESIGNATION OF COMMODITIES AND PRODUCTS.—To the extent practicable, the Secretary shall designate the commodities and products, including storage sites, the owners would prefer to receive in exchange for certificates valid to the date of the Secretary’s announcement under paragraph (1) and entered into the United States not later than 180 days after the date of the Secretary’s announcement under paragraph (1).

(3) OVERLAP.—A special quota period may be established that overlaps any existing...
quota period if required by paragraph (1), except that a special quota period may not be established under this subsection if a quota period has been established under subsection (c).

(5) PREFERENTIAL TARIFF TREATMENT.—The quantity under a special import quota shall be considered to be an in-quota quantity for purposes of—

(A) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(B) section 254 of the Andean Trade Preference Act (19 U.S.C. 2484(b));

(C) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(D) General Note No. 3(a)(iv) to the Harmonized Tariff Schedule.

(6) DEFINITION OF SPECIAL IMPORT QUOTA.—In this subsection, the term ‘‘special import quota’’ means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(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 weeks’ consumption of cotton, as determined by the Secretary, in the designated spot markets for a month exceeded 130 percent of the average price of such quality of cotton in the United States, or the preceding 36 months, notwithstanding any other provision of law, during the period beginning on the date the quota is established under this subsection.

(8) LIMITED GLOBAL IMPORT QUOTA FOR UPLAND COTTON.—

(a) IN GENERAL.—The President shall carry out an import quota program that provides that whenever the Secretary determines and announces that the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for a month exceeded 130 percent of the average price of such quality of cotton in the marketing year, the Secretary shall establish an over-quota tariff rate of a tariff-rate quota.

(b) N O OVERLAP .—Notwithstanding paragraph (1), a quota period may not be established that overlaps an existing quota period or a special quota period established under subsection (b).

SEC. 129. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA LONG STAPLE COTTON.

(a) COMPETITIVENESS PROGRAM.—Notwithstanding any other provision of law, during the period beginning on the date of enactment of this Act and ending on July 31, 2002, the Secretary shall carry out a program to—

(1) to maintain and expand the domestic use of extra long staple cotton produced in the United States;

(2) to increase exports of extra long staple cotton and products thereof; and

(3) to ensure that extra long staple cotton produced in the United States remains competitive in world markets.

(b) PAYMENT PROGRAM; TRIGGER.—Under the program, the Secretary shall make payments available under this section whenever—

(1) for a consecutive 4-week period, the world market price for the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location and for other factors affecting the competitiveness of such cotton), as determined by the Secretary, is below the prevailing United States price for a competing growth of extra long staple cotton;

(2) the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location and for other factors affecting the competitiveness of such cotton), as determined by the Secretary, is less than 134 percent of the loan rate for extra long staple cotton.

(c) E LIGIBILITY FOR ACQUIRED FEED GRAINS.—A loan under this subsection shall be made in a quantity of corn or grain sorghum of the same crop acquired by the producers on the farm equivalent to a quantity of corn or grain sorghum in a high moisture state harvested on the farm.

(d) T ERM OF LOAN.—A loan under this subsection shall be made in a quantity of corn or grain sorghum in a high moisture state harvested on the farm.

(e) C OMPETITIVENESS LOANS AVAILABLE FOR SEED COTTON.—For each of the 2002 through 2006 crops of upland cotton and extra long staple cotton, the Secretary shall make available nonrecourse seed cotton loans under this subsection within deadlines established by the Secretary.

(f) REPAYMENT RATES.—(1) A loan made under this subsection shall be repaid at the rate of 95 percent, plus interest, of the marketable value of the cotton at the time of delivery.

(2) The Secretary shall promulgate regulations establishing a limit on the amount of loan interest that may be charged.

SEC. 130. NONRECEOURSE MARKETING ASSISTANCE LOANS FOR WOOL AND MOHAIR.

(a) IN GENERAL.—For each of the 2003 through 2006 marketing years, the Secretary shall make available nonrecourse marketing assistance loans for wool and mohair produced in the United States for financing a licensed warehouse, feedlot, feed mill, distillery, or other similar entity approved by the Secretary, pursuant to regulations promulgated by the Secretary.

(b) LOAN TERMS.—(1) For each of the 2003 through 2006 marketing years, the Secretary shall—

(A) make marketing assistance loans for wool and mohair that do not exceed the following amounts:

(i) $8.40 per pound for grade A wool; and

(ii) $3.65 per pound for mohair;

(B) certify to the Secretary, to the producers on a farm to
repay a marketing assistance loan under subsection (a) for wool or mohair at a rate that is the lesser of—
(1) the loan rate established under subsection (b); or
(2) a rate that the Secretary determines will—
(A) minimize potential loan forfeitures;
(B) minimize the accumulation of stocks of the commodity by the Federal Government; and
(C) minimize the cost incurred by the Federal Government in storing the commodity; and
(D) allow the commodity produced in the United States to be marketed freely and competitively, both domestically and internationally.

(2) AMOUNT.—A loan deficiency payment under this subsection shall be obtained by multiplying—
(A) the loan rate deficiency payment rate for wool or mohair under paragraph (3) for the commodity; by
(B) the quantity of the commodity produced by the producers on the farm, excluding any quantity for which the producers on the farm obtain a loan under this subsection.

(3) LOAN RATE.—For purposes of this subsection, the loan rate deficiency payment for wool or mohair shall be the amount by which—
(A) the loan rate in effect for the commodity under subsection (b); exceeds
(B) the rate at which a loan for the commodity may be repaid under subsection (d).

(4) TIME FOR PAYMENT.—The Secretary shall make a payment under this subsection on or before the date the producers on the farm request the payment.

(5) PREVENTION OF FORFEITURES.—The Secretary shall prescribe regulations as may be necessary to minimize forfeitures of wool or mohair marketing assistance loans.

Subtitle C—Other Commodities

CHAPTER 1—DAIRY

SEC. 141. MILK PRICE SUPPORT PROGRAM.

(a) In General.—During the period beginning on January 1, 2002, and ending on December 31, 2006, the Secretary shall—

(b) Loan Rate.—The loan rate for a marketing assistance loan for milk shall be the amount by which the support price for milk is less than—

(c) PURCHASE PRICES.—

(1) UNIFORM PRICES.—The Secretary shall support prices at a level that is the lesser of—

(2) AMOUNT.—A loan deficiency payment under this subsection shall be obtained by multiplying—

(a) the loan rate deficiency payment rate of United States milk producers under section 1402 (15 U.S.C. 713a(a)) for the commodity; by
(b) the quantity of United States milk produced by the producers on the farm for which the producers on the farm obtained a loan under this subsection.

(b) D IRECT P RICE S UPPORT.—

(a) IN GENERAL.—For each of the 2002 through 2006 crops of honey, the Secretary shall—

(b) AMOUNT.—A loan deficiency payment under this subsection shall be obtained by multiplying—

(c) PURCHASE PRICES.—

(1) UNIFORM PRICES.—The Secretary shall support prices for milk at a level that is the lesser of—

(2) AMOUNT.—A loan deficiency payment under this subsection shall be obtained by multiplying—

(d) REPAYMENT RATES.—The Secretary shall—

(e) LOAN DEFICIENCY PAYMENTS.—

(a) IN GENERAL.—For each of the 2002 through 2006 crops of honey, the Secretary shall—

(b) AMOUNT.—A loan deficiency payment under this subsection shall be obtained by multiplying—

(c) PURCHASE PRICES.—

(1) UNIFORM PRICES.—The Secretary shall support prices at a level that is the lesser of—

(2) AMOUNT.—A loan deficiency payment under this subsection shall be obtained by multiplying—

(f) ELIMINATION OF ORDER TERMINATION D ATE.—

SEC. 145. EXEMPTION OF MILK HANDLERS FROM MINIMUM PRICE REQUIREMENTS.

(a) IN GENERAL.—Section 8c(5) of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 6602(c)), as amended by the Agricultural Marketing Agreement Act of 1990 (7 U.S.C. 6622(c)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1997, is amended by striking subsection (a) and inserting the following:

(b) EFFECTIVE DATE.—The amendment made by subsection (a) takes effect on January 1, 2002.
Agreement on Agriculture referred to in section 101(d)(2) of the Uruguay Round Agreement Acts (19 U.S.C. 3511(d)(2)).

(B) MAJOR SUGAR COUNTRIES.—The term "major sugar producing and exporting countries" means—

(i) the countries of the European Union; and

(ii) the 10 foreign countries not covered by subparagraph (A) that the Secretary determines produce the greatest quantity of sugar.

(A) ADJUSTMENTS.—The Secretary may reduce the loan rate specified in subsection (a) for domestically grown sugar cane and subsection (b) for domestically grown sugar beets as a result of negotiated reductions in export subsidies and domestic subsidies subject to reduction in the Agreement on Agriculture. 

(B) MAJOR SUGAR COUNTRIES.—The term "major sugar growing, producing, and exporting countries, based on an examination of both domestic and export subsidies subject to reduction in the Agreement on Agriculture.

(3) EXTENT OF REDUCTION.—The Secretary shall not reduce the loan rate under subsection (a) or (b) below a rate that provides an equal measure of support to that provided by other major sugar growing, producing, and exporting countries. 

(4) FURTHER PROCESSING ON FORFEITURE.—(A) In general.—As a condition on the forfeiture described in paragraph (2), the processor shall, within such reasonable time period as the Secretary may prescribe and at no cost to the Commodity Credit Corporation, convert the in-process sugars and syrups into raw cane sugar or reified beet sugar of acceptable grade and quality for sugars eligible for loans under subsection (a) or (b).

(5) LOAN CONVERSION.—If the processor does not forfeit the collateral as described in paragraph (4), but instead further processes the in-process sugars and syrups, then the loan on the in-process sugars and syrups, the proceeds from sale, and the interest thereon shall be used for the production of raw cane sugar or refined beet sugar, as appropriate.

(f) LOANS FOR IN-PROCESS SUGAR.—

(1) DEFINITION OF IN-PROCESS SUGARS AND SYRUPS.—In this subsection, the term "in-process sugars and syrups," does not include raw sugar, liquid sugar, invert sugar, invert syrup, or a refined product that is otherwise eligible for a loan under subsection (a) or (b).

(2) AVAILABILITY.—The Secretary shall make nonrecourse loans available to processors of a crop of domestically grown sugar cane and sugar beets for in-process sugars and syrups derived from the crops.

(3) LOAN RATE.—The loan rate shall be equal to 80 percent of the loan rate applicable to raw cane sugar or reified beet sugar, as determined by the Commodity Credit Corporation, for the in-process sugars and syrups.

(4) FURTHER PROCESSING ON FORFEITURE.—(A) In general.—As a condition on the forfeiture of in-process sugars and syrups serving as collateral for a loan under paragraph (2), the processor shall, within such reasonable time period as the Secretary may prescribe and at no cost to the Commodity Credit Corporation, convert the in-process sugars and syrups into raw cane sugar or reified beet sugar of acceptable grade and quality.

(5) LOAN CONVERSION.—If the processor does not forfeit the collateral as described in paragraph (4), but instead further processes the in-process sugars and syrups, then the loan on the in-process sugars and syrups, the proceeds from sale, and the interest thereon shall be used for the production of raw cane sugar or refined beet sugar of acceptable grade and quality.

(h) INFORMATION REPORTING.—(1) DUTY OF PROCESSORS AND REFINERS TO REPORT.—The Secretary shall require processors and refiners to report the following information:

(a) the loan rate for raw cane sugar or reified beet sugar, as applicable;

(b) the loan rate the processor received under paragraph (a); and

(c) other relevant information.

(2) FURTHER PROCESSING ON FORFEITURE.—Any payments owed producers by a processor that forfeits in-process sugars and syrups as collateral for a nonrecourse loan shall be reduced in proportion to the loan forfeiture penalty incurred by the processor.

(3) TERM OF LOANS.—A storage facility loan shall be made available to any processor of domestically produced sugar or sugar beets in the inventory of the Commodity Credit Corporation from (or otherwise make available such commodities, on appropriate terms and conditions, to) processors of sugarcane and processors of sugar beets (acting in conjunction with the producers of sugar beets or sugar beets processed by the processors) in return for the reduction of production of raw cane sugar or refined beet sugar, as appropriate.

(4) ADDITIONAL AUTHORITY.—The Secretary may authorize additional loans for the in-process sugars and syrups under this section.

(5) LOAN CONVERSION.—If the processor does not forfeit the collateral as described in paragraph (4), but instead further processes the in-process sugars and syrups, then the loan on the in-process sugars and syrups, the proceeds from sale, and the interest thereon shall be used for the production of raw cane sugar or refined beet sugar of acceptable grade and quality.
sec. 153. flexible marketing allotments for sugar.
(a) information reporting.—section 359a of the agricultural adjustment act of 1938 (7 u.s.c. 739aa) is amended—
(1) in the section heading—
(A) by inserting "flexible" before "marketing"; and
(B) by striking "and crystalline fructose".
(2) in subsection (a)—
(A) in paragraph (1)—
(i) by striking "before" and inserting "not later than august 1 before"; and
(ii) by striking "1992 through 1998" and inserting "2002 through 2006";
(B) in subparagraph (A), by striking "other than sugar" and all that follows through "stocks";
(iv) by redesigning subparagraphs (B) and (C) as subparagraphs (C) and (E), respectively; and
(v) by inserting after subparagraph (A) the following:
"(B) the quantity of sugar that would provide for reasonable carryover stocks;"
(vi) by subparagraph (C) (as so redesignated)—
(I) by striking "or" and all that follows through "beets";
(II) by striking "and" following the semicolon;
(vii) by inserting after subparagraph (C) (as so redesignated)—
"(D) the quantity of sugar that will be available from the domestic processing of sugarcane and sugar beets; and; and
(viii) in subparagraph (E) (as so redesignated)—
(I) by striking "quantity of sugar" and inserting "quantity of sugars, syrups, and molasses;"
(II) by inserting "human" after "imported for" the first place it appears;
(III) by inserting after "consumption" the first place it appears the following: "or to be used for the extraction of sugar for human consumption;"
(IV) by striking "year" and inserting "year, whether such articles are under a tariff-rate quota or are in excess or outside of a tariff rate quota;" and
(V) by striking "and sugar" and all that follows through "carry-in stocks;"
(B) by redesigning paragraph (2) as paragraph (3);
(C) by inserting after paragraph (1) the following:
"(2) exclusion.—the estimates in this section shall not include sugar imported for the production of polyhydric alcohol or to be refined and re-exported in refined form or in products containing sugar;" and
(D) in paragraph (3) (as so redesignated)—
(i) in the paragraph heading, by striking "quarterly reestimates" and inserting "reestimates";
(ii) by inserting "as necessary, but after a fiscal year" following "a fiscal year"; on which notice as the secretary by regulation may prescribe, and that the imports would lead to a reduction of the overall allotment quantity for the fiscal year by 54.35 percent; and
(2) sugar derived from sugarcane by establishing a marketing allotment for a fiscal year at a level that the secretary estimates will result in no forfeitures of sugar to the commodity credit corporation under the loan program for sugar established under section 151 of the agriculture, conservation, and rural development act of 2001; and
(B) in paragraph (2), by striking "crystalline fructose;"
(4) by striking subsection (c); (5) by redesignating subsection (d) as subsection (c); and
(6) in subsection (c) (as so redesignated)—
(A) by striking paragraph (2); (B) by redesigning paragraphs (3) and (4) as paragraphs (2) and (3), respectively; and
(C) in paragraph (3) (as so redesignated)—
(i) by striking "or manufacturer" and all that follows through "(2)"; and
(ii) by striking "or crystalline fructose;"
(c) establishing part.—section 359c of the agricultural adjustment act of 1938 (7 u.s.c. 739cc) is amended—
(1) in the section heading, by inserting "flexible after "op";";
(2) in subsection (a), by inserting "flexible" after "establish";
(3) in subsection (b), by striking "to the maximum extent practicable;"
(4) by striking subsection (c) and inserting the following:
"(c) marketing allotment for sugar derived from sugar beets and sugar derived from sugarcane.—the overall allotment quantity for the fiscal year shall be allotted among—
(1) sugar derived from sugar beets by establishing a marketing allotment for a fiscal year at a quantity equal to the product of multiplying the overall allotment quantity for the fiscal year by 54.35 percent; and
(2) sugar derived from sugarcane by establishing a marketing allotment for a fiscal year at a level that the secretary estimates will result in no forfeitures of sugar to the commodity credit corporation under the loan program for sugar established under section 151 of the agriculture, conservation, and rural development act of 2001; and
(3) mainland allotment.—the allotment for sugar derived from sugarcane, less the allotment provided for in paragraph (2), shall be allotted among the mainland states in the united states in which sugarcane is produced, after a hearing (if requested by the affected sugar cane growers and processors) and on such notice as the secretary by regulation may prescribe, in a fair and equitable manner on the basis of—
(A) past marketing of sugar, based on the average of the 2 highest years of production of raw cane sugar from the 1996 through 2000 crops;
(B) the ability of processors to market the sugar covered under the allotments for the crop year; and
(C) past processing of sugar from sugarcane, based on the average of the 2 highest years of production of the crop years 1998 through 2000.
(3) mainland allotment.—the allotment for sugar derived from sugarcane, less the allotment provided for in paragraph (2), shall be allotted among the mainland states in the united states in which sugarcane is produced, after a hearing (if requested by the affected sugar cane growers and processors) and on such notice as the secretary by regulation may prescribe, in a fair and equitable manner on the basis of—
(A) past marketing of sugar, based on the average of the 2 highest years of production of raw cane sugar from the 1996 through 2000 crops;
(B) the ability of processors to market the sugar covered under the allotments for the crop year; and
(C) past processing of sugar from sugarcane, based on the greatest processing (in the mainland states collectively) during the 1991 through 2000 crop years;";
(10) by inserting after subsection (e) (as so redesignated) the following:
"(f) filling cane sugar allotments.—except as provided in section 359e, a state cane sugar allotment established under subsection (e) for a fiscal year shall only be filled with sugar processed from sugarcane grown in the state covered by the allotment;"
(11) in subsection (g) (as so redesignated) in paragraph (1) by striking "359f(a)(2)" and all that follows through the comma at the end of subparagraph (C) and inserting "359f(a)(3), adjust upward or downward marketing allotments in a fair and equitable manner;"
(B) in paragraph (2), by striking "359h(b)" and inserting "359f(b)";
(C) in paragraph (3)—
(i) in the paragraph heading, by striking "reductions" and inserting "carry-over of raw cane;''
(ii) by inserting after "this subsection, if" the following: "the time of the reduction;
(iii) by striking "price support" and inserting "nonrecourse;"
(iv) by striking "206" and all that follows through "the allotment" and inserting "156 of the agricultural marketing transition act (7 u.s.c. 7272);" and
(v) by striking ", if any," and
(11) by striking subsection (h) and inserting the following:
"(h) suspension of allotments.—when ever the secretary estimates or reestimates section 359h(a), or has reason to believe, that imports of sugars, syrups or molasses for human consumption or to be used for the extraction of sugar for human consumption, whether under a tariff-rate quota or in excess or outside of a tariff-rate quota, will exceed 1,532,000 short tons (raw value equivalent), the imports shall be allotted among the offshore states in which sugarcane is produced, after a hearing (if requested by the affected sugar cane processors and growers) and on such notice as the secretary by regulation may prescribe, and that the imports would lead to a reduction of the overall allotment quantity, the secretary shall suspend the marketing allotments until such time as the imports have been restricted, eliminated, or reduced to or below the level of 1,532,000 short tons (raw value equivalent)."
(d) allocation.—section 359a(d)(2) of the agricultural adjustment act of 1938 (7 u.s.c. 739a(d)(2)) is amended—
(1) in subparagraph (a) (as so redesignated) the following:
"(i) in general.—the secretary;" and
inserting the following:
"(ii) the ability of processors to market the sugar covered under the allotments for the crop year; and
(iii) past processing of sugar from sugarcane, based on the average of the 2 highest years of production of the crop years 1998 through 2000."
(B) in the first sentence of clause (i) (as so designated); and

(i) by striking “interested parties” and inserting “the affected sugar cane processors and growers”; and

(ii) by striking “processing capacity” and all that follows through “allocation” and inserting the following: “the marketings of sugar processed from sugar beets of any or all of the 1996 through 2000 crops and to the sugar beets of the same class allocated by the Secretary on the issues raised by the petitioners.”; and

(2) in subsection (c) (as so redesignated)—

(A) in the first sentence, by striking “the Secretary on the issues raised by the petitioners.” and inserting “the Secretary on the issues raised by the petitioners.”; and

(3) Section 359g of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359g) is amended—

(B) in paragraph (h)(A), by striking “each” and inserting “the 2 highest years from among the 1999, 2000, and 2001 crop years”; and

(C) by inserting after paragraph (7) the following:

“(8) PROCESSING FACILITY CLOSURES.—(A) In general.—If a sugarcane processing facility subject to this subsection is closed and the sugarcane growers that previously delivered sugarcane to the facility desire to deliver their sugarcane to another processing company, the growers may petition the Secretary to modify existing allocations to allow the delivery.

(B) INCREASED ALLOCATION FOR PROCESSING COMPANY.—The Secretary may increase the allocation to the company to which the growers desire to deliver the sugarcane, with the approval of the processing company, to a level that does not exceed the processing capacity of the processing company, to accommodate the change in deliveries;

(C) DECREASED ALLOCATION FOR CLOSING COMPANY.—The increased allocation shall be deducted from the allocation to the company that owned the processing facility that has been closed and the remaining allocation will be unaffected.

(D) Timing.—The determinations of the Secretary on the issues raised by the petitioners shall be made within 60 days after filing of the petition.”.

(g) CONFORMING AMENDMENTS.—

(1) Part VII of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359gg et seq.), is amended by striking the part heading and inserting the following:

“PART VII—FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR.”

(2) Part VII of title III of the Agricultural Adjustment Act of 1938 is amended by inserting before section 359a (7 U.S.C. 1359a) the following:

“SEC. 359. DEFINITIONS.

“In this part:

(1) MAINLAND STATE—The term ‘mainland State’ means a State other than an offshore State.

(2) OFFSHORE STATE—The term ‘offshore State’ means a sugarcane producing State located outside of the continental United States.

(3) STATE.—Notwithstanding section 301, the term ‘State’ means the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

(4) UNITED STATES.—The term ‘United States’, when used in a geographical sense, means all of the States.”.

(3) Section 359g of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359g) is amended—

(A) by striking “359g” each place it appears and inserting “359g(c)”;

(B) in the first sentence of subsection (b), by striking “3 consecutive” and inserting “5 consecutive”; and

(C) in subsection (c), by inserting “or adjusted” after “share established”. 
SEC. 161. DEFINITIONS. In this chapter—

(1) COUNTER-CYCLICAL PAYMENT.—The term "counter-cyclical payment" means a payment made to peanut producers on a farm under subsection 164.

(2) EFFECTIVE PRICE.—The term "effective price" means the price calculated by the Secretary under section 164 for peanuts to determine whether counter-cyclical payments are required to be made under section 164 for a crop year.

(3) HISTORIC PEANUT PRODUCERS ON A FARM.—The term "historic peanut producers on a farm" means the peanut producers on a farm in the United States that produced or were prevented from planting peanuts during any of the 1998 through 2001 crop years.

(4) FIXED, DECOPLED PAYMENT.—The term "fixed, decoupled payment" means a payment made to peanut producers on a farm under section 163.

(5) PAYMENT ACRES.—The term "payment acres" means 85 percent of the peanut acres on a farm, as established under section 162, on which fixed, decoupled payments and counter-cyclical payments are made.

(6) PEANUT ACRES.—The term "peanut acres" means the number of acres assigned to peanuts, or peanuts shared in the risk of producing peanuts, by historic peanut producers on a farm pursuant to section 162(b).

(7) PAYMENT YIELD.—The term "payment yield" means the yield assigned to a farm by historic peanut producers on the farm pursuant to section 162(b).

(8) PEANUT PRODUCER.—The term "peanut producer" means an owner, operator, landlord, tenant, or sharecropper that—

(A) shares in the risk of producing a crop of peanuts in the United States; and

(B) is entitled to share in the crop available for marketing from the farm or would have shared in the crop had the crop been produced.

(9) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(10) STATE.—The term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.

(11) TARGET PRICE.—The term "target price" means per ton of peanuts used to determine the payment rate for counter-cyclical payments.

(12) UNITED STATES.—The term "United States" means all of the States.

SEC. 162. PAYMENT YIELDS, PEANUT ACRES, AND PAYMENT ACRES FOR FARMS. (a) PAYMENT YIELDS AND PAYMENT ACRES.—

(1) AVERAGE YIELD.—

(A) IN GENERAL.—The Secretary shall determine, for each peanut producer, the average yield for peanuts on all farms of the historic peanut producer for the 1998 through 2001 crop years, excluding any crop year in which peanuts did not produce a crop. Crop years 1996 or 1997 may be used to substitute for any one of the crop years described herein in a county where a disaster was declared a disaster area during 1 or more of the 4 crop years 1998 through 2001.

(B) ASSIGNED YIELDS.—If, for any of the crop years referred to in subparagraph (A) in which peanuts were planted on a farm by the historic peanut producer, the historic peanut producer has satisfied the eligibility criteria established to carry out section 1102 of the Agricultural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (7 U.S.C. 1421 note; Public Law 105-277), the Secretary shall assign to the historic peanut producer a yield for the farm for the crop year equal to 85 percent of the county yield, as determined by the Secretary.

(2) ACREAGE AVERAGE.—The Secretary shall determine, for the historic peanut producer, the 4-year average of—

(A) acreage planted on farms for all crops for harvest during the 1998 through 2001 crop years; and

(B) any acreage that was prevented from being planted to peanuts during the crop years because of drought, flood, or other natural disaster, or other condition beyond the control of the historic peanut producer, as determined by the Secretary.

(3) MULTIPLE HISTORIC PEANUT PRODUCERS.—If more than 1 historic peanut producer shared in the risk of producing peanuts on the farm, the historic peanut producers shall receive their proportional share of the number of acres planted (or prevented from being planted) to peanuts for harvest on the farm based on the sharing arrangement that was in effect among the producers for the crop.

(4) SELECTION BY PRODUCER.—If a county in which a historic peanut producer described in paragraph (1) is located is declared a disaster area during 1 or more of the 4 crop years described in subparagraph (A), the purposes of determining the 4-year average acreage for the historic peanut producer, the historic peanut producer may elect to substitute, for no more than 1 of the 4 crop years during which a disaster is declared—

(A) the State average of acreage actually planted in peanuts; or

(B) the average of acreage for the historic peanut producer determined by the Secretary under paragraph (1).

(5) TIME FOR DETERMINATIONS; FACTORS.—

(A) TIMING.—The Secretary shall make the determinations required by this subsection not later than 90 days after the date of the enactment of this Act.

(B) FACTORS.—In making the determinations, the Secretary shall take into account changes in the number and identity of historic peanut producers sharing in the risk of producing a peanut crop since the 1998 crop year, including providing a method for the assignment of average acres and average yield to producers for which peanuts are no longer growing or for which the producer has been dissolved.

(6) ASSIGNMENT OF ACREAGE TO FARMS.—

(A) ASSIGNMENT BY HISTORIC PEANUT PRODUCERS.—The Secretary shall provide each historic peanut producer with an opportunity to assign the average peanut yield and average acreage determined under subsection (a) for the historic peanut producer to crop land on a farm for each crop year through 2006.

(B) ASSIGNMENT OF YIELD.—The Secretary shall assign peanut acres to historic peanut producers for a fiscal year on a farm in the United States in such a manner as to equalize the payment made to the peanut producers on a farm for peanuts for a fiscal year shall be equal to $0.015 per pound.

(c) PAYMENT AcRES.—The amount of the fixed, decoupled payment to peanut producers on a farm with peanut acres under section 162 and a payment yield for peanuts under section 162.

(b) PAYMENT RATE.—The payment rate used to fixed, decoupled payments with respect to peanuts for a fiscal year shall be equal to $0.015 per pound.

(2) ADVANCE PAYMENTS.—

(A) IN GENERAL.—At the option of the peanut producer on a farm, the Secretary shall pay 50 percent of the fixed, decoupled payment for a fiscal year for the producers on the farm on a date selected by the peanut producers on the farm.

(B) EXCUSED DATE.—The selected date for a fiscal year shall be on or after December 1 of the fiscal year.

(3) PAYMENT DATE.—The Secretary shall notify the Secretary of the assignments described in subsection (b) no later than 180 days after January 1 of each year.

(d) PAYMENT ACRES.—The payment acres for peanuts on a farm shall be considered to equal 85 percent of the peanut acres assigned to the farm.
(3) REPAYMENT OF ADVANCE PAYMENTS.—If any peanut producer on a farm receives an advance fixed, decoupled payment for a fiscal year ceases to be eligible for a fixed, decoupled payment before the date the fixed, decoupled payment would have been made by the Secretary under paragraph (1), the peanut producer shall be responsible for repaying the excess of the full amount of the advance payment.

SEC. 164. COUNTER-CYCLICAL PAYMENTS FOR PEANUTS.

(a) In General.—For each of the 2002 through 2006 crops of peanuts, the Secretary shall make counter-cyclical payments with respect to peanuts if the Secretary determines that the effective price for peanuts is less than the target price for peanuts.

(b) EFFECTIVE PRICE.—For purposes of subsection (a), the effective price for peanuts is equal to the sum of—

(1) the greater of—

(A) the national average market price received by peanut producers during the 5-month marketing season for peanuts, as determined by the Secretary; or

(B) the national average loan rate for a marketing assistance loan for peanuts in effect for the crop of peanuts during the 5-month marketing season for peanuts under this chapter; and

(2) the payment rate in effect for peanuts under section 163 for the purpose of making fixed, decoupled payments with respect to peanuts.

(c) TARGET PRICE.—For purposes of subsection (a), the target price for peanuts shall be equal to the difference between—

(1) the target price for peanuts; and

(2) the effective price determined under subsection (b) for peanuts.

(d) PAYMENT RATE.—The payment rate used to make counter-cyclical payments with respect to peanuts for a crop year shall be equal to—

(1) the target price for peanuts; and

(2) the effective price determined under subsection (b) for peanuts.

(e) COMPUTATION.—The amount of the counter-cyclical payment to be paid to the peanut producers on a farm for a crop year shall be equal to the product obtained by multiplying—

(1) the payment rate specified in subsection (d);

(2) the payment acres on the farm; by

(3) the yield of the peanut producers on the farm for the crop year.

(f) TIME FOR PAYMENTS.—

(1) IN GENERAL.—The Secretary shall make counter-cyclical payments to peanut producers for the crop year beginning October 1, 2006 and ending September 30, 2007.

(B) REPAYMENT.—The peanut producers on a farm shall repay to the Secretary the amount of the counter-cyclical payment made under this subsection for a crop of peanuts as soon as practicable after determining under subsection (a) that the payments are required for the crop year.

(2) ELIGIBLE PRODUCERS.—

(A) IN GENERAL.—At the option of the Secretary, the peanut producers on a farm may elect to receive up to 40 percent of the projected counter-cyclical payment to be made under this section for a crop of peanuts on completion of the 2 months of the 5-month marketing season for the crop, as determined by the Secretary.

(B) REPAYMENT.—The peanut producers on a farm shall repay to the Secretary the amount of the projected counter-cyclical payment received by producers on the farm (including any partial payments) in excess of the counter-cyclical payment the producers on the farm are eligible to receive under this section.

SEC. 165. PRODUCER AGREEMENTS.

(a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

(1) REQUIREMENTS.—Before the peanut producers on a farm may receive fixed, decoupled payments or counter-cyclical payments with respect to the farm, the peanut producers on the farm shall agree during the fiscal year to provide the Secretary with—

(A) to comply with applicable highly erodable land conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.); and

(B) to comply with applicable wetland conservation requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.);

(2) EFFECTIVE DATE.—The Secretary shall require the peanut producers on a farm to submit to the Secretary reports on the date of the termination of the agreement to provide adequate safeguards to protect the environment and to ensure fair and equitable treatment.

(b) LIMITATIONS AND EXCEPTIONS REGARDING CERTAIN COMMODITIES.—

(1) LIMITATIONS.—The planting of the following agricultural commodities shall be prohibited on peanut acres:

(A) Fruits.

(B) Vegetables (other than lentils, mung beans, and dry peas).

(C) Wild rice.

(2) EXCEPTIONS.—Paragraph (1) shall not limit the planting of an agricultural commodity specified in paragraph (1) except in any region in which there is a history of double-cropping of peanuts with agricultural commodities specified in paragraph (1), as determined by the Secretary, in which case the double-cropping shall be permitted.

(b) by the Peanut Producers on a farm that the Secretary determines has a history of planting agricultural commodities specified in paragraph (1) on peanut acres, except that fixed, decoupled payments and counter-cyclical payments shall be reduced by an acre for each acre planted to agricultural commodities.

(c) by the peanut producers on a farm that the Secretary determines has an established planting history of a specific agricultural commodity specified in paragraph (1), except that:

(1) the quantity planted may not exceed the average annual planting history of the specific agricultural commodity specified in paragraph (1) during the 1991 through 1995 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary;

(2) the payment rate in effect for peanuts for a crop year shall be reduced by an acre for each acre planted to agricultural commodities.

SEC. 166. PLANTING FLEXIBILITY.

(a) AVAILABILITY.—For each of the 2002 through 2006 crops of peanuts, the Secretary shall make planting flexibility payments to peanut producers on a farm to obtain a marketing assistance loan for peanuts on the farm.

(b) ELIGIBLE PRODUCERS.—The producers on a farm shall be eligible for a marketing assistance loan under subsection (a) for any quantity of a peanuts produced on the farm.

(c) TENANTS AND SHARECROPPERS.—In carrying out this subsection, the Secretary shall make loan collateral in the amount of the loan if the tenant or sharecropper is the owner of the acreage on which the peanuts are grown.

(d) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of fixed, decoupled payments and counter-cyclical payments among the peanut producers on a farm on a fair and equitable basis.

SEC. 167. PLANTING FLEXIBILITY.

(1) PEANUTS.

Sec. 166. PLANTING FLEXIBILITY.

(a) AVAILABILITY.—For each of the 2002 through 2006 crops of peanuts, the Secretary shall make planting flexibility payments to peanut producers for peanut acres planted to peanuts.

(b) LIMITATIONS AND EXCEPTIONS REGARDING CERTAIN COMMODITIES.—

(1) LIMITATIONS.—The planting of the following agricultural commodities shall be prohibited on peanut acres:

(A) Fruits.

(B) Vegetables (other than lentils, mung beans, and dry peas).

(C) Wild rice.

(2) EXCEPTIONS.—Paragraph (1) shall not limit the planting of an agricultural commodity specified in paragraph (1) except in any region in which there is a history of double-cropping of peanuts with agricultural commodities specified in paragraph (1), as determined by the Secretary, in which case the double-cropping shall be permitted;

(b) by the Peanut Producers on a farm that the Secretary determines has a history of planting agricultural commodities specified in paragraph (1) on peanut acres, except that fixed, decoupled payments and counter-cyclical payments shall be reduced by an acre for each acre planted to agricultural commodities.

(c) by the peanut producers on a farm that the Secretary determines has an established planting history of a specific agricultural commodity specified in paragraph (1), except that:

(1) the quantity planted may not exceed the average annual planting history of the specific agricultural commodity specified in paragraph (1) during the 1991 through 1995 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary;

(2) the payment rate in effect for peanuts for a crop year shall be reduced by an acre for each acre planted to agricultural commodities.

SEC. 167. MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS FOR PEANUTS.

(a) NONRECOURSE LOANS AVAILABLE.—

(1) AVAILABLE.—For each of the 2002 through 2006 crops of peanuts, the Secretary may make a nonrecourse marketing assistance loan for peanuts produced on the farm.

(b) ELIGIBLE PRODUCERS.—The producers on a farm shall be eligible for a marketing assistance loan under subsection (a) for any quantity of a peanuts produced on the farm.

(c) TENANTS AND SHARECROPPERS.—In carrying out this subsection, the Secretary shall make loans to peanut producers on a farm that would be eligible to obtain a marketing assistance loan but for the fact the peanuts owned by the peanut producers on the farm are commingled with other peanuts of other producers in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the peanut producers on a farm obtaining the loan agree to immediately redeem the loan collateral in accordance with section 176.

(d) OPTIONS FOR OBTAINING LOAN.—A marketing assistance loan under this subsection, and loan deficiency payments under subsection (b), may be obtained at the option of the peanut producers on a farm through—

(A) a designated marketing association of peanut producers that is approved by the Secretary and that is operated primarily for the purpose of conducting loan activities; or

(B) on behalf of the peanut producers on a farm, through a marketing pool, as a means of offering marketing alternatives.

Such area marketing associations may construct or own storage facilities as necessary; further, such marketing pools may be created for Valencia type peanuts produced in New Mexico;
SEC. 168. QUOTA MORTGAGE LOAN PROGRAM.

(a) OFFICIAL INSPECTION.—

(1) MANDATORY INSPECTION.—All edible peanuts shall be officially inspected and graded by a Federal or State inspector.

(b) LOAN RATE.—The loan rate for a marketing assistance loan for peanuts under subsection (a) shall be equal to $0.40 per ton.

(c) TERM OF LOAN.—(1) GENERAL.—A marketing assistance loan for peanuts under subsection (a) shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made.

(2) EXTENSIONS PROHIBITED.—The Secretary may not extend the term of a marketing assistance loan for peanuts under subsection (a).
The adjustments under this section shall, to the maximum extent practicable, be made in such manner that the average loan level for the covered commodity will not, the anticipated insufficiency of the factors described in subsection (a), be equal to the loan rate provided under this title.

(2) ADEQUATE PAYMENT ON COUNTY BASIS.—

(1) In GENERAL.—The Secretary may establish loan rates for a crop of a covered commodity for producers on a farm in individual counties in a manner that results in the lowest such loan rate being 95 percent of the national average loan rate, except that the action shall not result in an increase in outlays.

(2) NATIONAL AVERAGE LOAN RATE.—Adjustments under this subsection shall not result in an increase in the national average loan rate for a covered commodity for any crop year.

SEC. 173. COMMODITY CREDIT CORPORATION INTEREST RATE.

(a) In GENERAL.—Notwithstanding any other provision of law, the monthly Commodity Credit Corporation interest rate applicable to loans provided for agricultural commodities under this section shall be at 100 basis points greater than the rate determined under the applicable interest rate formula in effect on October 1, 1965.

(b) LIMITATIONS.—Subsection (a) shall not prevent the Commodity Credit Corporation or the Secretary from requiring a producer to assume liability for—

(1) a deficiency in the grade, quality, or quantity of a commodity stored on a farm or delivered by the producer;

(2) a failure to properly care for and preserve a commodity; or

(3) a failure or refusal to deliver a commodity in accordance with a program established under this title.

(c) ACQUISITION OF COLLATERAL.—In the case of a nonrecourse loan made under this title to a producer-owned cooperative operating under the Cooperative Incidence Act of 1949 (7 U.S.C. 1445 through 1445–2), if the Commodity Credit Corporation acquires title to the unredeemed collateral, the Corporation shall be under no obligation to pay for any market value that the collateral may have in excess of the loan indebtedness.

(d) SUGARCANE AND SUGAR BEETS.—A security interest held by the Commodity Credit Corporation as a result of the execution of a security agreement by the processor of sugarcane or sugar beets shall be subject to all statutory and common law liens on raw cane sugar and refined beet sugar in favor of the producers of sugarcane and sugar beets and all prior recorded and unrecorded liens on the crops of sugarcane and sugar beets from which the sugar was derived.

(e) LOAN FORFEITURES.—Notwithstanding section 106B of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301(b)(14)(C)), the Commodity Credit Corporation may make available for marketing—

(1) a sale for a new or byproduct use;

(2) a sale of peanuts or oilseeds for the extraction of oil;

(3) a sale of feed or feed for sale that will not substantially impair any loan program; or

(4) a sale of a commodity that has substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage.

(f) PROHIBITION.—(1) In clause (i), by striking "100,000,000" and inserting "85,000,000";

(2) in clause (ii), by striking "15 percent" and inserting "10 percent".

SEC. 174. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.

(a) In GENERAL.—Except as provided in subsection (d), a producer shall be personally liable for any deficiency arising from the sale of the collateral securing any nonrecourse loan made under this title unless the loan was obtained through a fraudulent representation by the producer.

(b) LIMITATIONS.—Subsection (a) shall not prevent the Commodity Credit Corporation or the Secretary from requiring a producer to assume liability for—

(1) a deficiency in the grade, quality, or quantity of a commodity stored on a farm or delivered by the producer;

(2) a failure to properly care for and preserve a commodity; or

(3) a failure or refusal to deliver a commodity in accordance with a program established under this title.

(c) ACQUISITION OF COLLATERAL.—In the case of a nonrecourse loan made under this title to a producer-owned cooperative operating under the Cooperative Incidence Act of 1949 (7 U.S.C. 1445 through 1445–2), if the Commodity Credit Corporation acquires title to the unredeemed collateral, the Corporation shall be under no obligation to pay for any market value that the collateral may have in excess of the loan indebtedness.

(d) SUGARCANE AND SUGAR BEETS.—A security interest held by the Commodity Credit Corporation as a result of the execution of a security agreement by the processor of sugarcane or sugar beets shall be subject to all statutory and common law liens on raw cane sugar and refined beet sugar in favor of the producers of sugarcane and sugar beets and all prior recorded and unrecorded liens on the crops of sugarcane and sugar beets from which the sugar was derived.

(e) LOAN FORFEITURES.—Notwithstanding section 106B of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301(b)(14)(C)), the Commodity Credit Corporation may make available for marketing—

(1) a sale for a new or byproduct use;

(2) a sale of peanuts or oilseeds for the extraction of oil;

(3) a sale for feed or feed for sale that will not substantially impair any loan program; or

(4) a sale of a commodity that has substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage.

(f) PROHIBITION.—(1) In clause (i), by striking "100,000,000" and inserting "85,000,000";

(2) in clause (ii), by striking "15 percent" and inserting "10 percent".

SEC. 175. COMMODITY CREDIT CORPORATION SALES RESTRICTIONS.

(a) GENERAL SALES AUTHORITY.—The Commodity Credit Corporation may sell any commodity owned or controlled by the Corporation at a price at which the Secretary determines will maximize returns to the Corporation.

(b) APPLICATION OF SALES PRICE RESTRICTIONS.—Subsection (a) shall not apply to—

(1) a sale for a new or byproduct use;

(2) a sale of peanuts or oilseeds for the extraction of oil;

(3) a sale for feed or feed for sale that will not substantially impair any loan program; or

(4) a sale of a commodity that has substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage.

(c) PRESIDENTIAL DISASTER AREAS.—

(1) IN GENERAL.—Notwithstanding subsection (a), the Commodity Credit Corporation shall not bear any costs in making delivery of the commodity to disaster areas if the President finds that the use will cause, if the President finds that the use will cause, of unemployment or other economic consequence by the Federal Government under the Disaster Assistance Act of 1985 (7 U.S.C. 1308) is amended—

(1) in paragraph (1)—

(A) by striking "PAYMENTS UNDER PRODUCTION FLEXIBILITY CONTRACTS'' and inserting "DEEMED UNDECOPLED PAYMENTS'';

(B) by striking "contract payments made under the Agricultural Market Transition Act to a person under 1 or more production flexibility contracts'' and inserting "fixed, decoupled payments made to a person''; and

(C) by striking "$40,000'' and inserting "$80,000'';

(2) in paragraphs (2) and (3)—

(A) by striking "payments to a person'' and all that follows through "and oilseeds'' and...
inserting "following payments that a person shall be entitled to receive;" to: "($5,000 to $75,000) and inserting "($75,000, with a separate limitation for all covered commodities for wool and mohair, for honey, and for peanuts;"

(C) by striking the period at the end of paragraph (2) and all that follows through "the paragraph (3)"

(D) by striking "section 131" and all that follows through "section 132" and inserting "section 121 of the Agriculture, Conservation, and Rural Enhancement Act of 2001 for a crop of any covered commodity at a lower level than the original loan rate established for the covered commodity under section 122;"

(E) by striking "section 135" and inserting "section 125;" and

(3) by inserting after paragraph (2) the following:

"(3) LIMITATION ON COUNTER-CYCLICAL PAYMENTS.—The total amount of counter-cyclical payments that a person may receive during any crop year shall not exceed $75,000."

(b) DEFINITIONS.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking paragraph (4) and inserting the following:

"(4) DEFINITIONS.—In this title:

"(A) COVERED COMMODITY; FIXED, DECOUPLED PAYMENT.—The terms 'covered commodity' and 'fixed, decoupled payment' have the meaning given those terms in section 100 of the Agriculture, Conservation, and Rural Enhancement Act of 2001.

"(B) COUNTER-CYCLICAL PAYMENT.—The term 'counter-cyclical payment' has the meaning given those terms in section 161 of the Agriculture, Conservation, and Rural Enhancement Act of 2001."

(c) TRANSITION.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308), as in effect on the day before the date of enactment of this title and ending on December 31, 2006:


(2) Subsections (a) through (i) of section 358 (7 U.S.C. 1358).

(3) Subsections (a) through (h) of section 358a (7 U.S.C. 1358a).

(4) Subsections (a), (b), (d), and (e) of section 358d (7 U.S.C. 1359).


(7) In the case of upland cotton, section 377 (7 U.S.C. 1377).


(9) Title IV (7 U.S.C. 1401–1407).

(a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1996 through 2006 crops of loan commodities, peanuts, and sugar and shall not be applicable to milk during the period beginning on the date of enactment of this title and ending on December 31, 2006:

(A) Section 101 (7 U.S.C. 1441).

(B) Section 103(a) (7 U.S.C. 1443(a)).

(C) Section 105 (7 U.S.C. 1444b).

(D) Section 107 (7 U.S.C. 1445a).

(E) Section 110 (7 U.S.C. 1445e).

(F) Section 112 (7 U.S.C. 1445k).

(G) Section 115 (7 U.S.C. 1445n).

(H) Section 118 (7 U.S.C. 1445s).

(I) Title III (7 U.S.C. 1447–1449).


(K) Title V (7 U.S.C. 1451–1469).

(L) Title VI (7 U.S.C. 1471–1471l).

(2) CONFORMING AMENDMENTS.—The Agricultural Market Transition Act of 1996 (7 U.S.C. 1441 et seq.) is amended—

(A) in section 101(b) (7 U.S.C. 1441(b)), by striking "and peanuts;" and

(B) in section 102(c) (7 U.S.C. 1442c(c)), by striking "peanuts."

(c) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—The joint resolution entitled 'A joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended,' approved May 26, 1941 (7 U.S.C. 1390 and 1348), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1996 through 2006.

(d) AGRICULTURAL MARKET TRANSITION ACT.—

(1) IN GENERAL.—The Agricultural Market Transition Act (7 U.S.C. 7201 et seq.)—other than sections 101, 192, and 196 of that Act (7 U.S.C. 7210, 7322, and 7326), shall be applicable to the crops of any covered commodity for harvest in the calendar years 1996 through 2006.

(2) CONFORMING AMENDMENTS.—

(A) CROP INSURANCE.—Section 508(b)(7)(A) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)(7)(A)) amends—

"(1) the Act;" and

"(2) section 1508(b)(7)(A) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)(7)(A)), by striking "agricultural market" and inserting "Agriculture, Conservation, and Rural Enhancement Act of 2001."

(B) FLOOD RISK REDUCTION.—Section 385 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7334) is repealed.

(C) AGRICULTURAL MARKET TRANSITION ACT.—Section 302(c) of the Agricultural Market Transition Act (7 U.S.C. 7201) is amended—

(i) in the section heading, by striking "and purposes;" and

(ii) in subsection (a), by striking "(a) SHORT TITLE.—"; and

(iii) by striking subsection (b).

(D) CONSERVATION FARM OPTION.—Section 1280M of the Food Security Act of 1985 (16 U.S.C. 3839bb) is repealed.

Subtitle F—Miscellaneous Commodity Programs

SEC. 191. AGRICULTURAL PRODUCERS SUPPLEMENTARY COUNTER-CYCLICAL PAYMENTS AND ASSISTANCE.

(a) IN GENERAL.—The Secretary of Agriculture may use such funds of the Commodity Credit Corporation as are necessary to provide payments and assistance under Public Law 107-25 (115 Stat. 201) to persons that (as determined by the Secretary): —

(1) are eligible to receive the payments or assistance; but

(2) did not receive the payments or assistance because the Secretary failed to carry out Public Law 107-25 in the Agricultural manner.

(b) LIMITATION.—The amount of payments or assistance provided under Public Law 107-25 and this section to an eligible person described in subsection (a) shall not exceed the amount of payments or assistance the person would have been eligible to receive if Public Law 107-25 had been implemented in a timely manner.

TITLE II—CONSERVATION

Subtitle A—Working Land Conservation Programs

SEC. 201. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

Chapter 4 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839a et seq.) is amended to read as follows:
“(ii) to require the development of a plan under section 1290E as part of an application for payments or technical assistance.

(5) PRACTICE.—The term ‘practice’ means 1 or more practices, land management practices, and, as determined by the Secretary, comprehensive nutrient management planning practices.

(6) PRODUCER.—The term ‘producer’ means a person that is engaged in livestock or agricultural production, as determined by the Secretary.

(7) STRUCTURAL PRACTICE.—The term ‘structural practice’ means—

(A) the establishment on eligible land of a site-specific management facility, terrace, drained waterway, contour grass strip, filterstrip, tailwater pit, permanent wildlife habitat, constructed wetland, or other practice that the Secretary determines is needed to protect, in the most cost-effective manner, soil, water, air, or related resources from degradation; and

(B) the capping of abandoned wells on eligible land.

SEC. 1240B. ESTABLISHMENT AND ADMINISTRATION OF ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

(a) ESTABLISHMENT.—

(1) IN GENERAL.—During each of the 2002 through 2006 fiscal years, the Secretary shall provide technical assistance, cost-share payments, and incentive payments to producers, that enter into contracts with the Secretary, through the Environmental Quality Incentives Program in accordance with this chapter.

(2) ELIGIBLE PRACTICES.—

(A) STRUCTURAL PRACTICES.—A producer that implements a structural practice shall be eligible for any combination of technical assistance, cost-share payments, and education.

(B) LAND MANAGEMENT PRACTICES.—A producer that performs a land management practice shall be eligible for any combination of technical assistance, incentive payments, and education.

(C) COMPREHENSIVE NUTRIENT MANAGEMENT PLANNING.—A producer that develops a comprehensive nutrient management plan shall be eligible for any combination of technical assistance, incentive payments, and education.

(3) EDUCATION.—The Secretary may provide education at national, State, and local levels consistent with the purposes of the environmental quality incentives program to—

(A) any producer that is eligible for assistance under this chapter; or

(B) any producer that is engaged in the production of an agricultural commodity.

(b) APPLICATION AND TERMINATION.—With respect to practices implemented under this chapter—

(1) a contract between a producer and the Secretary may—

(A) apply to 1 or more structural practices, land management practices, and comprehensive nutrient management planning practices; and

(B) have a term of not less than 3, nor more than 10, years, as determined appropriate by the Secretary, depending on the practice or practices that are the basis of the contract; and

(2) each farm may not adopt more than 1 structural practice involving nutrient management during the period of fiscal years 2002 through 2006.

(c) APPLICATION AND EVALUATION.—

(1) IN GENERAL.—The Secretary shall establish an application and evaluation process for awarding technical assistance, cost-share payments, and incentive payments to a producer depending on the performance of more activities that maximize environmental benefits per dollar expended.

(2) COMPARABLE ENVIRONMENTAL VALUE.—

(A) IN GENERAL.—The Secretary shall establish a process for selecting applications for technical assistance, cost-share payments, and incentive payments, and there are numerous applications for assistance for practices that provide substantially the same level of environmental benefits.

(B) CRITERIA.—The Secretary, in determining which payments under subparagraph (A) shall be based on—

(i) a reasonable estimate of the projected cost of the proposals described in the applications; and

(ii) the priorities established under this subtitle and other factors that maximize environmental benefits per dollar expended.

(c) APPLICATION AND EVALUATION.—

(2) COMPARABLE ENVIRONMENTAL VALUE.—

(A) IN GENERAL.—The Secretary shall establish a process for selecting applications for technical assistance, cost-share payments, or incentive payments, and there are numerous applications for assistance for practices that provide substantially the same level of environmental benefits.

(B) CRITERIA.—The Secretary, in determining which payments under subparagraph (A) shall be based on—

(i) a reasonable estimate of the projected cost of the proposals described in the applications; and

(ii) the priorities established under this subtitle and other factors that maximize environmental benefits per dollar expended.

(3) NON-FEDERAL ASSISTANCE.—

(A) IN GENERAL.—The Secretary may require the production of an agricultural commodity.

(B) EXPENSES.—The Secretary shall provide technical assistance provided for a fiscal year as follows:

(1) to provide technical assistance for the implementation of practices covered by the contracts, to the extent necessary to develop and implement conservation plans under the program.

(2) PRIVATE SOURCES.—

(i) IN GENERAL.—The Secretary shall ensure that the processes of writing and developing plans and contracts under this chapter are open to qualified private persons, including—

(I) professional producers;

(II) representatives from agricultural cooperatives;

(III) agricultural input retail dealers;

(IV) certified crop advisers;

(V) persons providing technical consulting services; and

(VI) other persons, as determined appropriate by the Secretary.

(ii) OTHER CONSERVATION PROGRAMS.—The requirements of this subparagraph shall also apply to each other conservation program of the Department of Agriculture.

(3) INCENTIVE PAYMENTS FOR TECHNICAL ASSISTANCE.—

(A) IN GENERAL.—A producer that is eligible to receive technical assistance for a practice involving the development of a comprehensive nutrient management plan may obtain an incentive payment that can be used to obtain technical assistance from a private source associated with the develop- ment of any component of the comprehensive nutrient management plan.

(B) PURPOSE.—The purpose of the payment shall be to provide a producer the option of obtaining technical assistance for developing any component of a comprehensive nutrient management plan from a private person.

(C) PAYMENT.—The incentive payment shall be—

(iii) in addition to cost-share or incentive payments that a producer may receive for structural practices and land management practices;

(ii) used only to procure technical assistance from a private source necessary to develop any component of a comprehensive nutrient management plan; and

(iii) in an amount determined appropriate by the Secretary, taking into account—

(1) the extent and complexity of the technical assistance provided;

(II) the costs that the Secretary would have incurred in providing the technical assistance; and

(III) the costs incurred by the private provider in providing the technical assistance.

(4) ELIGIBLE PRACTICES.—The Secretary may, on a case by case basis, whether the development of a comprehensive nutrient management plan is eligible for an incentive payment under this paragraph.

(B) ADVANCE PAYMENT.—On the dete rmination of the Secretary that the proposed comprehensive nutrient management plan of a producer is eligible for an incentive payment under this paragraph, the Secretary may advance a partial ad vance of the incentive payment in order to procure the services of a certified private provider.

(F) FINAL PAYMENT.—The final install ment of the incentive payment shall be payable to a producer on presentation to the
Secretary of documentation that is satisfactory to the Secretary and that demonstrates—

(i) completion of the technical assistance; and

(ii) the actual cost of the technical assistance.

(g) PARTNERSHIPS AND COOPERATION.—

(1) PURPOSES.—The Secretary may designate special projects, as recommended by the State Conservationist, with advice from the State technical committee, to enhance technical and financial assistance provided to several producers within a specific area to address environmental issues affected by agricultural production within that area. The Secretary may carry out the following activities in connection with the special projects:—

(1) the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) or comparable State laws; or

(2) the Safe Drinking Water Act (42 U.S.C. 300f et seq.) or comparable State laws; or

(3) the Clean Air Act (42 U.S.C. 7401 et seq.) or comparable State laws; or

(4) Indian tribes, States, or local governments have provided, or will provide, financial or technical assistance to producers for the same conservation or environmental purposes.

(h) MODIFICATION OR TERMINATION OF CONTRACTS.—

(1) To implement an environmental quality incentives program, the Secretary may modify or terminate a contract entered into with a producer under this chapter if—

(A) the Secretary determines that the producer violated the contract; or

(B) the Secretary determines that the modification or termination is in the public interest.

(i) IN GENERAL.—The Secretary may modify or terminate a contract under this chapter if the Secretary determines that the producer violated the contract.

(1) PURPOSES.—The Secretary may provide incentives to carry out this subsection.

(2) IN GENERAL.—The Secretary may provide incentives to carry out the environmental quality incentives program and comparable conservation and environmental purposes.

(3) U.S.C. 300f et seq.); and

(4) III) the Safe Drinking Water Act (42 U.S.C. 300f et seq.); or

(IV) the Clean Air Act (42 U.S.C. 7401 et seq.); and

(5) other Federal, State, and local environmental laws (including regulations); or

(6) are provided in conservation priority areas established under section 1290(c); or

(7) are provided in special projects under section 1240B(g) with respect to which State or local governments have provided, or will provide, financial or technical assistance to producers for the same conservation or environmental purposes.

(j) UNFUNDED.—Any funds made available for a fiscal year under this subsection that are not obligated by June 1 of the fiscal year may be used to carry out other activities under this chapter during the fiscal year in which the funding becomes available.

(k) MODIFICATION OR TERMINATION OF CONTRACTS.—

(1) VOLUNTARY MODIFICATION OR TERMINATION.—The Secretary may modify or terminate a contract entered into with a producer under this chapter if—

(A) the producer agrees to the modification or termination; and

(B) the Secretary determines that the modification or termination is in the public interest.

3. Evaluation of offers and payments.

4. In evaluating applications for technical assistance under paragraphs (e) and (f) and incentive payments, the Secretary shall accord a higher priority to assistance and payments that—

(i) maximize environmental benefits per dollar expended; and

(ii) address national conservation priorities.

5. Water quality, particularly in impaired watersheds.


7. Air pollution.

8. Assist producers in complying with this title.

9. The Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.);

10. The Clean Air Act (42 U.S.C. 7401 et seq.); and

11. Other Federal, State, and local environmental laws (including regulations).

12. Provide, or will provide, financial or technical assistance to producers for the same conservation or environmental purposes.

13. To be met by the implementation of the plan.

14. Prerequisites to be met for approval of the plan, including a description of the practices to be implemented and the objectives to be met by the implementation of the plan.

15. To avoid duplication of planning activities under the environmental quality incentives program and comparable conservation programs.

1. Duties of the Secretary.

2. To the extent appropriate, the Secretary shall assist a producer in achieving the conservation and environmental goals of an environmental quality incentives program plan by—

(i) providing technical assistance in developing and implementing the plan;

(ii) providing technical assistance, cost-share payments, or incentive payments for developing and implementing 1 or more practices, as appropriate;

(iii) providing the producer with information, education, and training to aid in implementation of the plan; and

(iv) encouraging the producer to obtain technical assistance, cost-share payments, or grants from other Federal, State, local, or private sources.

3. Limitation on payments.

(a) In General.—Subject to subsection (b), the total amount of cost-share and incentive payments paid to a producer under this chapter may not exceed—

(1) $50,000 for any fiscal year; or

(2) $150,000 for any multiyear contract.

(b) Attribution.—An individual or entity may not receive, directly or indirectly, payments under this chapter that exceed $50,000 for any fiscal year.

(c) Verification.—The Secretary shall identify individuals and entities that are eligible for a payment under this chapter using social security numbers and taxpayer identification numbers, respectively.


(a) In General.—From funds made available to carry out this chapter, the Secretary shall use $100,000,000 for each fiscal year to pay the Federal share of competitive grants that are intended to stimulate innovative approaches to leveraging Federal investment in environmental enhancement and protection, in conjunction with agricultural production, through the environmental quality incentives program.

(b) Use.—The Secretary shall award grants under this section to governmental organizations, State agencies, other persons, on a competitive basis, to carry out projects that—

(i) involve producers that are eligible for payment under the environmental quality incentives program.

(ii) implement innovative projects, such as—

(A) market systems for pollution reduction; and

(B) provision of funds to promote adoption of best management practices and the stewardship of carbon in the soil; and

(C) leverage funds made available to carry out this chapter with matching funds provided by State and local governments and other organizations to achieve environmental enhancement and protection in conjunction with agricultural production.
"(c) Federal Share.—The Federal share of a grant made to carry out a project under this section shall not exceed 50 percent of the cost of the project.

(d) Unless otherwise provided—Any funds made available for a fiscal year under this section that are not obligated by June 1 of the fiscal year may be carried over in other activities under this chapter during the fiscal year in which the funding becomes available.

**SEC. 1240L. WORKING LAND ENVIRONMENTAL CONSERVATION OPTION.**

"(a) Purposes.—The purposes of this section are—

"(1) to provide incentives to producers on agricultural working land to attain increased environmental benefits by implementing a systems approach to the conservation needs on the farm or ranch of the producer;

"(2) to target conservation systems instead of individual conservation practices;

"(3) to emphasize more comprehensive, multiyear agreements that enable a more integrated natural resource plan for the farm or ranch of the producer; and

"(4) to emphasize conservation systems that are based on land management instead of structural practices or land retirement.

"(b) Definition of Conservation System.—In this section, the term ‘conservation system’ means a set of multiple conservation practices that—

"(1) address or improve natural resources on a farm or ranch of a producer;

"(2) requires planning, implementation, management, and maintenance;

"(3) promotes 1 or more conservation purposes identified in the plan developed and approved by the Secretary under section 1240D; and

"(4)(A) has not been implemented on the applicable agricultural land of the producer before receipt of a payment under this section; or

"(B) significantly enhances the existing conservation system; and

"(5) involves—

"(A) a basic conservation activity, such as pest management, contour farming, residue management, nutrient management, or similar activities, as determined by the Secretary;

"(B) a land use adjustment or protection activity, such as resource-conserving crop rotation, controlled rotational grazing, or similar activities, as determined by the Secretary;

"(C) an activity that fosters the long-term sustainability of all natural resources on the agricultural operation, as determined by the Secretary.

"(e) Establishment.—

"(1) IN GENERAL.—The Secretary shall establish a program that is designed to—

"(A) function as part of the environmental quality incentives program under this chapter; and

"(B) provide an option for producers to receive a bonus payment for engaging in new and additional practices that are integrated conservation practices on agricultural working land.

"(2) CONTRACT.—

"(A) IN GENERAL.—In exchange for a producer entering into a working land environmental improvement option contract, the Secretary shall provide an annual bonus payment, determined by the Secretary, to the producer in accordance with the contract.

"(B) RELATION TO EQUIP.—A contract under this subsection may be a component of, or separate from, a contract under section 1240B.

"(C) Term.—A contract entered into under this section shall have a term of not less than 3 years.

"(D) Linkage.—The Secretary shall not require that any producer enter into a contract under any other program under this chapter to be eligible to receive a bonus payment under a contract entered into under this section.

"(g) Conservation System Plan.—

"(A) IN GENERAL.—A conservation system plan developed under this section that incorporates an integrated approach to conserving the natural resources on the farm or ranch of a producer may be included in a plan developed under section 1240D, under which conservation goals are achieved through innovative conservation systems.

"(B) Eligible Systems.—A conservation system that is eligible for a bonus payment under this section may be associated with a land management practice, structural practice, or comprehensive nutrient management practice that has been otherwise approved by the Secretary.

"(4) Identification of Conservation Systems.—The State Conservationist and State Technical Committee for each State shall identify conservation activities that, in combination—

"(A) address the geographical, agronomic, and environmental conditions that are unique to the State or area; and

"(B) qualify as conservation systems under this section.

"(6) Bonus Payments.—A producer that implements a conservation system shall be eligible to receive an annual bonus payment that is in addition to any incentive payment, cost share payment, or technical assistance available to the producer under this chapter.

"(d) Evaluation of Contract Offers.—

"(1) Evaluation Factors.—In order to maximize environmental benefits per dollar expended under this section, the Secretary shall establish a list of multiple evaluation factors that are to be used to evaluate and rank the conservation systems proposed by producers.

"(2) Required Priority Factors.—The Secretary shall give priority to offers that—

"(A) demonstrate the prior use of a conservation activity, such as conservation tillage;

"(B) address multiple natural resource conservation goals;

"(C) implement more comprehensive conservation systems; or

"(D) are submitted by a limited resource farmer, beginning farmer, or Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), as determined by the Secretary.

"(3) Discretionary Factors.—Additional evaluation factors may include—

"(I) the number of farms and ranches within the soil and water conservation district in which the agricultural operation of the producer is located;

"(ii) the number of points awarded to the conservation system proposed in the offer.

"(D) Determination of Amount of Bonus Payments.—The amount of a bonus payment applicable to the conservation system that the producer offers to implement.

"(E) Guidelines.—The criteria used to determine the amount of a bonus payment may be—

"(i) as objective and transparent as practicable; and

"(ii) based on—

"(I) the maximum extent practicable, on the basis of factors that are related to the conservation of natural resource and environmental benefits that result from the adoption, maintenance,
and improvement in implementation of the conservation practice carried out by the pro-
ducer;

(II) system-based factors, including—

(aa) the extent of conservation systems to be established or maintained;

(bb) the cost of the adoption, mainte-
nance, and improvement in implementation of the conservation system;

(cc) the income loss that would be experi-
enced, or economic value that would be for-
gone, by the producer because of land use ad-
justments resulting from the adoption, mainte-
nance, and improvement of the con-
servation system; and

(dd) the extent to which compensation would provide for a reasonable return and improvement and maintenance of the conservation system; and

(III) such other factors as the Secretary determines to be appropriate to encourage participation under this section.

(f) LIMITATION ON ASSISTANCE.—The total amount of bonus payments a producer may receive under this section shall not exceed $25,000 for any fiscal year.

(g) FUNDING.—Of the funds made available to carry out this chapter, the Secretary shall use to carry out this section—

(1) $100,000,000,000 for fiscal year 2002;

(2) $150,000,000,000 for fiscal year 2003; and

(3) $200,000,000,000 for each of fiscal years 2004 and 2005.

(h) FUNDING.—Section 1241(b) of the Food Security Act of 1985 (16 U.S.C. 3841(b)) is amended—

(1) in paragraph (1), by striking “shall enter into contracts of not less than 10, nor more than 15, years,” and inserting the follow-
ing: “may enter into contracts—

(A) for land enrolled in the conservation reserve program that is not covered by a hardwood tree contract, covering not to ex-
cede 10 years; more than 10 years; and

(B) covering any remaining acreage, with terms of not less than 10, nor more than 15, years;” and

(2) in paragraph (2)—

(A) by striking “In the” and inserting the follow-
ing: “(A) IN GENERAL.—In the”;

(B) by striking “The Secretary and in-
serting the following:

(1) IN GENERAL.—In the case of land de-

voled to hardwood trees under a contract en-
tered into under this subchapter before the date of enactment of this subchapter, the Secretary may extend the contract for a term of not more than 15 years.

(II) the planting of hardwood trees under

(a) CONSERVATION BUFFER AND CONSERVA-
TION RESERVE ENSHANCEMENT PROGRAM.—Sec-
tion 1231(b) of the Food Security Act of 1985 (16 U.S.C. 3831(b)) is amended—

(1) in paragraph (1), by striking the pe-
riod at the end and inserting—

(2) by inserting (b) shall and inserting

(3) by adding at the end the following:

(II) the planting of hardwood trees under

(b) CONSERVATION BURSERS AND CONSERVATION
RESERVE ENSHANCEMENT PROGRAM.—Sec-
tion 1231(b) of the Food Security Act of 1985 (16 U.S.C. 3831(b)) is amended—

(1) in paragraph (1), by striking the pe-
riod at the end and inserting “; or”; and

(2) by adding at the end the following:

(5) land that the Secretary determines

is—

(1) a part of a field; and

(2) no longer feasible to farm as a result of
the remainder of the field having been en-
rolled—

(i) to establish conservation buffers as part of the program described in a notice issued on May 27, 1998 (61 Fed. Reg. 29865) or a successor program; or

(ii) into the conservation reserve en-
hancement program described in a notice issued on May 27, 1998 (61 Fed. Reg. 29865) or a successor program.

(c) DURATION OF CONTRACTS; HARDWOOD
TRREES.—Section 1231(e) of the Food Security Act of 1985 (16 U.S.C. 3841(e)) is amended—

(1) in paragraph (1), by striking “shall enter into contracts of not less than 10, nor more than 15, years,” and inserting the follow-
ing: “may enter into contracts—

(A) for land enrolled in the conservation reserve program that is not covered by a hardwood tree contract, covering not to ex-
cede 10 years; more than 10 years; and

(B) covering any remaining acreage, with terms of not less than 10, nor more than 15, years;” and

(2) in paragraph (2)—

(A) by striking “In the” and inserting the follow-
ing: “(A) IN GENERAL.—In the”;

(B) by striking “The Secretary and in-
serting the following:

(1) IN GENERAL.—In the case of land de-

voled to hardwood trees under a contract en-
tered into under this subchapter before the date of enactment of this subchapter, the Secretary may extend the contract for a term of not more than 15 years.

(II) the planting of hardwood trees under

(b) CONSERVATION BUFFER AND CONSERVA-
TION RESERVE ENSHANCEMENT PROGRAM.—Sec-
tion 1231(b) of the Food Security Act of 1985 (16 U.S.C. 3831(b)) is amended—

(1) in paragraph (1), by striking the pe-
riod at the end and inserting “; or”; and

(2) by adding at the end the following:

(5) land that the Secretary determines

is—

(1) a part of a field; and

(2) no longer feasible to farm as a result of
the remainder of the field having been en-
rolled—

(i) to establish conservation buffers as part of the program described in a notice issued on May 27, 1998 (61 Fed. Reg. 29865) or a successor program; or

(ii) into the conservation reserve en-
hancement program described in a notice issued on May 27, 1998 (61 Fed. Reg. 29865) or a successor program.

(II) the planting of hardwood trees under

(d) REDUCTION OR TERMINATION OF CROP-
LAND.—

(1) IN GENERAL.—In addition to any other remedies available under any other law, the Secretary may reduce or terminate the quantity of cropland base and allotment his-
tory preserved under subsection (c) for acre-
age with respect to which a violation of a tem or condition of a contract covering that acreage occurs.

(2) REQUIRED TERMINATION.—The Sec-

etary shall terminate the cropland base and allotment history for all cropland—

(A) enrolled under this subchapter; and

(B) used for—

(i) the planting of hardwood trees under

(3) by adding at the end the following:

(II) the planting of hardwood trees under

(III) the planting of hardwood trees under

(b) CONSERVATION BUFFER AND CONSERVA-
TION RESERVE ENSHANCEMENT PROGRAM.—Sec-
tion 1231(b) of the Food Security Act of 1985 (16 U.S.C. 3831(b)) is amended—

(1) in paragraph (1), by striking “shall enter into contracts of not less than 10, nor more than 15, years,” and inserting the follow-
ing: “may enter into contracts—

(A) for land enrolled in the conservation reserve program that is not covered by a hardwood tree contract, covering not to ex-
cede 10 years; more than 10 years; and

(B) covering any remaining acreage, with terms of not less than 10, nor more than 15, years;” and

(2) in paragraph (2)—

(A) by striking “In the” and inserting the follow-
ing: “(A) IN GENERAL.—In the”;

(B) by striking “The Secretary and in-
serting the following:

(1) IN GENERAL.—In the case of land de-

voled to hardwood trees under a contract en-
tered into under this subchapter before the date of enactment of this subchapter, the Secretary may extend the contract for a term of not more than 15 years.

(II) the planting of hardwood trees under

(d) EXPANSION OF PILOT PROGRAM TO ALL
STATES.—Section 1231(b) of the Food Secu-

rity Act of 1985 (16 U.S.C. 3831(b)) is amend-
ed—

(1) in paragraph (1), by striking “2002” and all that follows through “2002,” and inserting “3750,000,000 for fiscal year 2002, $1,000,000,000 for fiscal year 2003, $1,500,000,000 for fiscal year 2004, $1,450,000,000 for fiscal year 2005, and $1,650,000,000 for fis-
cal year 2006”;

(2) by striking paragraph (2) and inserting the follow-
ing:

(2) Obligation of funds.—(A) In a contract under the environ-
mental quality incentives program under chapter 4 of subtitlue D is terminated prior to the end of the term of the contract and funds obligated for the contract are re-
mainin, the remaining funds may be used to carry out any other contract under the pro-
gram during the same fiscal year in which the obligation was terminated.

(B) ADDITIONAL USES OF FUNDS.—Funding for contracts that terminate under the pro-
gram adminstered under subchapter B of chapter 4 may be transferred to, and used to carry out, the program under chapter 4 of subtitlue D.

(c) COOPERATION WITH OTHER GOVERNMENT AGENCIES.—Section 11 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714i) is amended in the last sentence by in-
serting “that excluding transfers and allot-
ments for conservation technical assistance” after “activities”.

SEC. 202. CONSERVATION RESERVE PROGRAM.

(a) CREATION OF PROGRAM.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amend-
ed—

(1) in general.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amend-
ed—

(2) in subsection (b)(3), by striking “2002” each place it appears and inserting “2006”;

(3) in subsection (d)—

(i) by striking “2002” and inserting “2006”;

(ii) by striking “36,400,000” and inserting “46,000,000”; and

(b) in subsection (h), by striking “the year 2001 and 2002” and inserting “each of the 2001 through 2006”.

(2) DUTIES OF OWNERS AND OPERATORS.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended by striking “2002” and inserting “2006”.

(2) Duties of Owners and Operators.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended by striking “2002” and inserting “2006”.
Nutrition, and Forestry of the Senate a report that describes the economic effects on rural communities resulting from the conservation reserve program established under subsection (a) of section 1(b) of title XII of the Food Security Act of 1985 (16. U.S.C. 3831 et seq.).

SEC. 203. WETLANDS RESERVE PROGRAM.

(a) TECHNICAL ASSISTANCE.—Section 1237(a) of the Food Security Act of 1985 (16 U.S.C. 3837(a)) is amended by inserting “(including the provision of technical assistance)” before the period at the end.

(b) MAXIMUM ENROLLMENT.—Section 1237(b) of the Food Security Act of 1985 (16 U.S.C. 3837(b)) is amended by striking paragraph (1) and inserting the following:

“(1) MAXIMUM ENROLLMENT.—The total number of acres enrolled in the wetlands reserve program shall not exceed 2,225,000 acres, of which not more than 250,000 acres may be enrolled in any calendar year.”.

(c) REAUTHORIZATION.—Section 1237(c) of the Food Security Act of 1985 (16 U.S.C. 3837(c)) is amended by striking “2002” and inserting “2006”.  

(d) MONITORING AND MAINTENANCE.—Section 1237(c)(2) of the Food Security Act of 1985 (16 U.S.C. 3837(c)(2)) is amended by striking “monitoring and maintenance” and inserting “assistance (including monitoring and maintenance)”.  

SEC. 204. FARMLAND PROTECTION PROGRAM.

(a) REMOVAL OF ACREAGE LIMITATION; EXPANSION OF PURPOSES.—Subsection (a) of section 388 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3889 note) is amended—

(1) by striking “not less than 170,000, nor more than 340,000 acres of”; and

(2) by inserting “(including ranchland), or agricultural land that contains historic or archaeological resources,” after “other productive soil.”

(b) ELIGIBLE ENTITIES.—Such section is further amended—

(1) in subsection (a), by striking “a State or local government” and inserting “an eligible entity”;

(2) by adding at the end the following:

“(d) DEFINITION OF ELIGIBLE ENTITY.—In this section, the term ‘eligible entity’ means—

“(1) any agency of any State or local government, or federally recognized Indian tribe, including farmland protection boards and land resource councils established under State law; and

“(2) any organization that—

“(A) is organized for, and at all times since the formation of the organization has been operated principally for, one or more of the conservation purposes specified in clause (1), (ii), or (iii) of section 170(h)(4)(A) of the Internal Revenue Code of 1986;

“(B) is an organization described in section 501(c)(3) of that Code that is exempt from taxation under section 501(a) of that Code;

“(C) is described in section 509(a)(2) of that Code; or

“(D) is described in section 509(a)(3) of that Code and is controlled by an organization described in section 509(a)(2) of that Code.

“(e) CONSERVATION PLAN.—Any highly erodable cropland for which a conservation easement or other interest is purchased under this subsection shall be subject to the requirements of a conservation plan that requires, at the option of the Secretary, the conservation of the cropland to less intensive uses.

“(f) FUNDING.—

“(1) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall provide technical assistance and purchase conservation easements under this section—

“(A) $55,000,000 for fiscal year 2002; and

“(B) $60,000,000 for each of fiscal years 2003 through 2005; and

“(C) $100,000,000 for fiscal year 2006.

“(2) COST SHARING.—

“(A) FEDERAL SHARE.—The Federal share of the cost of purchasing a conservation easement or other interest described in subsection (b) shall be—

“(I) 50 percent; or

“(II) 65 percent, if the land is enrolled in the program if the Secretary determines—

“(I) natural grassland or shrubland; and

“(II) land that—

“(A) is located in an area that has been historically dominated by natural grassland or shrubland; and

“(B) has potential to be a habitat for animal or plant populations of significant ecological value if the land is restored to natural grassland or shrubland; or

“(C) land that is incidental to land described in paragraph (1) or (2), if the incidental land described in paragraph (2) is enrolled in the program if the Secretary determines that the land is necessary for the efficient administration of the easement.

“(B) NON-FEDERAL SHARE.—The non-Federal share of the cost of any project relating to the purchase of a conservation easement under this section may be in the form of donations from any non-Federal source (including donations of conservation easements in a project area) that materially advance the purpose of the project as determined by the Secretary.

“(g) SECURITY INTEREST.—To ensure that the easement will be necessary for the efficient administration of the easement, the Secretary shall—

“(1) grant an easement that runs with the land to the Secretary;

“(2) require the person or entities entering into the easement to create and record an appropriate deed restriction in accordance with applicable State law to reflect the easement;

“(3) provide a written statement of condition of the easement signed by persons holding a security interest or any vested interest in the land;

“(4) provide proof of encumbrance title to the underlying fees or any interests in the land that is the subject of the easement; and

“(5) comply with the terms of the easement and restoration agreement.

“(h) TERMS OF EASEMENT.—An easement under subsection (a) shall—

“(1) permit—

“(A) grazing on the land in a manner that is consistent with maintaining the viability of natural grass and shrub species indigenous to that locality;

“(B) haying (including haying for seed production) or mowing, except during the nesting season for birds in the area that are in significant decline, as determined by the National Resources Conservation Service State conservationists. Such are protected Federal or State law; and

“(C) fire rehabilitation, construction of fire breaks, and fences (including placement of the areas necessary for fences); and

“(2) prohibit—

“(A) the production of row crops, fruit trees, vineyards, or any other agricultural commodity that requires breaking the soil surface; and

“(B) except as permitted under paragraph (1), the conduct of any other activities that would disturb the surface of the land covered by the easement, including—

“(i) plowing; and

“(ii) disking; and

“(3) include such additional provisions as the Secretary determines are appropriate to carry out this subchapter or to facilitate the administration of this subchapter.

“(i) EVALUATION AND RANKING OF EASEMENT APPLICATIONS.—

“(1) IN GENERAL.—The Secretary, in conjunction with State fiscal agencies, shall establish criteria to evaluate and rank applications for easements under this subchapter.

“(2) CRITERIA.—In establishing the criteria, the Secretary shall emphasize support for grazing operations, plant and animal biodiversity, and grassland and shrubland under the greatest threat of conversion.

“(j) RESTORATION AGREEMENTS.—

“(1) IN GENERAL.—The Secretary shall prescribe the terms by which grassland and shrubland subject to an agreement entered into under the program shall be restored.

“(2) REQUIREMENTS.—The restoration agreement shall describe the respective duties of the owner and the Secretary (including paying the Federal share of the cost of restoration and the provision of technical assistance).

“(k) VIOLATIONS.—

“(1) IN GENERAL.—On the violation of the terms or conditions of any easement or restoration agreement entered into under this section—

“(A) the easement shall remain in force; and

“(B) the Secretary may require the owner to refund all or part of any payments received by the owner under this subchapter, windmills operated on the property as determined appropriate by the Secretary.

“(2) PERIODIC INSPECTIONS.—
“(A) IN GENERAL.—After providing notice to the owner, the Secretary shall conduct periodic inspections of land subject to easements under this subchapter to ensure that the terms of the easement and restoration agreement are being met.

“(B) LIMITATION.—The Secretary may not prohibit the owner, or a representative of the owner, from being present during a periodic inspection.

“SEC. 1238B. DUTIES OF SECRETARY.

“(a) IN GENERAL.—In return for the granting or agreement to hold an easement under this subchapter, the Secretary shall make easement payments to the owner in an amount equal to—

“(1) in the case of a permanent easement, the fair market value of the land less the grazing value of the land encumbered by the easement; and

“(ii) the amount of the remaining payments to the owner of not more than 75 percent of the value of the rental payments under subparagraph (A).

“(B) LIMITATION.—The Secretary may not make the payment, in accordance with regulations promulgated by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines to be fair and reasonable in light of all the circumstances.

“(1) OTHER PAYMENTS.—Easement payments received by an owner under this subchapter shall be in addition to, and not affect, the total amount of payments that the owner is otherwise eligible to receive under other Federal laws.

“SEC. 1238C. ADMINISTRATION.

“(a) DELEGATION TO PRIVATE ORGANIZATIONS.—

“(1) IN GENERAL.—The Secretary shall permit a private conservation or land trust organization or a State agency to hold and enforce an easement under this subchapter, in lieu of the Secretary, if—

“(A) the Secretary determines that granting such permission is likely to promote grassland and shrubland protection; and

“(B) the owner authorizes the private conservation or land trust organization or the State agency to hold and enforce the easement.

“(2) APPLICATION.—An organization that desires to hold an easement under this subchapter shall apply to the Secretary for approval.

“(B) APPROVAL BY SECRETARY.—The Secretary shall approve an organization under this subchapter that is constituted for conservation or ranching purposes and is competent to administer grassland and shrubland easements.

“(3) REASSIGNMENT.—If an organization holding an easement on land under this subchapter terminates—

“(A) the owner of the land shall reassign the easement to another organization described in paragraph (1) or the Secretary; and

“(B) the owner and the new organization shall notify the Secretary in writing that a reassignment for termination has been made.

“(4) REGULATIONS.—Not later than 180 days after the date of enactment of this subchapter, the Secretary shall issue such regulations as are necessary to carry out this subchapter.

“SEC. 207. RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.

Subtitle H of title XV of the Agriculture and Food Act of 1981 (16 U.S.C. 3451 et seq.) is amended by—

“(A) RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.

“(1) IN GENERAL.—The term ‘resource conservation and development program’ means a resource conservation and use plan that is developed by a council for a designated area of a State or States through a participatory process that includes 1 or more of the following elements:

“(A) A land conservation element, the purpose of which is to control erosion and sedimentation.

“(B) A water management element that provides 1 or more clear environmental or conservation benefits, the purpose of which is to provide for—

“(i) the conservation, use, and quality of water, including irrigation and rural water supplies;

“(ii) the mitigation of floods and high water tables;

“(iii) the repair and improvement of reservoirs;

“(iv) the improvement of agricultural water management; and

“(v) the improvement of water quality.

“(C) A community development element, the purpose of which is to—

“(i) the development of resources-based industries; and

“(ii) the protection of rural industries from natural resource hazards; and

“(ii) the development of adequate rural water and waste disposal systems.

“(D) A land management element, the purpose of which is—

“(i) energy conservation;

“(ii) the protection of agricultural land, as appropriate, from conversion to other uses;

“(iii) farmland protection; and

“(iv) the protection of fish and wildlife habitats.

“(E) BOARD.—The term ‘Board’ means the Resource Conservation and Development Policy Advisory Board established under section 1533(a).

“(F) COUNCIL.—The term ‘council’ means a nonprofit entity (including an affiliate of the entity) operating in a State that—

“(A) established by volunteers or representatives of States, local units of government, or Indian tribes, or multiple organizations to carry out an area plan in a designated area; and

“(B) designated by the chief executive officer or legislature of the State to receive technical assistance and financial assistance under this subtitle.

“(G) DESIGNATED AREA.—The term ‘designated area’ means a geographic area designated by the Secretary to receive technical assistance and financial assistance under this subtitle.

“(H) FINANCIAL ASSISTANCE.—The term ‘financial assistance’ means a grant or loan provided by the Secretary (or the Secretary and other Federal agencies) to a cooperative agreement entered into by the Secretary (or the Secretary and other Federal agencies) with, a council, or a coalition of councils, to carry out an area plan in a designated area, including assistance provided for planning, analysis, feasibility studies, training, education, and other activities necessary to carry out the area plan.

“(I) INDIAN TRIBE.—The term ‘Indian tribe’ has the meaning given the term by section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

“(J) LOCAL UNIT OF GOVERNMENT.—The term ‘local unit of government’ means—

“(A) any county, city, town, township, parish, village, or other general-purpose subdivision of a State; and

“(B) any local or regional special district or other limited political subdivision of a State, including any soil conservation district, school district, park authority, and water or sanitary district.

“(K) NONPROFIT ORGANIZATION.—The term ‘nonprofit organization’ means any organization that—

“(A) described in section 501(c) of the Internal Revenue Code of 1986; and

“(B) exempt from taxation under section 501(a) of the Internal Revenue Code of 1986.

“(L) PLANNING PROCESS.—The term ‘planning process’ means a process taken by a council to develop and carry out an effective area plan in a designated area, including development of the area plan, goals, purposes, policies, implementation activities, evaluations and reviews, and the opportunity for public participation in the actions.
"(10) PROJECT.—The term 'project' means a project that is carried out by a council to achieve any of the elements of an area plan.

"(11) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"(12) STATE.—The term 'State' means—

"(A) any State;

"(B) the District of Columbia; or

"(C) any territory or possession of the United States.

"(13) TECHNICAL ASSISTANCE.—The term 'technical assistance' means any service provided by the Secretary or agent of the Secretary, including—

"(A) inventorying, evaluating, planning, designing, supervising, laying out, and inspecting projects;

"(B) providing maps, reports, and other documents associated with the services provided;

"(C) providing assistance for the long-term implementation of area plans; and

"(D) providing services of an agency of the Department of Agriculture to assist councils in developing and carrying out area plans.

"SEC. 1329. RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.

"The Secretary shall establish a resource conservation and development program under which the Secretary shall provide technical assistance and financial assistance to councils to develop and carry out area plans and projects in designated areas—

"(1) to conserve and improve the use of land, water resources, and improve and enhance the social, economic, and environmental conditions in primarily rural areas of the United States; and

"(2) to encourage and improve the capability of States, units of government, Indian tribes, nonprofit organizations, and councils to carry out the purposes described in paragraph (1).

"SEC. 1330. SELECTION OF DESIGNATED AREAS.

"The Secretary shall select designated areas for assistance under this subtitle on the basis of the elements of area plans.

"SEC. 1331. POWERS OF THE SECRETARY.

"In carrying out this subtitle, the Secretary may—

"(1) provide technical assistance to any council to assist in developing and implementing an area plan for a designated area;

"(2) cooperate with other departments and agencies of the Government, States, local units of government, local Indian tribes, and local nonprofit organizations in conducting surveys and inventories, disseminating information, and developing area plans;

"(3) assist in carrying out an area plan approved by the Secretary for any designated area by providing technical assistance and financial assistance to any council; and

"(4) enter into agreements with councils in accordance with section 1532.

"SEC. 1332. ELIGIBILITY, TERMS AND CONDITIONS.

"(a) ELIGIBILITY.—Technical assistance and financial assistance may be provided by the Secretary under this subtitle to any council to assist in carrying out a project specified in an area plan approved by the Secretary only if—

"(1) the council agrees in writing—

"(A) to carry out the project; and

"(B) to finance or arrange for financing of any portion of the project for which financial assistance is not provided by the Secretary under this subtitle;

"(2) the project is included in an area plan and is approved by the council;

"(3) the Secretary determines that assistance is necessary to carry out the area plan;

"(4) the project is consistent with any comprehensive plan for the area;

"(5) the cost of the land or an interest in the land acquired or to be acquired under the plan by any State, local unit of government, Indian tribe, or local nonprofit organization is borne by the State, local unit of government, Indian tribe, or local nonprofit organization, respectively; and

"(6) the State, local unit of government, Indian tribe, or local nonprofit organization participating in the area plan agrees to maintain and operate the project.

"(b) LIMITATION.—(1) In general.—A loan made under this subtitle shall be made on such terms and conditions as the Secretary may prescribe.

"(2) Term.—A project for a project made under this subtitle shall have a term not more than 30 years after the date of completion of the project.

"(c) INTEREST RATE.—A loan made under this subtitle shall bear interest at the average rate of interest paid by the United States on obligations of a comparable term, as determined by the Secretary of the Treasury.

"(d) APPRAISAL.—The Secretary shall require an appraisal of the area plan.

"(e) APPROVAL BY SECRETARY.—Technical assistance and financial assistance under this subtitle may not be made available to a council to carry out an area plan unless the area plan has been submitted to and approved by the Secretary.

"(f) WITHDRAWAL.—The Secretary may withdraw technical assistance and financial assistance with respect to any area plan if the Secretary determines that the assistance with respect to such area plan is no longer necessary or that sufficient progress has not been made toward developing or implementing the elements of the area plan.

"SEC. 1333. RESOURCE CONSERVATION AND DEVELOPMENT POLICY ADVISORY BOARD.

"(a) ESTABLISHMENT.—The Secretary shall establish within the Department of Agriculture a Resource Conservation and Development Policy Advisory Board.

"(b) COMPOSITION.—(1) In general.—The Board shall be composed of at least 7 employees of the Department of Agriculture selected by the Secretary.

"(2) CHAIRPERSON.—A member of the Board shall be designated by the Secretary to serve as chairperson of the Board.

"(c) DUTIES.—The Board shall advise the Secretary regarding the administration of this subtitle, including the formulation of policies for carrying out this subtitle.

"SEC. 1334. EVALUATION OF PROGRAM.

"(a) IN GENERAL.—The Secretary, in consultation with councils, shall evaluate the program established under this subtitle to determine whether the program is effectively and efficiently meeting the purposes identified by, States, units of government, Indian tribes, nonprofit organizations, and councils participating in, or served by, the program.

"(b) REPORT.—Not later than June 30, 2005, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the results of the evaluation, together with any recommendations of the Secretary for continuing, terminating, or modifying the program.

"SEC. 1335. LIMITATION ON ASSISTANCE.

"In carrying out this subtitle, the Secretary shall provide technical assistance and financial assistance with respect to not more than 450 active designated areas.
SEC. 1244. PRIVACY OF PERSONAL INFORMATION RELATING TO NATURAL RESOURCES CONSERVATION PROGRAMS.

(a) Information Received for Technical and Financial Assistance.—

(1) In general.—In accordance with section 552(b)(3) of title 5, United States Code, except as provided in subsection (c), information described in paragraph (2)—

(A) shall not be considered to be public information; and

(B) shall not be released to any person or Federal, State, local, or tribal agency outside the Department of Agriculture.

(2) Information.—The information referred to in paragraph (1) is information—

(A) provided to, or developed by, the Secretary (including a contractor of the Secretary) for the purpose of providing technical or financial assistance to an owner or producer with respect to any natural resources conservation program administered by the Natural Resources Conservation Service or the Farm Service Agency; and

(B) that is proprietary to the agricultural operation of the owner or producer.

(b) Inventory, Monitoring, and Site Specific Information.—Except as provided in subsection (c) and notwithstanding any other provision of law, in order to maintain the personal privacy, confidentiality, and cooperation of owners and producers, and to maintain the integrity of sample sites, the specific geographic locations of the National Resources Inventory of the Department of Agriculture data gathering sites and the information generated by those sites—

(1) shall not be considered to be public information; and

(2) shall not be released to any person or Federal, State, local, or tribal agency outside the Department of Agriculture.

(c) Exceptions.—

(1) Release and disclosure for enforcement.—The Secretary may release or disclose to the Attorney General information covered by subsection (a) or (b) to the extent necessary to enforce the natural resources conservation programs referred to in subsection (a).

(2) Disclosure to cooperating persons and agencies.—

(A) In general.—The Secretary may release or disclose information covered by subsection (a) or (b) to a person or Federal, State, local, or tribal agency working in cooperation with the Secretary in providing technical and financial assistance described in subsection (a) or collecting information from National Resources Inventory data gathering sites.

(B) Use of information.—The person or Federal, State, local, or tribal agency that receives information described in subparagraph (A) may use the information for purposes of each of the programs.

(3) Statistical and aggregate information.—Information covered by subsection (a) or (b) may be disclosed to the public if the information has been transformed into a statistical or aggregate form that does not allow for the identification of any individual owner, producer, or specific data gathering site.

(4) Consent of owner or producer.—

(A) In general.—An owner or producer may consent to the disclosure of information described in subsection (a) or (b).

(B) Condition of other programs.—The participation of the owner or producer in, and the receipt of any benefit by the owner or producer under, this title or any other program administered by the Secretary may not be conditioned on the owner or operator providing consent under this paragraph.

(d) Violations; Penalties.—Section 1702(c) of the Food Security Act of 1985 (16 U.S.C. 3842) shall apply to violations of this section.

SEC. 1245. ADMINISTRATIVE REQUIREMENTS FOR CONSERVATION PROGRAMS.

(a) Good Faith Reliance.—

(1) In general.—Notwithstanding any other provision of law, except as provided in paragraph (4), the Secretary shall provide equitable relief to an owner or operator that has entered into a contract under a conservation program administered by the Secretary, and that is subsequently determined to be in violation of the contract, if the owner or operator reasonably complied with the terms of the contract and enrollment requirements.

(A) The person or operator knew or should have known to be inconsistent with applicable law.

(B) The person or operator knows or had knowledge that the actions taken were in violation of the contract.

(2) Types of Relief.—The Secretary shall—

(A) to the extent the Secretary determines that an owner or operator has been injured by good faith reliance described in paragraph (1), allow the owner or operator—

(i) to retain payments received under the contract;

(ii) to continue to receive payments under the contract;

(iii) to keep all or part of the land covered by the contract in the applicable program under this chapter;

(iv) to reenroll all or part of the land covered by the contract in the applicable program under this chapter;

(v) to receive any other equitable relief the Secretary considers appropriate; and

(B) require the owner or operator to take such action as is necessary to remedy any failure to comply with the contract.

(3) Relationship to Other Law.—The authority to provide relief under this subsection supersedes the authority provided in this or any other Act.

(b) Exceptions.—This section shall not apply to—

(A) any pattern of conduct in which an employee of the Secretary takes actions or provides advice with respect to an owner or operator that the employee or the owner or operator knows or should be in violation of applicable law (including regulations); or

(B) an owner or operator takes any action, independent of any advice or authorization provided by the Secretary, that the owner or operator knows or should have known to be inconsistent with applicable law (including regulations).

(c) Relief.—Relief under this section shall be available for contracts in effect on the date of enactment of this section.

(d) Exception.—Education, Outreach, Monitoring, and Evaluation.—In carrying out any conservation program administered by the Secretary, the Secretary—

(1) shall carry out activities described in paragraphs (1) and (2).

(2) may enter into contracts with private nonprofit, community-based organizations and educational institutions with demonstrated experience in providing the services described in paragraph (1), to provide those services; and

(3) shall use such sums as are necessary from funds of the Commodity Credit Corporation to carry out activities described in paragraphs (1) and (2).

(4) Socially Disadvantaged and Limited Resource Owners and Operators.—The Secretary shall provide training, education, outreach, monitoring, and technical assistance specifically to encourage and assist socially disadvantaged and limited resource owners and operators to participate in conservation programs administered by the Secretary.

(5) Program Evaluation.—The Secretary shall maintain data concerning conservation security plans, conservation practices planned or implemented, environmental outcomes, economic costs, and related matters under conservation programs administered by the Secretary.

(6) Mediation and Informal Hearings.—If the Secretary makes a decision under a conservation program administered by the Secretary that is adverse to an owner or operator, at the request of the owner or operator, the Secretary shall provide the owner or operator with mediation services or an informal hearing on the decision.

(7) Reports.—Not later than 18 months after the date of enactment of this subsection and at the end of each 2-year period thereafter, the Secretary shall submit to Congress a report evaluating the results of each conservation program administered by the Secretary, including—

(A) an evaluation of the scope, quality, and outcomes of the conservation practices carried out under the program; and

(B) recommendations for achieving specific and quantifiable improvements for the purposes of each of the programs.

(8) Indian Tribes.—In carrying out any conservation program administered by the Secretary on land under the jurisdiction of an Indian tribe, the Secretary shall cooperate with the tribal government of the Indian tribe to ensure, to the maximum extent practicable, that the Secretaries are administered in a fair and equitable manner.

(b) Beginners Farmers and Ranchers and Indian Tribes.—In carrying out any conservation program administered by the Secretary, the Secretary may provide to beginning farmers and ranchers (as identified by the Secretary) and Indian tribes, incentive payments to participate in the conservation program to—

(1) foster new farming opportunities; and

(2) enhance environmental stewardship over the long term.

SEC. 213. REFORM AND ASSESSMENT OF CONSERVATION PROGRAMS.

(a) In General.—The Secretary of Agriculture shall develop a plan for—

(1) coordinating conservation programs administered by the Secretary that are targeted at agricultural land to—

(A) eliminate redundancy; and

(B) improve delivery; and

(2) to the maximum extent practicable—

(A) designing forms that are applicable to all such conservation programs; and

(B) reducing and consolidating paperwork requirements for such programs;

(c) Developing Universal Classification System.—Conservation programs administered by the Secretary shall be operated under the forms that can be used by other agencies of the Department of Agriculture;
(D) ensuring that the information and classification systems developed under this paragraph can be shared with other agencies of the Department through computer technology; and

(E) developing 1 format for a conservation plan that can be applied to all conservation programs targeted at agricultural land.

(b) Not later than 180 days after the date of enactment of this Act, the Secretary will submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the plan developed under subsection (a), including any recommendations for implementation of the plan.

SEC. 16. CERTIFICATION OF PRIVATE PROVIDERS OF TECHNICAL ASSISTANCE.

(a) IN GENERAL.—The Secretary shall, to the maximum extent practicable, subject to subsections (b), (c), and (d), establish a more effective and more broadly functioning system for the delivery of technical assistance in support of the conservation programs administered by the Secretary, by—

(1) integrating the use of third party technical assistance providers (including farmers) into the technical assistance delivery system; and

(2) using, to the maximum extent practicable, private, third party providers.

(b) DELINERATION OF WETLANDS; EXEMPTIONS TO PROGRAM INELIGIBILITY.—

(1) A provider that has skills and qualifications that have already been defined by the Secretary shall certify any aspect of a particular project under this section.

(2) Until the date on which the Secretary certifies any project under this section, the provisions described in paragraph (1) shall be used.

SEC. 214. CERTIFICATION OF PRIVATE PROVIDERS OF TECHNICAL ASSISTANCE.

(a) IN GENERAL.—The Secretary shall, to the maximum extent practicable, subject to subsections (b), (c), and (d), establish a more effective and more broadly functioning system for the delivery of technical assistance in support of the conservation programs administered by the Secretary, by—

(1) integrating the use of third party technical assistance providers (including farmers) into the technical assistance delivery system; and

(2) using, to the maximum extent practicable, private, third party providers.

(b) DELINERATION OF WETLANDS; EXEMPTIONS TO PROGRAM INELIGIBILITY.—

(1) A provider that has skills and qualifications that have already been defined by the Secretary shall certify any aspect of a particular project under this section.

(2) Until the date on which the Secretary certifies any project under this section, the provisions described in paragraph (1) shall be used.

(3) B DETERMINATION.—In determining whether to provide a payment or voucher under this section, the Secretary shall seek to maximize the assistance received from qualified private, third party providers to most expeditiously and efficiently achieve the objectives of this title.

(4) CERTIFICATION OF PUBLIC AND PRIVATE PROVIDERS OF TECHNICAL ASSISTANCE.—

(A) IN GENERAL.—The Secretary shall establish procedures for ensuring that only persons with the training, experience, and ability to provide professional, high quality assistance are certified by the Secretary to provide, to agricultural producers and landowners participating, seeking to participate, in a conservation program administered by the Secretary, technical assistance in planning, designing, or certifying any aspect of a particular project under the conservation program.

(B) PUBLIC AND PRIVATE PROVIDERS.—Certified technical assistance providers shall include—

(1) agricultural producers;

(2) agribusiness representatives;

(C) representatives from agricultural cooperatives;

(D) agricultural input retail dealers;

(E) certified crop advisors;

(F) employees of the Department; or

(G) any group recognized by a memorandum of understanding with the Department relating to certification.

(E) any other requirements that the Secretary determines to be appropriate.

SEC. 215. EXTENSION OF CONSERVATION AUTHORIZATIONS.

(a) E CARRA AMENDMENT.—Section 1230(a)(1) of the Food Security Act of 1985 (16 U.S.C. 3833(a)(1)) is amended by striking ‘‘2002’’ and inserting ‘‘2006’’.

(b) B DUE REDUCTION RISK.—Section 385(a) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7334(a)) is amended by striking ‘‘2002’’ and inserting ‘‘2006’’.

(c) RESOURCES CONSERVATION AND DEVELOPMENT PROGRAM.—Section 1538 of the Agricultural and Food Protection Act of 1981 (16 U.S.C. 3461) is amended in the first sentence by striking ‘‘for each of the fiscal years 1996 through 2002’’ and inserting ‘‘for each fiscal year’’.

SEC. 216. USE OF SYMBOLS, SLOGANS, LOGOS, AND INCENTIVES.

Section 356 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 5861 et seq.) is amended—

(1) in subsection (c)—

(A) by redesigning paragraphs (4) through (6) as paragraphs (5) through (8), respectively; and

(B) by inserting after paragraph (3) the following:

(4) on the written approval of the Secretary, to use, license, or transfer symbols, slogans, and logos of the Department; and

(2) in subsection (d), by adding at the end the following:

(3) USE OF SYMBOLS, SLOGANS, AND LOGOS.—

(A) IN GENERAL.—The Secretary may authorize the Foundation to use, license, or transfer symbols, slogans, and logos of the Department.

(B) INCOME.—

(i) IN GENERAL.— All revenue received by the Foundation from the use, licensing, or transfer of symbols, slogans, and logos of the Department shall be transferred to the Secretary.

(ii) CONSERVATION OPERATIONS.—The Secretary shall transfer all revenue received under clause (i) directly to the account within the Natural Resources Conservation Service that is used to carry out conservation service programs.

SEC. 252. TECHNICAL AMENDMENTS.

(a) DEFINITION OF WETLANDS; EXEMPTIONS TO PROGRAM INELIGIBILITY.—

(1) REFERENCES TO PRODUCER.—Section 322(b) of the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104-127; 110 Stat. 991) is amended by inserting ‘‘each place it appears’’ before ‘‘and inserting’’.

(2) GOOD FAITH EXEMPTION.—Section 1222(h)(2) of the Food Security Act of 1985 (16 U.S.C. 3822(h)(2)) is amended by striking ‘‘to affect’’ and inserting ‘‘to be actively’’.

(3) DETERMINATIONS.—Section 1222(j) of the Food Security Act of 1985 (16 U.S.C. 3822(j)) is amended by striking ‘‘National’’ and inserting ‘‘Regional’’.

(b) WILDLIFE HABITAT INCENTIVE PROGRAM.—Section 387 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3863) is amended in the heading by striking ‘‘INCENTIVES’’ and inserting ‘‘INCENTIVE’’.

SEC. 218. EFFECT OF AMENDMENTS.

This Act, to the extent otherwise specifically provided in this title and notwithstanding any other provision of law, this
title and the amendments made by this title shall not affect the authority of the Secretary of Agriculture to carry out a conservation program for any of the 1996 through 2002 fiscal or calendar years under a provision of law in effect immediately before the date of enactment of this Act.

(b) A provision of this title or an amendment made by this title shall not affect the liability of any person under any provision of law as in effect immediately before the date of enactment of this Act.

**TITLE III—TRADE**

Subtitle A—Agricultural Trade Development and Assistance Act of 1954 and Related Statutes

SEC. 301. UNITED STATES POLICY.

Section 2(2) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721(2)) is amended by inserting before the semicolon at the end the following: "and conflict prevention".

SEC. 302. PROVISION OF AGRICULTURAL COMMODITIES.

Section 202 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1722) is amended—

(1) in subsection (b), by adding at the end the following:

"(3) PROGRAM DIVERSITY.—The Administrator shall—

(A) encourage eligible organizations to propose and implement program plans to address 1 or more aspects of the program under section 201; and

(B) consider proposals that incorporate a variety of program objectives and strategic plans based on the identification by eligible organizations of appropriate activities to assist development in foreign countries;"

(2) in subsection (e)(1), by striking "not less than $10,000,000, and not more than $25,000,000," and inserting "not less than 5 percent nor more than 10 percent of the funds"; and

(3) by adding at the end the following:

"(b) COUNTRY ORGANIZATIONS.—

(1) IN GENERAL.—The Administrator or the Secretary, as applicable, shall promulgate regulations and issue guidelines to permit private voluntary organizations and cooperatives to be certified as institutional partners.

(2) REQUIREMENTS.—To become a certified institutional partner, a private voluntary organization or cooperative shall submit to the Administrator a certification of organizational capacity that describes:

(A) the financial, programmatic, commodity management, and auditing abilities and practices of the organization or cooperative; and

(B) the capacity of the organization or cooperative to carry out projects in particular countries.

(3) MULTI-COUNTRY PROPOSALS.—A certified institutional partner shall be eligible to—

"(A) submit a single proposal for 1 or more countries that are the same as, or similar to, those countries in which the certified institutional partner has already demonstrated organizational capacity;

(B) receive expedited review and approval of the proposal; and

"(C) receive commodities and assistance under this section for use in 1 or more countries.".

SEC. 303. GENERATION AND USE OF CURRENCIES BY PRIVATE VOLUNTARY ORGANIZATIONS AND COOPERATIVES.

Section 205 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1725) is amended—

(1) in subsection (b), by striking "the recipient country or, in a country" and inserting "1 or more recipient countries, or in 1 or more countries";

(2) in subsection (h), by striking "in recipient countries, or in a country" and inserting "in 1 or more recipient countries, or in 1 or more countries";

(3) in subsection (i), by striking "in foreign currency" and inserting "foreign currencies'; and

(4) in subsection (n), by striking "and issue guidelines to" and inserting "and 1 or more recipient countries, or in 1 or more countries; and

(5) in subsection (d)—

(A) by striking "foreign currencies" and inserting "proceeds';

(B) in paragraph (2)—

(i) by striking "income generating" and inserting "income-generating'; and

(ii) by striking "the recipient country or within a country" and inserting "1 or more recipient countries, or in 1 or more countries'; and

(C) in paragraph (3)—

(i) by inserting a comma after "invested"; and

(ii) by inserting a comma after "in".

SEC. 304. LEVELS OF ASSISTANCE.

Section 204(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1724a(a)) is amended—

(1) in paragraph (1), by striking "that for each of fiscal years 1996 through 2002 is not less than $2,025,000 metric tons" and inserting "that for each of fiscal years 1996 through 2002 is not less than—"

(A) 2,100,000 metric tons for fiscal year 2002;

(B) 2,300,000 metric tons for fiscal year 2003;

(C) 2,300,000 metric tons for fiscal year 2004;

(D) 2,400,000 metric tons for fiscal year 2005; and

(E) 2,500,000 metric tons for fiscal year 2006; and

(2) in paragraph (2), by striking "1996 through 2002" and inserting "2002 through 2006".

SEC. 305. FOOD AID CONSULTATIVE GROUP.

Section 205 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1725) is amended—

(1) in subsection (a), by inserting "policies, guidelines," after "policies";

(2) in subsection (c), by inserting "policies," after "regulations," each place it appears; and

(3) in subsection (b), by striking "2002" and inserting "2006".

SEC. 306. MAXIMUM LEVEL OF EXPENDITURES.

Section 206(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1726a(a)) is amended by striking "$1,000,000,000" and inserting "$2,000,000,000".

SEC. 307. ADMINISTRATION.

Section 207 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1726b) is amended—

(1) in subsection (a), by striking paragraph (3); and

(2) by striking paragraph (1) and inserting the following:

"(1) RECIPIENT COUNTRIES.—A proposal to enter into a nonemergency food assistance agreement under this title shall identify the recipient country or countries that are the subject of the agreement.

"(2) TIMING.—Not later than 120 days after the date of submission to the Administrator of a proposal submitted by an eligible organization under this title, the Administrator shall determine whether to accept the proposal; and

"(3) in subsection (b), by striking "guide-" line each place it appears and inserting "guideline or policy determination";

(3) in subsection (d), by striking "a United States field mission" and inserting "an eligible organization with an approved program under this title"; and

(4) by adding at the end the following:

"(e) TIMELY APPROVAL.—

(1) IN GENERAL.—The Administrator shall finalize program agreements and resource requests for programs under this section before the beginning of each fiscal year.

(2) REPORT.—Not later than December 1 of each year, the Administrator shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that contains—

"(A) a list of programs, countries, and commodities approved to date for assistance under this section; and

"(B) a statement of the total amount of funds approved to date for transportation and administrative costs under this section.

"(f) In general.—The Administrator shall certify institutions that are not less than—"

SEC. 308. ASSISTANCE FOR STOCKPILE AND RAPID TRANSPORTATION, DELIVERY, AND DISTRIBUTION OF SHELF-STABLE PREPACKAGED FOODS.

Section 208(f) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1726b(f)) is amended by striking "and 2002" and inserting "through 2006".

SEC. 309. SALE PROCEDURE.

Section 403 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1732) is amended by adding at the end the following:

"(1) SALE PROCEDURE.—

"(i) IN GENERAL.—Subsection (b) shall apply to sales of commodities in recipient countries to generate proceeds to carry out projects under—

"(A) section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)); and

"(B) title VIII of the Agricultural Trade Act of 1978.

"(2) CURRENCIES.—Sales of commodities described in paragraph (1) shall be made at a reasonable market price in the economy where the commodity is to be sold, as determined by the Secretary or the Administrator, as appropriate.

SEC. 310. PREPOSITIONING.

Section 407(c)(4) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1737(c)(4)) is amended by striking "2002" and inserting "through 2006".

SEC. 311. EXPIRATION DATE.

Section 408 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1738c) is amended by striking "2002" and inserting "2006".

SEC. 312. MICRONUTRIENT FORTIFICATION PROGRAM.

Section 415 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1738g) is amended—

(1) in subsection (a)—

(A) in the first sentence, by striking "a micronutrient fortification pilot program" and inserting "micronutrient fortification programs"; and

(B) in the second sentence—

(i) by striking "the program" and inserting "a program";
(ii) in paragraph (1), by striking ‘‘and’’ at the end;

(iii) in paragraph (2)—

(A) by striking ‘‘whole’’;

(B) by striking the period at the end and inserting ‘‘; and’’;

and

(iv) by adding at the end the following:

‘‘as paragraph (1) is amended by adding at the end the following:

‘‘(2) PROGRAM PRIORITIES.—Of funds made available by this paragraph (1)(A) in excess of $90,000,000 for any fiscal year, priority shall be given to proposals—

(A) made by eligible trade organizations that have not participated in the market access program under this title; or

(B) for programs established under this title in emerging markets.’’

SEC. 323. EXPORT ENHANCEMENT PROGRAM.

(a) In General.—Section 301(e)(3) of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) is amended to read as follows:

‘‘(3) For fiscal year 2004 and each subsequent fiscal year, $42,500,000.’’

(b) Prohibited Activities.—Of funds or commodities provided under subsection (a) in excess of $35,000,000 for any fiscal year, priority shall be given to proposals—

(A) made by eligible trade organizations that have not participated in the market access program under this title; or

(B) for programs established under this title in emerging markets.’’

SEC. 325. FOOD FOR PROGRESS AND EDUCATION PROGRAMS.

(a) In General.—The Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) is amended by adding at the end the following:

‘‘TITLE VIII—FOOD FOR PROGRESS AND EDUCATION PROGRAMS

SEC. 801. DEFINITIONS.

‘‘In this title:

‘‘(1) COOPERATIVE.—The term ‘cooperative’ means a private sector organization the members of which—

(A) own and control the organization;

(B) share in the profits of the organization; and

(C) are provided services (such as business services and outreach in cooperative development) by the organization.

‘‘(2) CORPORATION.—The term ‘Corporation’ means the Commodity Credit Corporation.

‘‘(3) DEVELOPING COUNTRY.—The term ‘developing country’ means a foreign country that has—

(A) a shortage of foreign exchange earnings; and

(B) difficulty meeting all of the food needs of the country through commercial channels and domestic production.

‘‘(4) ELIGIBLE COMMODITY.—The term ‘eligible commodity’ means an agricultural commodity (including vitamins and minerals) acquired by the Secretary or the Corporation for disposition in a program authorized under this title through—

(A) commercial purchases; or

(B) inventories of the Corporation.

‘‘(5) ELIGIBLE ORGANIZATION.—The term ‘eligible organization’ means a private voluntary organization, cooperative, nongovernmental organization, or foreign country, as determined by the Secretary.

‘‘(6) EMERGING AGRICULTURAL COUNTRY.—The term ‘emerging agricultural country’ means a foreign country that—

(A) is an emerging democracy; and

(B) has made a commitment to introduce or expand free enterprise elements in the agricultural economy of the country.

‘‘(7) FOOD SECURITY.—The term ‘food security’ means access by all people at all times to sufficient food and nutrition for a healthy and productive life.

‘‘(8) NONGOVERNMENTAL ORGANIZATION.—

(A) In General.—The term ‘nongovernmental organization’ means an organization that engages in a local or regional development problems in a foreign country in which the organization is located.

(B) EXCLUSION.—The term ‘nongovernmental organization’ does not include an organization that is primarily an agency or instrumentality of the government of a foreign country.

‘‘(9) PRIVATE VOLUNTARY ORGANIZATION.—

The term ‘private voluntary organization’ means a nonprofit, nongovernmental organization that—

(A) receives—

(i) funds from private sources; and

(ii) voluntary contributions of funds, staff time, or in-kind support from the public,

(B) engages in or is engaged in by, the Commodity Credit Corporation of a comparable value, in the following amounts:

‘‘(1) For fiscal year 2002, $37,500,000.

‘‘(2) For fiscal year 2003, $40,000,000.

‘‘(3) For fiscal year 2004 and each subsequent fiscal year, $42,500,000.’’

SEC. 802. PROVISION OF QUALITY FOOD.

There are authorized to be appropriated such sums as are necessary to carry out this title. . . .
“(C) in the case of an organization that is organized under the laws of the United States or a State, is an organization described in section 501(c)(3) of the Internal Revenue Code that is exempt from taxation under section 501(a) of that Code.”

“(10) PROGRAM.—The term ‘program’ means a food or nutrition assistance or development initiative proposed by an eligible organization and approved by the Secretary under this title.

“(11) RECIPIENT COUNTRY.—The term ‘recipient country’ means an emerging agricultural country that receives assistance under a program.

"SEC. 802. FOOD FOR PROGRESS AND EDUCATION PROGRAMS.—

“(a) IN GENERAL.—To provide agricultural commodities to support the introduction or expansion of small-scale enterprises in national economies in recipient countries, and to provide food or nutrition assistance in recipient countries, the Secretary shall establish and carry out programs under which the Secretary may enter into agreements (including multiyear agreements and for programs in more than 1 country) with—

“(1) the governments of emerging agricultural countries;

“(2) private voluntary organizations;

“(3) nonpartisan agricultural organizations and cooperatives;

“(4) nongovernmental organizations; and

“(5) other private entities.

“(b) CONSIDERATIONS.—In determining whether to enter into an agreement to establish a program under subsection (a), the Secretary shall take into consideration whether an emerging agricultural country is committed to carrying out, or is carrying out, policies that promote—

“(1) economic freedom;

“(2) private production of food commodities for domestic consumption; and

“(3) the creation and expansion of efficient domestic markets for the purchase and sale of those commodities.

“(c) INTERNATIONAL FOOD FOR EDUCATION AND NUTRITION PROGRAM.—

“(1) IN GENERAL.—In cooperation with other countries, the Secretary shall establish an initiative within the food for progress and education programs under this title to be known as the ‘International Food for Education and Nutrition Program’, through which the Secretary may provide to eligible organizations—

“(A) information on the agricultural commodities and technical and nutritional assistance in connection with education programs to improve food security and enhance educational opportunities for preschool age and primary school age children in recipient countries.

“(2) AGREEMENTS.—In carrying out this subsection, the Secretary—

“(A) shall administer the programs under this subsection in manner that is consistent with this title; and

“(B) may enter into agreements with eligible organizations in recipient countries under this title on—

“(i) to purchase, acquire, and donate eligible commodities to eligible organizations to carry out agreements in recipient countries; and

“(ii) to provide technical and nutritional assistance to carry out agreements in recipient countries.

“(3) OTHER DONOR COUNTRIES.—The Secretary shall encourage other donor countries, directly or through eligible organizations—

“(A) to donate goods and funds to recipient countries; and

“(B) to provide technical and nutritional assistance to recipient countries.

“(4) OTHER.—The President and the Secretary are urged to encourage the support and active involvement of the private sector, foundations, and other individuals and organizations in programs and activities assisted under this subsection.

“(5) GRADUATION.—An agreement with an eligible organization under this subsection shall include provisions—

“(A)(i) to sustain the benefits to the education, enrollment, attendance, and performance of children in targeted communities when the provision of commodities and assistance to a recipient country under the program under this subsection terminates; and

“(ii) to estimate the period of time required until the recipient country or eligible organization is able to provide sufficient assistance without additional assistance under this subsection; or

“(B) to provide other long-term benefits to targeted populations of the recipient country.

“(6) ANNUAL REPORT.—The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report that describes—

“(A) the results of the implementation of this subsection as covered by the report, including the impact on the enrollment, attendance, and performance of children in preschools and primary schools targeted under the program under this subsection; and

“(B) the level of commitments by, and the potential for obtaining additional goods and assistance from, other countries for subsequent years.

“(7) TERMS.—

“(A) IN GENERAL.—The Secretary may provide agricultural commodities under this title on—

“(i) a grant basis; or

“(B) subject to paragraph (2), credit terms.

“(2) CREDIT TERMS.—Payment for agricultural commodities made available under this title that are purchased on credit terms shall be made on the same basis as payments made under section 103 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1703).

“(3) No EFFECT on DOMESTIC PROGRAMS.—

The Secretary shall not make an agricultural commodity available for disposition under this section in any amount that will reduce the availability of that commodity that is traditionally made available through donations to domestic feeding programs or agencies, as determined by the Secretary.

“(e) REPORTS.—Each eligible organization that enters into an agreement under this title shall submit to the Secretary, at such time as the Secretary may request, a report containing such information as the Secretary may request relating to the use of agricultural commodities and funds provided to the eligible organization under this title.

“(f) COORDINATION.—To ensure that the provision of commodities under this section is coordinated with and complements other official assistance provided by the United States, assistance under this section shall be coordinated through the mechanism designated by the Secretary to coordinate assistance under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.).

“(g) QUALITY ASSURANCE.—

“(1) IN GENERAL.—The Secretary shall ensure, to the maximum extent practicable, that each eligible organization participating in 1 or more programs under this section—

“(A) uses eligible commodities made available under this title—

“(i) in an effective manner;

“(ii) in the areas of greatest need; and

“(iii) in a manner that promotes the purposes of this title; and

“(B) in using eligible commodities, assesses and takes into account the needs of recipient countries and the target populations of the recipient countries;

“(2) with recipient countries, and indigenous institutions or groups in recipient countries, to design and carry out mutually acceptable programs authorized in sub-section (e); and

“(D) monitors and reports on the distribution or sale of eligible commodities provided under this title using methods that, as determined by the Secretary, facilitate accurate and timely reporting;

“(E) periodically evaluates the effectiveness of the program of the eligible organization, including, as applicable, an evaluation of whether the development or food and nutrition purposes of the program can be sustained in a recipient country if the assistance provided to the recipient country is reduced and eventually terminated; and

“(F) considers means of improving the operation of the program of the eligible organization.

“(2) CERTIFIED INSTITUTIONAL PARTNERS.—

“(A) IN GENERAL.—The Secretary shall promulgate regulations and guidelines to permit private voluntary organizations and cooperatives to be certified as institutional partners.

“(B) REQUIREMENTS.—To become a certified institutional partner, a private voluntary organization or cooperative shall submit to the Secretary a certification of organizational capacity that—

“(i) the financial, programmatic, commodity management, and auditing abilities and practices of the organization or cooperative; and

“(ii) the capacity of the organization or cooperative to carry out projects in particular countries.

“(C) MULTICOUNTRY PROPOSALS.—A certified institutional partner shall be eligible to—

“(1) submit a single proposal for 1 or more countries that are the same as, or similar to, those countries in which the certified institutional partner has already demonstrated organizational capacity;

“(2) receive expedited review and approval of the proposal; and

“(3) request commodities and assistance under this section for use in 1 or more countries.

“(D) MULTIYEAR AGREEMENTS.—In carrying out this title, or any program under this section to the extent of the availability of commodities, the Secretary is encouraged to approve agreements that provide for commodities to be made available for distribution on a multiyear basis, if the agreements otherwise meet the requirements of this title.

“(B) TRANSSHIPMENT AND RESALE.—

“(1) IN GENERAL.—The transshipment or resale of an eligible commodity to a country other than a recipient country shall be prohibited unless the transshipment or resale is approved by the Secretary.

“(C) MONETIZATION.—

“(A) IN GENERAL.—Subject to subparagraphs (B) through (D), an eligible commodity provided under this section may be sold for foreign currency or United States dollars or bartered, with the approval of the Secretary.

“(B) SALE OR BARTER OF FOOD ASSISTANCE.—The sale or barter of eligible commodities under this title may be conducted only within (as determined by the Secretary) the—

“(i) a recipient country or country nearby to the recipient country; or

“(ii) another country, if—

“(A) the sale or barter within the recipient country or nearby country is not practicable; and
(II) the sale or barter within countries other than the recipient country or nearby country will not disrupt commercial markets for the agricultural commodity involved; or

(C) HUMANITARIAN OR DEVELOPMENT PURPOSES.—The Secretary may authorize the use of proceeds or exchanges to reimburse, within a reasonable time, the recipient country or other country in the same region, the costs incurred by an eligible organization for—

(i) programs targeted at hunger and malnutrition; or

(ii) development programs involving food security or education;

(iii) transportation, storage, and distribution of commodities provided under this title; and

(iv) administration, sales, monitoring, and technical assistance.

(D) EXCEPTION.—The Secretary shall not approve the use of proceeds described in subparagraph (C) to fund any administrative expenses of a foreign government.

(E) PRIVATE SECTOR ENHANCEMENT.—As appropriate, the Secretary may provide eligible commodities under this title in a manner that uses commodity transactions as a means of providing to recipient countries a competitive private sector that can provide for the importation, transportation, storage, marketing, and distribution of commodities.

(I) DISPLACEMENT OF COMMERCIAL SALES.—In carrying out this title, the Secretary shall, to the maximum extent practicable, consistent with the purposes of this title, avoid—

(1) displacing any commercial export sale of United States agricultural commodities that would otherwise be made;

(2) disrupting world prices of agricultural commodities; or

(3) disrupting normal patterns of commercial trade of agricultural commodities with foreign countries.

(J) DEADLINE FOR PROGRAM ANNOUNCEMENTS.—

(1) IN GENERAL.—Before the beginning of the applicable fiscal year, the Secretary shall, to the maximum extent practicable—

(A) make all determinations concerning programs and resource requests for programs under this title; and

(B) announce those determinations.

(2) REPORT.—Not later than November 1 of the fiscal year, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a list of programs, countries, and commodities, and the total amount of funds for transportation and administrative costs, approved to date under this title.

(K) MILITARY DISTRIBUTION OF ASSISTANCE.—

(1) IN GENERAL.—The Secretary shall ensure, to the maximum extent practicable, that agricultural commodities made available under this title are provided without regard to—

(A) the political affiliation, geographic location, ethnic, tribal, or religious identity of the recipient; or

(B) any other extraneous factors, as determined by the Secretary.

(2) PROHIBITION ON HANDLING OF COMMODITIES BY THE MILITARY.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall not enter into an agreement under this title to provide agricultural commodities if the agreement requires or permits the distribution, transportation, handling, or other incidental costs incurred be-
(1) Information in the possession of Federal agencies other than the Department of Agriculture that is necessary for the export of agricultural commodities and products is available only from multiple disparate sources; and

(2) because exporters often need access to information quickly, exporters lack the time to secure from access to necessary information, and exporters often are unaware of where the necessary information can be located.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out subsection (a) —

(1) $1,000,000 for each of fiscal years 2002 through 2004; and

(2) $500,000 for each of fiscal years 2005 and 2006.

Subtitle C—Miscellaneous Agricultural Trade Provisions

SEC. 331. BILL EMERSON HUMANITARIAN TRUST.

Section 302 of the Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f-1) is amended by striking “2002” each place it appears in subsections (b)(2), (b)(3) and paragraphs (1) and (2) of subsection (b) and inserting “2006”.

SEC. 332. EMERGING MARKETS.

Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5622 note; Public Law 101-624) is amended by striking “2002” each place it appears in subsections (a) and (d)(1)(A)(i) and inserting “2006”.

SEC. 333. BIOTECHNOLOGY AND AGRICULTURAL TRADE PROGRAM.

Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5622 note; Public Law 101-624) is amended by adding at the end the following:

“(a) USE OF CURRENCIES.—Section 416(b)(7)(D) of the Agricultural Act of 1949 (7 U.S.C. 1861(b)(7)(D)) is amended—

(1) in clauses (i) and (ii), by striking “foreign currency” each place it appears; and

(2) in clause (A) in the first sentence, by striking “foreign currencies” and inserting “Proceeds”;

and

(b) IMPLEMENTATION OF AGREEMENTS.—Section 416(b)(8) of the Agricultural Act of 1949 (7 U.S.C. 1861(b)(8)) is amended by striking “(B)” and all that follows through “The Secretary” and inserting the following:

“(B) ADMINISTRATIVE PROVISIONS.—

(A) DIRECT DELIVERY.—In addition to practices in effect on the date of enactment of this subsection, the Secretary may approve an agreement that provides for direct delivery of eligible commodities to milling or processing facilities more than 40 percent of the interest in which is owned by United States citizens in recipient countries, with the proceeds of transactions transferred in cash to eligible organizations to carry out approved projects.

(B) REGULATIONS.—The Secretary.

(c) CERTIFIED INSTITUTIONAL PARTNERS.—Section 416 of the Agricultural Act of 1949 (7 U.S.C. 1861) is amended by adding at the end the following:

“(c) CERTIFIED INSTITUTIONAL PARTNERS.—

(1) IN GENERAL.—The Secretary shall promulgate regulations and guidelines to permit voluntary private organizations and cooperatives to be certified as institutional partners.

(2) REQUIREMENTS.—To become a certified institutional partner, a private voluntary organization or cooperative shall submit to the Secretary a proposal for organizational capacity that describes—

(A) the financial, programmatic, commodity management, and auditing abilities and procedures of the organization or cooperative; and

(B) the capacity of the organization or cooperative to carry out projects in particular countries.

(3) MULTI-COUNTRY PROPOSALS.—A certified institutional partner shall be eligible to—

(A) submit a single proposal for 1 or more countries that are the same as, or similar to, those countries in which the certified institutional partner has already demonstrated organizational capacity;

(B) receive expedited review and approval of the proposal; and

(C) request commodities and assistance under this section for use in 1 or more countries.”.

SEC. 334. AGRICULTURAL TRADE WITH CUBA.

(a) IN GENERAL.—Section 908 of the Agricultural Research, Development, Food and Drug Administration and Related Agencies Appropriations Act, 2001 (22 U.S.C. 7207), is amended by striking subsection (a) and inserting the following:

“(a) CONFORMING AMENDMENTS.—Section 908(a) of the Agricultural, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act, 2001 (22 U.S.C. 7207(a)) is amended by adding at the end the following:

“(1) by striking “(a)” and all that follows through “Notwithstanding” and inserting the following:

“(a) NOTWITHSTANDING”;

(b) by striking “(2) RULE OF CONSTRUCTION.—Nothing in paragraph (1)” and inserting the following:

“(b) RULE OF CONSTRUCTION.—Nothing in subsection (a); and

(3) by striking “(c) WAIVER.—The President may waive the application of paragraph (1)” and inserting the following:

“(c) WAIVER.—The President may waive the application of subsection (a)”.

TITLE IV—NUTRITION PROGRAMS

SEC. 401. SHORT TITLE.

This title may be cited as the “Food Stamp Reauthorization Act of 2001”.

Subtitle A—Food Stamp Program

SEC. 411. ENCOURAGEMENT OF PAYMENT OF CHILD SUPPORT.

(a) EXCLUSION.—Section 5(b)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(6)) is amended by adding at the end the following:

“and child support payments made by a household member to or for an individual who is not a member of the household if the household member is legally obligated to make the payments.”

(b) SIMPLIFIED PROCEDURE.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (e), by striking paragraph (4) and inserting the following:

“(4) DEDUCTION FOR CHILD SUPPORT PAYMENTS.—

(2) by adding at the end the following:

“(2) STATE OPTIONS TO SIMPLIFY DETERMINATION OF CHILD SUPPORT PAYMENTS MADE BY HOUSEHOLD MEMBERS.—

(1) IN GENERAL.—Regardless of whether a State agency elects to provide a deduction under subsection (e)(4), the Secretary shall establish simplified procedures to allow State agencies, at the option of the State agencies, to determine the amount of the legally obligated child support payments made, including procedures to allow the State agency to rely on information from the agency responsible for implementing the program under part D of title IV of the Social Security Act (42 U.S.C. 661 et seq.) concerning payments made in prior months in lieu of obtaining current information from the household.

(2) DURATION OF DETERMINATION OF AMOUNT OF SUPPORT PAYMENTS.—If a State agency makes a deduction under this paragraph, the amount of support payments of a household under paragraph (1), the State agency may
provide that the amount of the exclusion or deduction for the household shall not change until the eligibility of the household is next redetermined under section 11(e)(4).

SEC. 414. SIMPLIFIED DETERMINATION OF HOUSING COSTS.

(b) In case subsection 5(e)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(7)) is amended—

(1) in subparagraph (A)—

(A)(i) a household" and inserting the following:

(i) in General.—A household"; and

(ii) by adding at the end the following:

(ii) inclusion of certain payments.—In determining the shelter expenses of a household under this paragraph, the State agency shall include any required payment to the landlord of the household without regard to whether the required payment is designated to pay specific charges.; and

(2) by adding at the end the following:

(ii) DETERMINATION.—In lieu of the deduction provided under subparagraph (A), a State agency may elect to allow a household with extremely low shelter expenses that is not receiving free shelter throughout the month, to receive a deduction of $143 per month.

(iii) Ineligibility.—The State agency may make a household with extremely low shelter expenses ineligible for the alternative deduction under clause (i).;

(i) cash; (ii) licensed vehicles;

(iii) amounts in any account in a financial institution that are readily available to the household; or

(iv) any other similar type of resource the inclusion in financial resources of which the Secretary determines by regulation to be essential to equitable determinations of eligibility.

(b) In General.—Subsection (B) of section 6(c)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(h)(3)(B)) is amended—

(1) in the second sentence, by inserting ,, after "Secretary.");

(2) by adding at the end the following:

(6) Exclusion of types of financial resources.—Subparagraph (A)(i) shall not apply in the case of a State agency that has made the use of a standard utility allowance mandatory under subsection (c)(1).;

SEC. 415. SIMPLIFIED DEFINITION OF RE-SOURCES.

Section 5(e)(6)(C)(i) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(6)) is amended by adding at the end the following:

"(vii) cash; (viii) the required payment is designated to pay specific charges.; and

(2) in the second sentence, by inserting ,, after "Secretary.");

(3) by adding at the end the following:

(iii) amounts in any account in a financial institution that are readily available to the household; or

(iv) any other similar type of resource the inclusion in financial resources of which the Secretary determines by regulation to be essential to equitable determinations of eligibility under the food stamp program, except to the extent that any of those types of resources are excluded under another paragraph of this subsection.

SEC. 418. SIMPLIFIED DEFINITION OF RESOURCES.

Section 5(e)(6)(C)(i) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(6)) is amended by adding at the end the following:

"(vii) cash; (viii) the required payment is designated to pay specific charges.; and

(2) in the second sentence, by inserting ,, after "Secretary.");

(3) by adding at the end the following:

(iii) amounts in any account in a financial institution that are readily available to the household; or

(iv) any other similar type of resource the inclusion in financial resources of which the Secretary determines by regulation to be essential to equitable determinations of eligibility under the food stamp program, except to the extent that any of those types of resources are excluded under another paragraph of this subsection.

SEC. 419. ALTERNATIVE ISSUANCE SYSTEMS IN DISASTERS.


(1) in the first sentence, by inserting ,, after "Secretary.");

(2) by adding at the end the following:

(4) Frequency of reporting.—

(i) In General.—Except as provided in subparagraph (A) and (i) of section 6(c)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(h)(3)(B)) is amended—

(1) in the first sentence, by inserting ,, after "Secretary.");

(2) by adding at the end the following:

(5) Reporting by households with excess income.—A household required to report under paragraph (4) shall, notwithstanding subparagraph (B), report in a manner prescribed by the Secretary if the

"(i) not less than once each 6 months;

(ii) not more often than once each month.

(6) Reporting requirements.—

(i) In General.—Except as provided in subparagraph (B), a State agency may require households that report on a periodic basis to submit reports—

(ii) more often than once every 3 months.

(7) Reporting by households with excess income.—A household required to report under paragraph (4) shall, notwithstanding subparagraph (B), report in a manner prescribed by the Secretary if the

"(i) not less than once each 6 months;

(ii) not more often than once each month.

(8) Reporting requirements.—

(i) In General.—Except as provided in subparagraph (B), a State agency may require households that report on a periodic basis to submit reports—

(ii) more often than once every 3 months.
income of the household for any month except that the standard established under section 5(c)(2)."

SEC. 421. BENEFITS FOR ADULTS WITHOUT DEPENDENTS.

(a) In General.—Section 6(o) of the Food Stamp Act of 1977 (7 U.S.C. 2015(o)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B), by striking "and" at the end;

(B) in subparagraph (C)—

(i) by striking "subsection (d)(4), and inserting "subsection (d)(4)"; and

(ii) by striking the period at the end and inserting "and";

and

(C) by adding at the end following:

"(D) a job search program or job search training program if—

(i) the program meets standards established by the Secretary to ensure that the participant is continuously and actively seeking employment in the private sector; and

(ii) no position is currently available for the participant in an employment or training program that meets the requirements of subparagraph (C)."

(2) in paragraph (2)—

(A) by striking "36-month" and inserting "24-month"; and

(B) by striking the third and inserting "6";

(3) by striking paragraph (5) and inserting the following:

"5 ELIGIBILITY OF INDIVIDUALS WHILE MEETING WORK REQUIREMENT.—Notwithstanding paragraph (2), an individual who would otherwise be ineligible under that paragraph shall be eligible to participate in the food stamp program during any period in which the individual meets the work requirement of subparagraph (A), (B), or (C) of that paragraph; and

(4) paragraph (6)(A)(i)—

(A) in subclause (III), by adding "and" at the end;

(B) in subclause (IV)—

(i) by striking "3" and inserting "6"; and

(ii) by striking "; and" and inserting a period; and

(C) by striking subclause (V).

(b) IMPLEMENTATION OF AMENDMENTS.—For the purpose of implementing the amendments made by subsection (a), a State agency shall disregard any period during which an individual is entitled to food stamp benefits before the effective date of this title.

SEC. 422. PRESERVATION OF ACCESS TO ELECTRONIC BENEFITS.

(a) In General.—Section 7(i)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1))) is amended by adding at the end following:

"(E) residents an

(1) by adding "(I)" after "(ii)");

(2) in subclause (I) (as designated by paragraph (1))—

(i) adding the following:

"(III) if the State agency maintains a

Internet

Gram Application available on the website in each State;

and

(ii) by adding the following:

"(II) if the State agency maintains a

Internet

Gram Application available on the website for the State agency, shall make the

application available;"

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply with respect to each State agency beginning on the date on which the State agency, after the date of enactment of this Act, enters into a contract to operate an electronic benefit transfer system.

SEC. 423. COST NEUTRALITY FOR ELECTRONIC BENEFIT TRANSFER SYSTEMS.

Section 7(i)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(2)) is amended—

(1) by striking subparagraph (A); and

(2) by redesignating subparagraphs (B) through (I) as subparagraphs (A) through (H), respectively.

SEC. 424. ALTERNATIVE PROCEDURES FOR RESIDENTS OF CERTAIN GROUP FACILITIES.

(a) In General.—Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended by adding at the end following:

"(F) SIMPLIFIED PROCEDURES FOR RESIDENTS OF CERTAIN GROUP FACILITIES.—

(1) In General.—At the option of the State agency, allotments for residents of facilities described in subparagraph (B), (C), (D), or (E) of section 3(i)(5) may be determined and issued under this subsection in lieu of subsection (a).

(2) AMOUNT OF ALLOTMENT.—The allotment for each eligible resident described in paragraph (1) shall be calculated in accordance with standardized procedures established by the Secretary that take into account the allotments typically received by residents of facilities described in paragraph (1).

(3) ISSUANCE OF ALLOTMENT.—

(A) In General.—The State agency shall issue an allotment determined under this subsection to the administration of a facility described in paragraph (1) as the authorized representative of the residents of the facility.

(B) ADJUSTMENT.—The Secretary shall establish procedures to ensure that a facility described in paragraph (1) does not receive a greater proportion of a resident's monthly allotment than the proportion of the month during which the resident lived in the facility.

(4) DEPARTURES OF COVERED RESIDENTS.—

(A) NOTIFICATION.—Any facility described in paragraph (1) that receives an allotment for a resident under this subsection shall—

(i) notify the State agency promptly on the departure of the resident; and

(ii) notify the resident, before the departure of the resident, that the resident—

(I) is eligible for continued benefits under the food stamp program; and

(II) should contact the State agency concerning continuation of the benefits.

(B) INSURANCE TO DEPARTED RESIDENTS.—On receiving a notification under subparagraph (A)(i) concerning the departure of a resident, the State agency—

(I) shall promptly issue the departed resident an allotment for the days of the month after the departure of the resident (calculated in a manner prescribed by the Secretary) unless the departed resident reapplies to participate in the food stamp program; and

(II) may issue an allotment for the month following the month of the departure (but not any subsequent month) based on the last updated allotment of the resident reapplying to participate in the food stamp program.

(C) STATE OPTION.—The State agency may elect not to issue an allotment under subparagraph (B)(I) if the State agency lacks sufficient information on the departure of the departed resident to provide the allotment.

(D) EFFECT OF REAPPLICATION.—If the departed resident reappplies to participate in the food stamp program, the allotment of the departed resident shall be determined without regard to this subsection.

(b) CONFORMING AMENDMENTS.—

(1) Section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1))) is amended—

(A) by striking "(I)" and inserting "(A)";

(B) by striking "Household means (I)" and inserting the following:

"(A) Household means

(1) the first sentence, by striking "others, or (2) a group" and inserting the following: "others; or

(2) a group";

(C) in the second sentence, by striking "Spouses" and inserting the following:

"(2) Spouses;"

(D) in the third sentence, by striking "Notwithstanding" and inserting the following: "(3) Notwithstanding";

(E) in paragraph (3) (as designated by subparagraph (D)), by striking "the preceding sentences" and inserting paragraphs (1) and (2);

(F) in the fourth sentence, by striking "In no event" and inserting the following:

"(4) In no event;"

(G) in the fifth sentence, by striking "For the purposes of this subsection, residents" and inserting the following:

"(5) For the purposes of this subsection, the following persons shall not be considered to be residents of institutions and shall be considered to be individual households:

(A) Residents; and

(H) in paragraph (5) (as designated by subparagraph (G))—

(i) by striking "Act, or individuals" and inserting the following: "Act, Individuals;"

(ii) by striking "such section, temporary" and inserting the following: "such section, Temporary;"

(iii) by striking "children, residents" and inserting the following: "children;"

(iv) Residents;";

(v) by striking "shall not" and all that follows and inserting a period.

(2) Section 5(a) of the Food Stamp Act of 1977 (7 U.S.C. 2014(a)) is amended by striking "the last 2 sentences of section 3(i)" each place it appears and inserting "section 3(i)".

(b) Section 8(e)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2010(e)(1)) is amended by striking "the last sentence of section 3(i)" and inserting "section 3(i)".

(4) Section 17(b)(1)(B)(iv)(III)(aa) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(iv)(III)(aa)) is amended by striking "the last 2 sentences of section 3(i)" and inserting paragraphs (4) and (5) of section 3(i).

SEC. 425. AVAILABILITY OF FOOD STAMP PROGRAM APPLICATIONS ON THE INTERNET.


(1) by inserting "(I)" after "(ii)";

(2) in subclause (I) (as designated by paragraph (1)), by adding "and" at the end; and

(3) by adding at the end following:

"(II) If the State agency maintains a website for the State agency, shall make the application available on the website in each language in which the State agency makes a printed application available;"

SEC. 426. SIMPLIFIED DETERMINATIONS CONCERNING ELIGIBILITY.

(a) In General.—Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

(1) by striking paragraph (4) and inserting the following:

"(4) A State agency that shall periodically require each household to cooperate in a redetermination of the eligibility of the household;

(B) A redetermination under subparagraph (A) shall—

(i) be based on information supplied by the household; and

(ii) conform to standards established by the Secretary."
“(C) The interval between redeterminations of eligibility under subparagraph (A) shall not exceed the eligibility review period; and

(2) in paragraph (10)—

(A) by striking “within the household’s certification period’’; and

(B) by striking “or until” and all that follows through “determination’’.

(b) CONFORMING AMENDMENTS.—

(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2023(c)) is amended—

(A) by deleting the certification period’’ and inserting “eligibility review period’’; and

(B) by striking “certification period’’ each place it appears and inserting “eligibility review period’’.

(2) Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(A) in subsection (d)(2), by striking “in the certification period which’’ and inserting “that’’; and

(B) in subsection (e) as amended by section 414(d)(1)(B)—

(i) in paragraph (5)(B)(ii)—

(I) in clause (II), by striking “certification period’’ and inserting “eligibility period’’; and

(II) in clause (III), by striking “has been anticipated for the certification period’’ and inserting “was anticipated when the household applied or at the most recent redetermination of eligibility for the household’’; and

(ii) in paragraph (6)(C)(i)(II), by striking “the end of a certification period’’ and inserting “the end of the eligibility period’’.

(3) Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended—

(A) in subsection (c)(1)(C)(v), by striking “certification period’’ each place it appears and inserting “interval between required redeterminations of eligibility’’; and

(B) in subsection (d)(3)(B)(II), by striking “a certification period’’ and inserting “an eligibility review period’’.

(4) Section 8(c) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)) is amended—

(A) in the second sentence of paragraph (1), by striking “within a certification period’’; and

(B) in paragraph (2)(B), by striking “expiration of’’ and all that follows through “certification period, ’’ and inserting “term of certification to the household’’.

(5) Section 11(e)(16) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(16)) is amended by striking “the certification or recertification’’ and inserting “determining the eligibility’’.

SEC. 427. CLEARINGHOUSE FOR SUCCESSFUL NUTRITION EDUCATION EFFORTS.

Section 11(f) of the Food Stamp Act of 1977 (7 U.S.C. 2020(f)) is amended by striking paragraph (2) and inserting the following:

“(2) NUTRITION EDUCATION CLEARINGHOUSE.—The Secretary shall—

(A) request State agencies to submit to the Secretary descriptions of successful nutrition education programs designed for use in the food stamp program and other nutrition assistance programs;

(B) make the descriptions submitted under subparagraph (A) available on the website of the Department of Agriculture; and

(C) inform State agencies of the availability of the descriptions on the website.”.

SEC. 428. TRANSITIONAL FOOD STAMPS FOR FAMILIES TRANSITIONING FROM WELFARE.

(a) In General.—Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2023(a)) is amended by adding at the end the following:

“(3) PROCEDURE.—

(1) In general.—A State agency may provide transitional food stamp benefits to a household that ceases to receive cash assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

(2) The determination of eligibility.—Under paragraph (1), a household may continue to receive food stamp benefits for a period of not more than 6 months after the determination to terminate cash assistance.

(3) Amount of benefits.—During the transitional benefits period under paragraph (2), a household shall receive an amount of food stamp benefits equal to the allotment received in the month immediately preceding the date on which cash assistance was terminated, adjusted for—

(A) the household’s income as a result of the termination of cash assistance; and

(B) any changes in circumstances that may result in an increase in the food stamp allotment of the household and that the household elects to report.

(4) Determination of future eligibility.—In the final month of the transitional benefits period under paragraph (2), the State agency may—

(A) require the household to cooperate in a redetermination of eligibility; and

(B) initiate a new eligibility review period for the household without regard to whether the preceding eligibility review period has expired.

(5) Limitation.—A household shall not be eligible for transitional benefits under this subsection if the household—

(A) receives eligibility under section 6;

(B) is sanctioned for a failure to perform an action required by Federal, State, or local law relating to a cash assistance program described in paragraph (1); or

(C) is a member of any other category of households designated by the State agency as ineligible for transitional benefits.

(b) Conforming Amendments.—

(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by adding at the end the following:

“(5) PROCEDURES.—To facilitate the implementation of this section, in addition to any factors that the Secretary considers necessary to determine a State agency’s payment accuracy and that has the following elements:

(1) the value of all allotments issued by the State agency in the fiscal year;

(ii) the lesser of—

(I) the ratio that is by which the payment error rate of the State agency for the fiscal year exceeds by more than 1 percentage point the national performance measure for that fiscal year; bears to

(bb) 10 percent; or

(II) 1; and

(III) the amount by which the payment error rate of the State agency for the fiscal year exceeds by more than 1 percentage point the national performance measure for the fiscal year.

(2) Section 6(c) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)) is amended by striking “section 11(e)(16),” from the end of the section.

SEC. 429. DELIVERY TO RETAILERS OF NOTICES OF TRANSITIONAL FOOD STAMP BENEFITS.

Section 14(a) of the Food Stamp Act of 1977 (7 U.S.C. 2023(a)) is amended by striking paragraph (2) and inserting the following:

“(2) DELIVERY OF NOTICES.—A notice under subsection (a) of this section may be extended until

(A) the household elects to report.

(B) a redetermination of the eligibility determined by the Secretary shall foster management improvement (as determined under standards promulgated by the Secretary), the

(10)'';

(3) Section 6(c) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)) is amended by striking “section 11(e)(16),” from the end of the section.

SEC. 430. REFORM OF QUALITY CONTROL SYSTEM.

(1) In General.—Section 14(a) of the Food Stamp Act of 1977 (7 U.S.C. 2023(a)) is amended by striking paragraph (2) and inserting the following:

“(2) DELIVERY OF NOTICES.—A notice under paragraph (1) shall be delivered by any form of delivery that the Secretary determines will provide evidence of the delivery.”.

SEC. 431. ENHANCED ADMINISTRATIVE FUNDING.

(2) In General.—Section 14(b) of the Food Stamp Act of 1977 (7 U.S.C. 2023(b)) is amended by striking “1;” and

“(aa) the amount by which the payment error rate of the State agency for the fiscal year exceeds by more than 1 percentage point the national performance measure for that fiscal year; bears to

(bb) 10 percent; or

(II) 1; and

(III) the amount by which the payment error rate of the State agency for the fiscal year exceeds by more than 1 percentage point the national performance measure for the fiscal year.

(3) In paragraph (4), by striking “(4)” and all that follows through the end of the first sentence and inserting the following:

“(4) REPORTING REQUIREMENTS.—The Secretary may require a State agency to report any factors that the Secretary considers necessary to determine a State agency’s payment error rate, enhanced administrative funding, claim for payment error under paragraph (1), or performance under the performance measure for a fiscal year.”.

(4) In paragraph (5), by striking “(5)” and all that follows through the end of the second sentence and inserting the following:

“(5) The Secretary may not submit a report without receiving a report in the fiscal year.”
Secretary data concerning the operations of the State agency in each fiscal year sufficient for the Secretary to establish the payment error rate for the fiscal year with paragraph (10), and to determine the amount of enhanced administrative funding under paragraph (1)(A), high performance bonus payments under subparagraph (B) or (C) of paragraph (1)"; (5) in paragraph (6)—
(A) in the first and third sentences, by striking "for each period it appears and inserting "paragraph (8)"; and
(B) in the first sentence, by inserting "(but determined without regard to paragraph (10)"
(6) by adding at the end the following: ""(10) ADJUSTMENTS OF PAYMENT ERROR RATES.—
(A) FISCAL YEAR 2002.—
(i) ADJUSTMENT FOR HIGHER PERCENTAGE OF HOUSEHOLDS WITH EARNED INCOME.—Subject to subparagraph (B), with respect to fiscal year 2002, in applying paragraph (1), the Secretary shall adjust the payment error rate determined under paragraph (2)(A) as necessary to take into account any increases in error from the State agency's serving a higher percentage of households with earned income than the lesser of—
(1) the percentage of households with earned income that receive food stamps in all States; or
(2) the percentage of households with earned income that receive food stamps in each fiscal year thereafter.
(ii) ADJUSTMENT FOR HIGHER PERCENTAGE OF HOUSEHOLDS WITH NONCITIZEN MEMBERS.—Subject to subparagraph (B), with respect to fiscal year 2002, in applying paragraph (1), the Secretary shall adjust the payment error rate determined under paragraph (2)(A) as necessary to take into account any increases in error from the State agency's serving a higher percentage of households with 1 or more members who are not United States citizens than the lesser of—
(1) the percentage of households with 1 or more members who are not United States citizens that receive food stamps in all States; or
(2) the percentage of households with 1 or more members who are not United States citizens that receive food stamps in each fiscal year thereafter.
(B) EXPANDED APPLICABILITY TO STATE AGENCIES SUBJECT TO SANCTIONS.—In the case of a State agency subject to sanctions for fiscal year 2001 or any fiscal year thereafter under paragraph (2)(A), the adjustment described in subparagraph (A) shall apply to the State agency for the fiscal year.
(C) ADDITIONAL ADJUSTMENTS.—For fiscal year 2003 and each fiscal year thereafter, the Secretary may make such additional adjustments to the payment error rate determined under paragraph (2)(A) as the Secretary determines to be consistent with achieving the purposes of this Act."; (b) APPLICABILITY.—Except as otherwise provided, the amendments made by subsection (a) shall apply to fiscal year 2001 and each fiscal year thereafter.
SEC. 431. IMPROVEMENT OF CALCULATION OF PERFORMANCE MEASURE
(a) In General.—Section 16(c)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)(8)) is amended—
(i) in subparagraph (B), by striking "180 days after the end of the fiscal year" and inserting "the first June 30 after the end of the fiscal year referred to in subparagraph (A)"; and
(ii) in subparagraph (C), by striking "30 days thereafter" and inserting "the first June 30 after the end of the fiscal year referred to in subparagraph (A)".
(b) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this Act.
SEC. 432. BONUSES FOR STATES THAT DEMONSTRATE HIGH PERFORMANCE
(a) In General.—Section 16(c)(9) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)(9)) is amended—
(i) in subparagraph (B), by striking "180 days after the end of the fiscal year" and inserting "the first June 30 after the end of the fiscal year referred to in subparagraph (A)"; and
(ii) in subparagraph (C), by striking "30 days thereafter" and inserting "the first June 30 after the end of the fiscal year referred to in subparagraph (A)".
(b) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this Act.
SEC. 433. EMPLOYMENT AND TRAINING PROGRAM
(a) LEVELS OF FUNDING.—Section 16(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(b)(1)) is amended—
(i) in subparagraph (A)—
(I) by striking ;", to remain available until expended", and
(II) by striking clause (vii) and inserting the following:
"(vii) for each of fiscal years 2002 through 2006, $90,000,000, to remain available until expended;", and
(ii) in subparagraph (B) and inserting the following:
"(B) ALLOCATIONS.—Funds made available under subparagraph (A) shall be made available to and reallocated among State agencies under a reasonable formula that—
(I) is determined and adjusted by the Secretary; and
(II) takes into account the number of individuals who are not exempt from the work requirement under title IV of the Social Security Act (42 U.S.C. 601 et seq.), and
(III) ensures that—
(aa) is in the last month of the 6-month period described in section 6(o)(6)(A).
(bb) the State agency has the highest performance described in item (bb).
(bb) the Caseloads of the 6 State agencies eligible for a high performance bonus payment for the fiscal year.
(bb) the Caseloads of the 6 State agencies eligible for the payment; bears to
(3) by striking paragraphs (E) through (G) and inserting the following:
"(E) ADDITIONAL ALLOCATIONS TO STATES THAT SHOW IMPROVEMENT IN WORK OPPORTUNITIES.—
(i) IN GENERAL.—In addition to the allocations under subparagraph (A), from funds made available under section 18(a)(4), the Secretary shall allocate not more than $25,000,000 for each of fiscal years 2002 through 2006 to reimburse a State agency that is eligible under subsection (d) for the costs incurred in serving food stamp recipients who—
(I) are not eligible for an exception under section 6(o)(3); and
(II) are placed in and comply with a program described in subparagraph (B) or (C) of section 6(o)(2).
(ii) ELIGIBILITY.—To be eligible for an additional allocation under clause (i), a State agency shall—
(I) exhaust the allocation to the State agency under subparagraph (A) (including any reallocation that has been made available under subparagraph (C)); and
(II) make and comply with a commitment to offer a position in a program described in subparagraph (B) or (C) of section 6(o)(2) to each applicant or recipient who—
(aa) is in the last month of the 6-month period described in subparagraph (A); and
(bb) is not eligible for an exception under section 6(o)(3);"
SEC. 434. REAUTHORIZATION OF FOOD STAMP PROGRAM AND FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS.

(a) REDUCTIONS IN PAYMENTS FOR ADMINISTRATIVE COSTS.—Section 16(k)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(3)) is amended by striking "2002" and inserting "2006".

(b) CASH PAYMENT PILOT PROJECTS.—Section 17(b)(1)(B)(vi) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(vi)) is amended by striking "2002" and inserting "2006".

(c) GRANTS TO IMPROVE FOOD STAMP PARTICIPATION.—Section 17(i)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(i)(1)(A)) is amended in the first sentence by striking "2002" and inserting "2006".

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 16(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)(1)) is amended in the first sentence by striking "2002" and inserting "2006".

SEC. 435. COORDINATION OF PROGRAM INFORMATION EFFORTS.

Section 16(k)(5) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(5)) is amended—

(1) in paragraph (A), by striking "No funds" and inserting "Except as provided in subparagraph (C), no funds"; and

(2) by adding at the end the following:

"(C) INFORMATIONAL ACTIVITIES.—Subparagraph (A) shall not apply to any funds or expenditures described in clause (i) or (ii) of subparagraph (B) used to pay the costs of any activity that is eligible for reimbursement under subsection (a)(4)."

SEC. 436. EXPANDED GRANT AUTHORITY.

Section 17(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(a)(1)) is amended—

(1) in the first sentence, by striking "by way of making contracts with or grants to public or private organizations or agencies," and inserting "enter into contracts with or make grants to public or private organizations or agencies under this section"; and

(2) by adding at the end the following:

"The waiver authority of the Secretary under subsection (b) shall extend to all contracts and grants under this section."

SEC. 437. ACCESS AND OUTREACH PILOT PROJECTS.

Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by striking subsection (b) and inserting the following:

"(b) ACCESS AND OUTREACH PILOT PROJECTS.—

"(1) IN GENERAL.—The Secretary shall make grants to State agencies and other entities to carry out the food stamp program and the food distribution program on Indian reservations for the purposes of providing assistance to local residents and increasing participation in the food stamp program and the food distribution program.

"(2) FEDERAL SHARE.—The Federal share shall be 75 percent.

"(3) TYPES OF PROJECTS.—To be eligible under this subsection, a project shall consist of—

"(A) the establishment of a single site at which a State agency or other entity to carry out the food stamp program.

"(B) outreach to individuals eligible for the food stamp program.

"(C) participant expenses.

"(D) developing systems to enable individuals to apply for benefits under the food stamp program through means such as electronic benefit transfer cards.

"(E) allowing individuals to submit applications for benefits under the food stamp program through means such as electronic benefit transfer cards.

"(F) encouraging consumption of fruit and vegetables.

"(G) developing systems to enable increased participation in the food stamp program through means such as electronic benefit transfer cards.

"(H) developing systems to enable increased participation in the food stamp program through means such as electronic benefit transfer cards.

"(I) developing systems to enable increased participation in the food stamp program through means such as electronic benefit transfer cards.

"(J) such other activities as the Secretary determines to be appropriate.

"(3) SELECTION.—

"(A) IN GENERAL.—The Secretary shall develop criteria for selecting recipients of grants under this subsection that include the consideration of—

"(i) the demonstration record of a State agency or other entity in serving low-income individuals;

"(ii) the ability of a State agency or other entity to reach hard-to-serve populations;

"(iii) the use of innovative proposals in the application of a State agency or other entity for a grant; and

"(iv) the development of partnerships between public and private sector entities and linkages with the community.

"(B) PREFERENCE.—In selecting recipients of grants under paragraph (3), the Secretary shall provide a preference to any applicant that consists of a partnership between a State and a private entity, such as—

"(i) a food bank;

"(ii) a community-based organization;

"(iii) a public school;

"(iv) a publicly-funded health clinic;

"(v) a publicly-funded day care center; and

"(vi) a nonprofit health or welfare agency.

"(C) GEOGRAPHICAL DISTRIBUTION OF RECIPIENT ENTITIES.—In general, the Secretary shall select, from all eligible food stamp applications received, at least one recipient to receive a grant under this subsection.

"(D) IN GENERAL.—The Secretary shall conduct evaluations of projects funded by grants under this subsection.

"(E) LIMITATION.—Not more than 10 percent of funds made available to carry out this subsection shall be used for project evaluations described in subparagraph (A).

"(F) MAINTENANCE OF EFFORT.—A State agency or other entity shall provide assurances to the Secretary that funds provided to the State agency or other entity under this subsection will be used only to supplement, not to supplant, the amount of Federal, State, and local funds otherwise expended to carry out access and outreach activities in the State under this Act.

"(G) FUNDING.—There is authorized to be appropriated to carry out this subsection $3,000,000 for the period of fiscal years 2003 through 2005.

SEC. 438. CONSOLIDATED BLOCK GRANTS AND ADMINISTRATIVE FUNDS.

(a) CONSOLIDATED GRANTS.—Section 19(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)) is amended—

(1) in subparagraph (A), by striking "the Commonwealth of Puerto Rico" and inserting "governmental entities specified in subparagraph (D)";

(2) in subsection (a), by striking "and" at the end; and

(3) by striking clause (ii) and all that follows and inserting the following:

"(ii) the ability of a State agency or other entity to reach hard-to-serve populations; and

"(iii) a public school; and

"(iv) a community-based organization; and

"(v) a nonprofit health or welfare agency.

"(C) GEOGRAPHICAL DISTRIBUTION OF RECIPIENT ENTITIES.—In general, the Secretary shall select, from all eligible food stamp applications received, at least one recipient to receive a grant under this subsection.

"(D) IN GENERAL.—The Secretary shall conduct evaluations of projects funded by grants under this subsection.

"(E) LIMITATION.—Not more than 10 percent of funds made available to carry out this subsection shall be used for project evaluations described in subparagraph (A).

"(F) MAINTENANCE OF EFFORT.—A State agency or other entity shall provide assurances to the Secretary that funds provided to the State agency or other entity under this subsection will be used only to supplement, not to supplant, the amount of Federal, State, and local funds otherwise expended to carry out access and outreach activities in the State under this Act.

"(G) FUNDING.—There is authorized to be appropriated to carry out this subsection $3,000,000 for the period of fiscal years 2003 through 2005."
of Puerto Rico may spend not more than $6,000,000 of the amount required to be paid to the Commonwealth for fiscal year 2002 under subparagraph (A) to pay 100 percent of the costs of—

**(1)** upgrading and modernizing the electronic data processing system used to carry out nutrition assistance programs for needy persons under part II of subpart II of such part; and

**(2)** implementing systems to simplify the determination of eligibility to receive that nutrition assistance; and

**(3)** implementing systems to deliver benefits through electronic benefit transfers.

**(2)** by adding at the end the following:

**(C)** American Samoa.—For each fiscal year, the Secretary shall reserve 0.4 percent of the funds made available under subparagraph (A) for payment to American Samoa to pay 100 percent of the expenditures for a community assistance program extended under section 601(c) of Public Law 96–597 (48 U.S.C. 1469d(c)).

**(D)** Governmental Entity.—A governmental entity specified in this subparagraph—

**(i)** the Commonwealth of Puerto Rico; and

**(ii)** for fiscal year 2003 and each fiscal year thereafter, American Samoa.

**(3)** Effective Date.—Section 24 of the Food Stamp Act of 1977 (7 U.S.C. 2033) is amended by inserting the following:

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(2) by adding at the end the following:

(A) infrastructure improvement and development;

(B) planning for long-term solutions;

(C) the proportion of innovative marketing activities that mutually benefit farmers and low-income consumers.; and

(D) by striking paragraph (3) and inserting the following:

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**SEC. 439. ASSISTANCE FOR COMMUNITY FOOD PROJECTS.**

Section 25 of the Food Stamp Act of 1977 (7 U.S.C. 2084) is amended—

**(1)** in subsection (b)(2)(B), by striking “2002” and inserting “2006”;

**(2)** in subsection (d)—

**(A)** in paragraph (3), by striking “or” at the end; and

**(B)** by striking paragraph (4) and inserting the following:

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(4) encourage long-term planning activities, and multisystem, interagency approaches, and stakeholder collaborations, that build the long-term capacity of communities to address the food and agriculture problems of the communities, such as food and nutrition councils and food planning associations, or

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**(3)** meet, as soon as practicable, specific neighborhood, local, or State food and agriculture needs, including needs for—

**(A)** infrastructure improvement and development;

**(B)** planning for long-term solutions; or

**(C)** the proportion of innovative marketing activities that mutually benefit farmers and low-income consumers.;

and

**(3)** in subsection (e)(1), by striking “50” and inserting “75.”

**SEC. 440. AVAILABILITY OF COMMODITIES FOR THE EMERGENCY FOOD ASSISTANCE PROGRAM.**

**(a)** In General.—Section 27 of the Food Stamp Act of 1977 (7 U.S.C. 2086) is amended—

**(1)** in subsection (a)—

**(A)** by striking “1977 through 2002” and inserting “2002 through 2006”; and

**(B)** by striking “$100,000,000” and inserting “$110,000,000”;

**(2)** by adding at the end the following:

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(3) the extent of any difficulties in distinguishing vitamin-mineral supplements from herbal and botanical supplements for which food stamp benefits may not be used;

and

(4) whether participants in the food stamp program spend more on vitamin-mineral supplements than nonparticipants.

(b) To what extent vitamin-mineral supplements are substituted for other foods purchased with use of food stamp benefits; and

(c) the proportion of the average food stamp allotment that is being used to purchase vitamin-mineral supplements; and

(4) the extent to which the quality of the dietary supplements purchased with food stamp benefits has changed as a result of allowing participants to purchase dietary supplements that provide exclusively 1 or more vitamins or minerals (referred to in this subsection as “vitamin-mineral supplements”).

(2) REQUIRED ELEMENTS.—At a minimum, the study shall examine—

**(A)** the extent to which problems arise in the purchase of vitamin-mineral supplements with electronic benefit transfer cards;

**(B)** the extent of any difficulties in distinguishing vitamin-mineral supplements from herbal and botanical supplements for which food stamp benefits may not be used;

**(C)** whether participants in the food stamp program spend more on vitamin-mineral supplements than nonparticipants.

**SEC. 451. REALLOCATION OF COMMODITY PROGRAMS.**

**(a)** Commodity Distribution Program.—Section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93–86) is amended by striking “2002” and inserting “2006.”

**(b)** Commodity Supplemental Food Program.—Section 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93–86) is amended by striking “2002” and inserting “2006.”

**(a)** Grants Per Assigned Cashload Slot.—

Not later than 1 year after the date of enactment of this Act, the Secretary of Agriculture shall submit to Congress a report on—

**(1)** difficulties relating to use of electronic benefit transfer systems in issuance of food stamp benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.);

**(2)** the extent to which there exists fraud, and the types of fraud that exist, in use of the electronic benefit transfer systems; and

**(3)** the efforts being made by the Secretary of Agriculture, retailers, electronic benefit transfer system contractors, and States to address the problems described in paragraphs (1) and (2).

**SEC. 443. VITAMIN AND MINERAL SUPPLEMENTS.**

**(a)** In General.—Section 3(g)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2012(g)(1)) is amended by striking “food product” and inserting “food product, or dietary supplement that provides exclusively 1 or more vitamins or minerals.”

**(b)** Impact Study.—In General.—Not later than April 1, 2003, the Secretary of Agriculture shall enter into a contract with a scientific research organization to study and report on—

**(1)** the technical issues, economic impacts, and health effects associated with allowing individuals to use benefits under the Food Stamp Program to purchase dietary supplements that provide exclusively 1 or more vitamins or minerals (referred to in this subsection as “vitamin-mineral supplements”);

**(2)** REQUIRED ELEMENTS.—At a minimum, the study shall examine—

**(A)** the extent to which problems arise in the purchase of vitamin-mineral supplements with electronic benefit transfer cards;

**(B)** the extent of any difficulties in distinguishing vitamin-mineral supplements from herbal and botanical supplements for which food stamp benefits may not be used;

**(C)** whether participants in the food stamp program spend more on vitamin-mineral supplements than nonparticipants.

**(d)** by striking paragraph (1) and inserting the following:

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(1) submit a report to the Secretary of Agriculture that provides exclusively 1 or more vitamins or minerals (referred to in this subsection as “vitamin-mineral supplements”);

(2) by striking “2002” and inserting “2006.”

(b) Commodity Supplemental Food Program.—Section 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93–86) is amended by striking “2002” and inserting “2006.”

**(a)** Grants Per Assigned Cashload Slot.—

There is authorized to be appropriated $3,000,000 to carry out this subsection.
(1) IN GENERAL.—In carrying out the program under section 4 (referred to in this section as the ‘‘commodity supplemental food program’’), for each of fiscal years 2003 through 2011, the Secretary shall provide to each State agency from funds made available to carry out that section (including any such funds remaining available from the preceding fiscal year, and funds remaining available from the 12-month period ending June 30 of the preceding fiscal year) and from funds remaining available from the preceding fiscal year), a grant per assigned caseload slot for administrative costs incurred by the State agency and local agencies in the State in operating the commodity supplemental food program.

(2) AMOUNT OF GRANTS.—For each of fiscal years 2003 through 2006, the amount of each grant per assigned caseload slot shall be equal to $50, adjusted by the percentage change between—

(A) the value of the State and local government price index, as published by the Bureau of Economic Analysis of the Department of Commerce, for each fiscal year; and

(B) the value of that index for the 12-month period ending June 30 of the preceding fiscal year.

SEC. 452. PARTIAL RESTORATION OF BENEFITS TO LEGAL IMMIGRANTS.

(a) RESTORATION OF BENEFITS TO ALL QUALIFIED ALIEN CHILDREN.—


(2) DISTRIBUTION OF SURPLUS COMMODITIES TO SPECIAL NUTRITION PROJECTS.—Section 111(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended in the first sentence by striking ‘‘2002’’ and inserting ‘‘2006’’.

(b) EMERGENCY FOOD ASSISTANCE.—Section 204(a)(1) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7506(a)(1)) is amended in the first sentence—

(1) by striking ‘‘2002’’ and inserting ‘‘2006’’;

(2) by striking ‘‘administrative’’; and

(3) by inserting ‘‘storage’’, after ‘‘processing’’.

SEC. 453. COMMODITIES FOR SCHOOL LUNCH PROGRAMS.

(a) IN GENERAL.—Section 4(e)(1)(B) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755(e)(1)(B)) is amended by striking ‘‘2001’’ and inserting ‘‘2003’’.

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on the date of enactment of this Act.

SEC. 454. ELIGIBILITY FOR FREE AND REDUCED PRICE MEALS.

(a) IN GENERAL.—Section 4(g)(1) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1756(g)(1)) is amended by striking ‘‘1997’’ and inserting ‘‘2003’’.

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on the date of enactment of this Act.

SEC. 455. ELIGIBILITY FOR ASSISTANCE UNDER THE SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR SENIORS.


(1) by inserting ‘‘basic allowance for housing’’ and inserting the following: ‘‘basic allowance;’’

(2) ‘‘for housing’’;

(3) by striking ‘‘and’’ at the end and inserting ‘‘or’’; and

(4) by adding at the end: ‘‘(II) provided under section 403 of title 37, United States Code, for housing that is acquired or constructed under subchapter IV of chapter 109 of title 10, United States Code, or any related provision of law; and’’.

(b) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 456. SENIORS FARMERS’ MARKET NUTRITION PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall carry out and expand a seniors farmers’ market nutrition program.

(b) PROGRAM PURPOSES.—The purposes of the seniors farmers’ market nutrition program are—

(1) to provide to low-income seniors school-age children in the form of fresh, nutritious, unprepared, locally grown fruits, vegetables, and herbs from farmers’ markets, roadside stands, and community-supported agriculture programs;

(2) to increase domestic consumption of agricultural commodities by expanding or assisting in the expansion of domestic farmers’ markets, roadside stands, and community-supported agriculture programs; and

(3) to develop or aid in the development of new farmers’ markets, roadside stands, and community-supported agriculture programs.

(c) REGULATIONS.—The Secretary of Agriculture shall promulgate such regulations as the Secretary considers necessary to carry out the seniors farmers’ market nutrition program under this section.

(d) FUNDING.—In General.—Not later than 30 days after the date of enactment of this Act, and each October 1 thereafter through October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this section the funds transferred under paragraph (1), without further appropriation.

SEC. 457. FRUIT AND VEGETABLE PILOT PROGRAM.

(a) IN GENERAL.—In the school year beginning July 2002, the Secretary of Agriculture shall use funds made available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), to conduct a pilot program to make available to students, in 25 elementary or secondary schools in each of 4 States, and in elementary or secondary schools on 1 Indian reservation, free fruits and vegetables throughout the school day—

(1) a cafeteria;

(2) a student lounge; or

(3) another designated room of the school.

(b) PUBLICITY.—A school that participates in the pilot program shall widely publicize within the school the availability of free fruits and vegetables under the pilot program.

(c) EVALUATION OF PILOT PROGRAM.—

(1) IN GENERAL.—The Secretary of Agriculture shall conduct an evaluation of the results of the pilot program to determine—

(2) whether students took advantage of the food provided under the program.

(d) FUNDING.—The Secretary shall use $200,000 of the funds described in subsection (c) to carry out the evaluation under this subsection.

SEC. 458. CONGRESSIONAL HUNGER FELLOWS PROGRAM.

(a) SHORT TITLE.—This section may be cited as the ‘‘Congressional Hunger Fellows Act of 2001’’.

CONGRESSIONAL RECORD — SENATE

December 18, 2001

S13545

CONGRESSIONAL RECORD — SENATE

December 18, 2001

(b) FINDINGS.—Congress finds that—

(1) there are—

(A) a critical need for compassionate individuals who are committed to assisting people who suffer from hunger; and

(B) a need for those individuals to initiate and administer solutions to the hunger problem;

(2) Bill Emerson, the distinguished late Representative from the 8th District of Missouri, demonstrated—

(A) his commitment to solving the problem of hunger in appropriate manners;

(B) his commitment to public service; and

(C) his great affection for the institution and the leaders of Congress;

(3) George T. (Mickey) Leland, the distinguished late Representative from the 18th District of Texas, demonstrated—

(A) his compassion for individuals in need;

(B) his high regard for public service; and

(C) his lively exercise of political talents;

(4) the special concern that Mr. Emerson and Mr. Leland demonstrated during their lives for the hungry and poor was an inspiration for others to work toward the goals of equality and justice for all; and

(5) all outstanding leaders maintained a special bond of friendship regardless of political affiliation and worked together to encourage future leaders to recognize and provide service to others, it is especially appropriate to honor the memory of Mr. Emerson and Mr. Leland by establishing a fellowship program to develop and train the future leaders of the United States to pursue careers in humanitarian service.

(c) DEFINITIONS.—In this section:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional committees” means—

(A) the Committee on Agriculture and the Committee on International Relations of the House of Representatives; and

(B) the Committee on Agriculture, Nutrition, and Forestry and the Committee on Foreign Relations of the Senate.

(2) BOARD.—The term “Board” means the Board of Trustees of the Program.

(3) FUND.—The term “Fund” means the Congressional Hunger Fellows Trust Fund established by subsection (g).

(4) PROGRAM.—The term “Program” means the Congressional Hunger Fellows Program established by this section.

(d) ESTABLISHMENT.—There is established as an independent entity of the legislative branch of the United States Government an entity known as the “Congressional Hunger Fellows Program”.

(e) BOARD OF TRUSTEES.—

(1) IN GENERAL.—The Program shall be subject to the supervision and direction of a Board of Trustees.

(2) MEMBERS OF THE BOARD.—

(A) IN GENERAL.—The Board shall be composed of 6 voting members appointed under clause (i) and 1 nonvoting ex officio member designated by the Board.

(ii) VOTING MEMBERS.—The voting members of the Board shall be the following:

(I) 2 members appointed by the Speaker of the House of Representatives;

(II) 1 member appointed by the minority leader of the House of Representatives;

(III) 2 members appointed by the majority leader of the Senate;

(IV) 1 member appointed by the minority leader of the Senate.

(iii) NONVOTING MEMBER.—The Executive Director of the Program shall serve as a nonvoting ex officio member of the Board.

(B) TERMS.—

(i) IN GENERAL.—Each member of the Board shall serve for a term of 4 years.

(ii) INCOMPLETE TERM.—If a member of the Board does not serve the full term of the member, the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

(1) VACANCY.—A vacancy on the Board—

(A) shall not affect the powers of the Board; and

(B) shall be filled in the same manner as the original appointment was made.

(2) CHAIRPERSON.—As the first order of business of the first meeting of the Board, the members shall elect a Chairperson.

(e) COMPOSITION.—

(1) IN GENERAL.—Subject to clause (ii), a member of the Board shall not receive compensation for service on the Board.

(ii) TRAVEL.—The Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Board.

(3) DUTIES.—

(A) BYLAWS.—

(i) ESTABLISHMENT.—The Board shall establish such bylaws and other regulations as are appropriate to enable the Board to carry out this section, including the duties described in this paragraph.

(ii) CONTENTS.—Bylaws and other regulations established under clause (i) shall include provisions—

(I) for appropriate fiscal control, accountability for funds, and operating principles;

(II) to prevent any conflict of interest, or the appearance of any conflict of interest, in—

(aa) the procurement and employment actions taken by the Board or by any officer or employee of the Board; and

(bb) the selection and placement of individuals in the fellowships developed under the Program;

(iii) RESOLUTION OF TIE VOTE.—For the resolution of a tie vote of the members of the Board; and

(iv) AUTHORIZATION OF TRAVEL FOR MEMBERS OF THE BOARD.—

(i) IN GENERAL.—The Board shall determine—

(A) for appropriate fiscal control, accountability for funds, and operating principles;

(B) for the resolution of a tie vote of the members of the Board; and

(ii) QUALIFICATION.—A successful applicant shall—

(I) demonstrate leadership potential or leadership experience;

(II) an ability for funds, and operating principles;

(III) experience in policy development and administration;

(IV) to increase awareness of the importance of public service; and

(E) to provide training and development opportunities for the leaders through placement in programs operated by appropriate entities.

(f) AUTHORITY.—The Program may develop fellowships to carry out the purposes of the Program, including the fellowships described in paragraph (3).

(g) FELLOWSHIPS.—

(A) IN GENERAL.—The Program shall establish and carry out the Bill Emerson Hunger Fellowship and the Mickey Leland Hunger Fellowship.

(B) CURRICULUM.—

(i) IN GENERAL.—The fellowships established under subparagraph (A) shall provide experience and training to develop the skills and understanding necessary to improve the humanitarian conditions and the lives of individuals who suffer from hunger, including—

(I) training in direct service to the hungry in conjunction with community-based organizations through a program of field placement; and

(II) experience in policy development through placement in a governmental entity or nonprofit organization.

(ii) FOCUS.—

(I) BILL EMERSON HUNGER FELLOWSHIP.—The Bill Emerson Hunger Fellowship shall address hunger and other humanitarian needs in the United States.

(II) MICKEY LELAND HUNGER FELLOWSHIP.—The Mickey Leland Hunger Fellowship shall address international hunger and other humanitarian needs.

(iii) WORK PLAN.—To carry out clause (i) and to assist in the evaluation of the fellowships under paragraph (4), the Program shall, for each fellow, approve a work plan that identifies the target objectives for the fellowships, including the specific duties and responsibilities relating to the objectives.

(h) PERIOD OF FELLOWSHIP.—

(i) EMMERSON FELLOWSHIP.—A Bill Emerson Hunger Fellowship shall be for a period of not more than 1 year.

(ii) LELAND FELLOWSHIP.—A Mickey Leland Hunger Fellowship shall be awarded through a nationwide competition established by the Program.

(i) QUALIFICATION.—A successful applicant shall—

(A) be an individual who has demonstrated—

(I) an intent to pursue a career in humanitarian service and outstanding potential for such a career;

(II) leadership potential or leadership experience;

(III) diverse life experience;

(IV) proficient writing and speaking skills; and

(V) an ability to live in poor or diverse communities; and

(VI) such other attributes as the Board determines to be appropriate.

(II) AMOUNT OF AWARD.—

(I) IN GENERAL.—Each individual awarded a fellowship under this paragraph shall receive a living allowance and, subject to subsection (II), an end-of-service award as determined by the Program.

(ii) REQUIREMENT FOR SUCCESSFUL COMPLETION OF FELLOWSHIP.—Each individual awarded a fellowship under this paragraph shall be entitled to receive an end-of-service award at an appropriate rate for each month of satisfactory service as determined by the Executive Director.

(iii) RECOGNITION OF FELLOWSHIP AWARD.—

(1) FELLOWSHIP AWARD.—Each individual awarded a fellowship under this paragraph shall be recognized by the Program.
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Emerson Fellow.—An individual awarded a Bill Emerson Hunger Fellowship shall be known as an “Emerson Fellow”.

Leland Fellow.—An individual awarded a Mickey Leland Hunger Fellowship shall be known as a “Leland Fellow”.

Evaluations.—

(A) In general.—The Program shall conduct an annual, multiyear report on the results of the fellowship programs.

B) Required elements.—Each evaluation shall include:

(1) an assessment of the successful completion of the work plan of each fellow;
(2) an assessment of the impact of the fellowship for each fellow;
(3) an assessment of the accomplishments of the purposes of the Program; and
(4) an assessment of the impact of each fellowship community.

Trust Fund.—

(1) Establishment.—There is established in the Treasury of the United States a fund to be known as the “Congressional Hunger Fellows Trust Fund”, consisting of:

(A) amounts appropriated to the Fund under subsection (k);
(B) any amounts earned on investment of amounts in the Fund under paragraph (2); and
(C) amounts received under subsection (1)(A)(ii).

(2) Investment of amounts.—

(A) In general.—The Secretary of the Treasury shall invest such portion of the Fund as is not, in the judgment of the Secretary of the Treasury, required to meet current withdrawals and withdrawals.

(B) Types of investments.—Each investment may be made only in an interest-bearing obligation of the United States or an obligation guaranteed as to principal and interest by the United States, that, as determined by the Secretary of the Treasury in consultation with the Board, has a maturity suitable for the Fund.

(3) Acquisition of obligations.—For the purpose of investments under subparagraph (A), obligations may be acquired—

(A) on original issue at the issue price; or
(B) by purchase of outstanding obligations at the market price.

(4) Sale of obligations.—Any obligation acquired by the Fund may be sold by the Secretary of the Treasury at the market price.

(5) Credits to fund.—The interest on, and the proceeds from the sale or redemption, of any obligations held in the Fund shall be credited to and form a part of the Fund.

(6) Transfers of amounts.—

(A) In general.—The amounts required to be transferred to the Fund under this subchapter shall be transferred at least monthly from the General Fund of the Treasury to the Fund on the basis of estimates made by the Secretary of the Treasury.

(B) Adjustments.—Proper adjustments shall be made to amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(7) Expenditures; audits.—

(A) In general.—The Comptroller General shall audit each fellowship under subsection (i)(3)(A).

(B) Required elements.—Each evaluation shall include:

(i) an assessment of the successful completion of the work plan of each fellow;
(ii) an assessment of the impact of the fellowship for each fellow;
(iii) an assessment of the accomplishments of the purposes of the Program; and
(iv) an assessment of the impact of each fellowship community.

(C) Amounts received under subsection (1)(A)(ii).

(D) Receipts; expenditures; payments.—

(A) In general.—The Secretary shall be authorized to make payments from the Fund as are necessary to carry out this section.

(B) Prohibit.—The Program may not expend funds to develop new or expanded projects at which fellows may be placed.

(C) Reporting.—Not later than December 31 of each fiscal year, the Program shall submit to the appropriate congressional committees a report on the activities of the Program carried out during the preceding fiscal year that includes:

(i) an analysis of the evaluations conducted under subsection (f)(4) during the fiscal year;

(ii) a statement of—

(A) the total amount of funds attributable to gifts received by the Program in the fiscal year; and

(B) the total amount of funds described in subparagraph (A) that were expended to carry out the Program in the fiscal year.

(D) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $18,000,000.

(E) Effective Date.—This section takes effect on October 1, 2002.

SEC. 459. NUTRITION INFORMATION AND AWARENESS PILOT PROGRAM.

(A) Establishment.—The Secretary of Agriculture may establish, in not more than 15 States, a pilot program to increase the domestic consumption of fresh fruits and vegetables.

(B) Purpose.—The purpose of the program shall be to provide funds to States to assist eligible public and private entities with cost-share assistance to carry out demonstration projects—

(1) to increase fruit and vegetable consumption;

(2) to convey health promotion messages;

(c) Priorities.—To the maximum extent practicable, the Secretary shall—

(1) establish the program in States in which the production of fruits or vegetables is a significant industry, as determined by the Secretary; and

(2) base the program on strategic initiatives, including—

(A) health promotion and education interventions;

(B) public service and paid advertising or marketing activities;

(C) health promotion campaigns relating to locally grown fruits and vegetables; and

(D) social marketing campaigns.

(d) Eligibility.—In selecting States to participate in the program, the Secretary shall take into consideration, with respect to projects and activities proposed to be carried out by the State under the program—

(1) experience in carrying out similar projects or activities;

(2) innovation; and

(3) the ability of the State to conduct marketing campaigns for, and track increases in, levels of, produce consumption; and

(e) Distribution of funds.—Funds made available to carry out this section shall not be made available to any foreign for-profit corporation.

(f) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $25,000,000 for each of fiscal years 2002 through 2006.

(g) Effective Date.—

Except as otherwise provided in this title, the amendments made by this title take effect on September 1, 2002, except that a State may, at the option of the State agency, elect not to implement any or all of the amendments until October 1, 2002.
TITLE V—CREDIT
Subtitle A—Farm Ownership Loans

SEC. 501. DIRECT LOANS.
Section 302(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922(b)(1)) is amended by striking “operated” and inserting “participated in the business operation”.

SEC. 502. FINANCING OF BRIDGE LOANS.
Section 303(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922(a)(1)) is amended—
(1) in subparagraph (C), by striking “or” at the end;
(2) in subparagraph (D), by striking the period at the end and inserting “; or”; and
(3) by adding at the end the following:

“(2) refinancing, during a fiscal year, a short-term, temporary bridge loan made by a commercial or cooperative lender to a beginning farmer or rancher for the acquisition of land for a farm or ranch, if—

“(i) the Secretary approved an application for a direct farm ownership loan to the beginning farmer or rancher for acquisition of the land; and

“(ii) funds for direct farm ownership loans under section 346(b) were not available at the time at which the application was approved.”.

SEC. 503. LIMITATIONS ON AMOUNT OF FARM OWNERSHIP LOANS.
Section 306 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1925) is amended by striking subsection (a) and inserting the following:

“(a) IN GENERAL.—The Secretary shall not make or insure a loan under section 302, 303, 304, 310D, or 310E that would cause the unpaid indebtedness under those sections of any borrower to exceed the lesser of—

“(1) the value of the farm or other security; or

“(2)(A) in the case of a loan made by the Secretary—

“(i) to a beginning farmer or rancher, $250,000, as adjusted (beginning with fiscal year 2000) by the inflation percentage applicable to the fiscal year in which the loan is made; or

“(ii) to a borrower other than a beginning farmer or rancher, $200,000; and

“(B) in the case of a loan guaranteed by the Secretary, $700,000, as adjusted (beginning with fiscal year 2000) by the inflation percentage applicable to the fiscal year in which the loan is guaranteed; and

“(ii) reduced by the amount of any unpaid indebtedness of the borrower on loans under subtitle B that are guaranteed by the Secretary.”.

SEC. 504. JOINT FINANCING ARRANGEMENTS.
Section 307(a)(3)(D) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(3)(D)) is amended—
(1) by striking “If” and inserting the following:

“(1) IN GENERAL.—Subject to clause (ii), If”; and

(2) by adding at the end the following:

“(ii) BEGINNING FARMERS AND RANCHERS.—The interest rate charged a beginning farmer or rancher for a loan described in clause (i) shall be 50 basis points less than the rate charged farmers and ranchers that are not beginning farmers or ranchers.”.

SEC. 505. GUARANTEE PERCENTAGE FOR BEGINNING FARMERS AND RANCHERS.
Section 309(b)(6) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(b)(6)) is amended by striking “GUARANTEE” and inserting “GUARANTEED at 95 PERCENT.—The Secretary shall guarantee.”.
(2) except with respect to a loan under section 306, 310B, or 314—
(A) an annual review of the credit history and business operation of the borrower; and
(B) an annual review of the continued eligibility of the borrower for the loan.

SEC. 526. SIMPLIFIED LOAN APPLICATIONS.
Section 333A(g)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983a(g)(1)) is amended by striking “of loans the principal amount of which is $50,000 or less” and inserting “of farmer program loans the principal amount of which is $100,000 or less”.

SEC. 527. INVENTORY PROPERTY.
Section 529 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985(c)) is amended—
(1) in paragraph (1), by striking “(B)” and inserting “(135 days)”;
(2) by adding at the end the following:
“(135 days)”;
(3) by deleting “of farmer program loans” and inserting “of farmer program loans”;
(4) by striking “as determined by the Secretary” and inserting “as determined by the Secretary”;
(5) by striking “for all the purposes of section 343 of the Consolidated Farm and Rural Development Act” and inserting “for all the purposes of section 343 of the Consolidated Farm and Rural Development Act”;
(6) by adding the following:
“(A) in subparagraph (A), by striking “subparagraph (B)” and inserting “135-day period”; and
(B) in subparagraph (C)—
(1) by striking “75 days” and inserting “135 days”;
(2) by striking “75-day period” and inserting “135-day period”; and
(3) by adding at the end the following:
“(C) OFFER TO SELL OR GRANT FOR FARMLAND PRESERVATION.—For the purpose of farmland preservation, the Secretary shall—
(1) in consultation with the State Conservation District technical committee established under subtitle G of title XII of the Food Security Act of 1985 (16 U.S.C. 3861 et seq.), of each State in which inventory parcels are located, identify each parcel of inventory property in the State that should be preserved for agricultural use; and
(2) offer to sell or grant an easement, restriction, development right, or similar legal right to each parcel identified under clause (1) to a State, a political subdivision of a State, or a nonprofit organization separately from the underlying fee or other rights to the property owned by the United States.”

SEC. 528. DEFINITIONS.
(a) QUALIFIED BEGINNING FARMER OR RANCHER.—Section 343(a)(11)(F) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983a(g)(11)(F)) is amended by striking “25 percent” and inserting “30 percent”.
(b) DEBT FORGIVENESS.—Section 343(a)(12) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983a(g)(12)) is amended by striking subparagraph (B) and inserting the following:
“(B) EXCEPTIONS.—The term ‘debt forgiveness’ does not include—
(1) consolidation, rescheduling, reorganization, or deferral of a loan; and
(2) a present borrower as part of a resolution of a discrimination complaint against the Secretary.”

(c) LIVESTOCK.—Section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983a(a)) is amended by adding at the end the following:
“(14) LIVESTOCK.—The term ‘livestock’ includes horses.”

SEC. 529. LOAN AUTHORIZATION LEVELS.
Section 530 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985(c)) is amended—
(1) in subsection (b)—
(A) by striking paragraph (1) and inserting the following:
“(1) IN GENERAL.—The Secretary may make or guarantee inventory loans A and B from the Agricultural Credit Insurance Fund provided for in section 308 for not more than $3,750,000,000 for each of fiscal years 2002 through 2008 of the 2002 through 2006 fiscal year.

(A) $750,000,000 shall be for direct loans, of which—
(1) $200,000,000 shall be for farm ownership loans under subpart A; and
(2) $550,000,000 shall be for operating loans under subpart B and
(B) $3,000,000,000 shall be for guaranteed loans, of which—
(1) $1,000,000,000 shall be for guarantees of farm ownership loans under subpart A and
(2) $2,000,000,000 shall be for guarantees of operating loans under subpart B;

(B) in paragraph (2)(A)(ii), by striking “farmers and ranchers” and all that follows and inserting “farmers and ranchers 35 percent” for each of fiscal years 2002 through 2006; and
(2) in subsection (c), by striking the last sentence.

SEC. 530. INTEREST RATE REDUCTION PROGRAM.
Section 351 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985(c)) is amended—
(1) in subsection (a)—
(A) by striking “PROGRAM.—” and all that follows through “The Secretary” and inserting “PROGRAM.—The Secretary”;
(B) in subparagraph (A), by striking “subparagraph (B)” and inserting “subparagraphs (B) and (C)”;
and
(B) by adding at the end the following:
“(C) AMOUNT OF INTEREST RATE REDUCTION.—
“(1) IN GENERAL.—In return for a contract entered into by a borrower under subsection (b) for the reduction of the interest rate paid on a loan, the Secretary shall make payments to the lender in an amount equal to not more than 100 percent of the annual rate of interest payable on the loan, except that such payments shall not exceed the cost of reducing the rate by more than—
(i) 5 percent of the amount of the current loan to a beginning farmer or rancher;
(ii) 10 percent of the amount of the current loan to a beginning farmer or rancher;
(iii) 15 percent of the amount of the current loan to a beginning farmer or rancher;
(iv) 20 percent of the amount of the current loan to a beginning farmer or rancher; and
(B) in the case of a beginning farmer or rancher, 3 percent; and
“(2) BEGINNING FARMERS AND RANCHERS.—
The percentage reduction of the interest rate for which payments are authorized to be made for a beginning farmer or rancher under paragraph (1) shall not exceed the percentage reduction for farmers and ranchers that are not beginning farmers or ranchers.”

SEC. 531. OPTIONS FOR SATISFACTION OF OBLIGATION TO PAY RECAPTURE AMOUNT.
“(A) IN GENERAL.—As an alternative to repaying the full recapture amount at the end of the term of the shared appreciation agreement (as determined by the Secretary in accordance with this subsection), a borrower may satisfy the obligation to pay the amount of recapture by—
“(i) financing the recapture payment in accordance with subparagraph (B); or
“(ii) granting the Secretary an agricultural use protection and conservation easement on the property subject to the shared appreciation agreement in lieu of payment of the recapture amount.

“(B) FINANCING OF RECAPTURE PAYMENT.—
(1) any write-down provided as part of a cancellation of indebtedness;
(2) the borrower acted in good faith (as determined by the Secretary) in attempting to conserve the property; and
(3) the borrower acted in good faith (as determined by the Secretary) in attempting to conserve the property; and
(4) the amount of recapture payment in accordance with subparagraph (B).

“(C) AGRICULTURAL USE PROTECTION AND CONSERVATION EASEMENT.—
“(i) IN GENERAL.—Subject to clause (iii), the Secretary shall accept an agricultural use protection and conservation easement from a borrower for 100 percent of the real security property subject to the shared appreciation agreement in lieu of payment of the recapture amount.

“(ii) PERM.—The term of an easement accepted by the Secretary under this subparagraph shall be 25 years.

“(iii) CONDITIONS.—The easement shall require that the property is used or conserved for agricultural and conservation uses in accordance with sound farming and conserving practices, as determined by the Secretary.

“(iv) REPLACEMENT OF METHOD OF SATISFYING OBLIGATION.—A borrower that has been granted credits or forgiveness of recapture payment under subparagraph (B) may replace that financing with an agricultural use protection and conservation easement under this subparagraph.”

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply to a shared appreciation agreement entered into under section 333(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985(e)) that—
(1) matures on or after the date of enactment of this Act; or
(2) matured before the date of enactment of this Act, if—
(A) the recapture amount was reamortized under section 333(c)(7) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985(e)(7)) as in effect on the date of enactment of this Act, or
(B) the recapture amount had not been paid before the date of enactment of this Act because of circumstances beyond the control of the borrower; and
(C) the borrower acted in good faith (as determined by the Secretary) in attempting to repay the recapture amount.
SEC. 532. WAIVER OF BORROWER TRAINING CERTIFICATION REQUIREMENT.
Section 359 of the Consolidated Farm and Rural Development Act (7 U.S.C. 206a(a) is amended—
(1) by striking subsection (i) and inserting the following:

"(i) WAIVER.—

(1) IN GENERAL.—The Secretary may waive the requirements of this section for an individual borrower if the Secretary determines that the borrower demonstrates adequate knowledge in areas described in this section.

(2) CRITERIA.—The Secretary shall establish criteria providing for the application of paragraph (1) consistently in all counties nationwide.

SEC. 533. ANNUAL REVIEW OF BORROWERS.
Section 360(d)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 206b(d)(1)) is amended by striking "biannual" and inserting "annual".

Subtitle D—Farm Credit

SEC. 541. REPEAL OF BURDENSOME APPROVAL REQUIREMENTS.
(a) BANKS FOR COOPERATIVES.—Section 3.11(11)(B) of the Farm Credit Act of 1971 (12 U.S.C. 2122(11)(B)) is amended—
(1) in subsection (a), by striking "3.11(11)(B)(iv)" and inserting "3.11(11)(B)(iii)";
(2) by redesignating clause (iv) as clause (iii).
(b) OTHER SYSTEM BANKS; ASSOCIATIONS.—Section 4.1A of the Farm Credit Act of 1971 (12 U.S.C. 2206a) is amended—
(1) in subsection (a)(1), by striking "3.11(11)(B)(iv)" and inserting "3.11(11)(B)(iii)" and
(2) by striking subsection (c).

SEC. 542. BANKS FOR COOPERATIVES.
Section 3.7(b) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–5(b)) is amended—
(1) in paragraphs (1) and (2)(A)(i), by striking "farm supplies" each place it appears and inserting "agricultural supplies"; and
(2) by inserting the following:

"(4) DEFINITION OF AGRICULTURAL SUPPLY.—

In this subsection, the term "agricultural supply" includes—

(A) a farm supply; and
(B)(i) agriculture-related processing equipment;
(ii) agriculture-related machinery; and
(iii) goods related to the storage or handling of agricultural commodities or products.".

SEC. 543. INSURANCE CORPORATION PREMIUMS.
(a) REDUCTION IN PREMIUMS FOR GSE-GUARANTEED LOANS.—
(1) IN GENERAL.—Section 5.55 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–2(b) is amended—
(A) in subsection (a)—
(i) in paragraph (1)—
(I) in subparagraph (A), by striking "government-guaranteed loans provided for in subparagraph (C) and inserting "loans provided for in subparagraphs (C) and (D)";
(II) in subparagraph (B), by striking "and" and
at the end;
(III) in subparagraph (C), by striking the period at the end and inserting ";" and
(IV) by adding at the end the following:

"(D) the annual average principal outstanding for such year on the guaranteed portions of Government Sponsored Enterprise-guaranteed loans made by the bank that are in accrual status, multiplied by a factor, not to exceed 0.0015, determined by the Corporation for the purpose of setting the premium for such guaranteed portions of loans under section 5.55(a)(1)D.");
(B) Section 5.6(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4(a) is amended—
(1) in paragraph (1), by inserting "and Government Sponsored Enterprise-guaranteed loans (as defined in section 5.55(a)(4))" after "government-guaranteed loans";
(ii) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and
(iii) by inserting after paragraph (3) the following:

"(4) the annual average principal outstanding on the guaranteed portions of Government Sponsored Enterprise-guaranteed loans (as defined in section 5.55(a)(4))" after "government-guaranteed loans";
(5) in paragraph (6), by striking ";" and inserting "; and";
(6) in paragraph (7), by striking "the Federal Agricultural Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank System, and the Federal Agricultural Mortgage Corporation, but not including any other institution of the Farm Credit System."; and
(7) by striking subparagraph (C) and inserting "the Secretary shall establish criteria providing for the application of paragraph (1) consistently in all counties nationwide.

Subtitle E—General Provisions

SEC. 551. INAPPLICABILITY OF FINALITY RULE.
Section 231(a)(1) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7001(a)(1)) is amended—
(1) by striking "This subsection" and inserting "(A) IN GENERAL.—Except as provided in paragraph (B), this subsection"; and
(2) by adding at the end the following:

"(B) EFFECTIVE DATE.—The amendments made by subsection (a) take effect on the date on which this Act is published pursuant to section 332 of this title.

SEC. 552. TECHNICAL AMENDMENTS.
(a) Section 231(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a) is amended by striking "Disaster Relief and Emergency Assistance Act" each place it appears and inserting "Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)

(b) Section 336(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1966(b) is amended—
(1) by striking the second sentence by striking "provided for in section 332 of this title".
(2) by striking subsection (c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 206c(c)(1) is amended by striking "established pursuant to section 332.

SEC. 553. EFFECTIVE DATE.
(a) IN GENERAL.—Except as provided in subsection (b) and section 545(b), this title and the amendments made by this title take effect on October 1, 2001.
(b) BOARD OF DIRECTORS OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.—The amendments made by section 544 take effect on the date of enactment of this Act.

TITLE VI—RURAL DEVELOPMENT

Subtitle A—Empowerment of Rural America

SEC. 601. NATIONAL RURAL COOPERATIVE AND BUSINESS EQUITY FUND.
The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding at the end the following:

"(b) by inserting "executive officers of the Corporation or after "among persons who are"; and
(B) by striking "such a representative" and inserting "such an executive officer or representative".
(2) by adding at the end the following:

"(c) TECHNICAL AMENDMENTS.—

(1) in paragraph (1), by striking "; and";
(2) by inserting after paragraph (3) the following:

"(4) OR EXECUTIVE OFFICERS OF THE CORPORATION after "employees"; and
(B) by inserting "or executive officers of the Corporation after "";
(8) by striking paragraph (9) and inserting the following:

"(B) CHAIRPERSON.—

(A) ELECTION.—The permanent board shall annually elect a chairperson from among the members of the permanent board. Farm Credit System institutions of the chairperson shall coincide with the term served by elected members of the permanent board under paragraph (6)(B).

Subtitle E—General Provisions

SEC. 551. INAPPLICABILITY OF FINALITY RULE.
Section 231(a)(1) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7001(a)(1)) is amended—
(1) by striking "This subsection" and inserting "A IN GENERAL.—Except as provided in paragraph (B), this subsection"; and
(2) by adding at the end the following:

"(B) EFFECTIVE DATE.—The amendments made by subsection (a) take effect on the date on which this Act is published pursuant to section 332 of this title.

SEC. 552. TECHNICAL AMENDMENTS.
(a) Section 231(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a) is amended by striking "Disaster Relief and Emergency Assistance Act" each place it appears and inserting "Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)

(b) Section 336(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1966(b) is amended—
(1) by striking the second sentence by striking "provided for in section 332 of this title".
(2) by striking subsection (c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 206c(c)(1) is amended by striking "established pursuant to section 332.

SEC. 553. EFFECTIVE DATE.
(a) IN GENERAL.—Except as provided in subsection (b) and section 545(b), this title and the amendments made by this title take effect on October 1, 2001.
(b) BOARD OF DIRECTORS OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.—The amendments made by section 544 take effect on the date of enactment of this Act.
"Subtitle G—National Rural Cooperative and Business Equity Fund

SEC. 383A. SHORT TITLE. — This subtitle may be cited as the 'National Rural Cooperative and Business Equity Fund Act.'

SEC. 383B. PURPOSE. — The purpose of this subtitle is to revitalize rural communities and enhance farm income through a sustainable rural business development by providing Federal funds and credit enhancements to a private equity fund in order to encourage investments by institutional and noninstitutional investors for the benefit of rural America.

SEC. 383C. DEFINITIONS. —

(1) AUTHORIZED PRIVATE INVESTOR.—The term 'authorized private investor' means an individual, legal entity, or affiliate or subsidiary of an individual or legal entity that—

(A) is eligible to receive a loan guarantee under this title;

(B) is eligible to receive a loan guarantee under the Rural Electrification Act of 1966 (7 U.S.C. 901 et seq.);

(C) is created under the National Consumer Cooperative Bank Act (12 U.S.C. 301 et seq.);

(D) is an insured depository institution subject to section 383E(b)(2);

(E) is a Farm Credit System institution described in section 383A of the Farm Credit Act of 1971 (12 U.S.C. 2002(a)); or

(F) is determined by the Board to be an appropriate investor in the Fund.

(2) BOARD.—The term 'Board' means the board of directors of the Fund established under section 383G.

(3) FUND.—The term 'Fund' means the National Rural Cooperative and Business Equity Fund established under section 383D.

(4) GROUP OF SIMILAR AUTHORIZED PRIVATE INVESTORS.—The term 'group of similar investors' means any of the following:

(A) Insured depository institutions with total assets of more than $250,000,000.

(B) Insured depository institutions with total assets equal to or less than $250,000,000.

(C) Farm Credit System institutions described in section 1.2(a) of the Farm Credit Act of 1971 (12 U.S.C. 2002(a)).

(D) Insured depository institutions (other than Farm Credit System institutions).

(E) Private investors, other than those described in subparagraphs (A) through (D), authorized by the Secretary.

(F) Other nonprofit organizations, including credit unions.

(G) INSURED DEPOSITORY INSTITUTION.—The term 'insured depository institution' means any bank or savings association the deposits of which are insured under the Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.).

(H) RURAL BUSINESS.—The term 'rural business' means a rural cooperative, a value-added agricultural enterprise, or any other business located or locating in a rural area.

SEC. 383D. ESTABLISHMENT.—

(a) AUTHORITY.—

(1) IN GENERAL.—On certification by the Secretary that, to the maximum extent practicable, the parties proposing to establish a fund provide a broad representation of all of the groups of similar authorized private investors described in subparagraphs (A) through (F) of section 383C(a), the parties may establish a non-Federal entity under State law to purchase shares of, and manage a Fund to be known as the 'National Rural Cooperative and Business Equity Fund,' to generate and provide equity capital to rural businesses.

(2) OWNERSHIP.—

(A) IN GENERAL.—To the maximum extent practicable, equity ownership of the Fund shall be distributed among authorized private investors representing all of the groups of similar authorized private investors described in subparagraphs (A) through (F) of section 383C(a), the parties may establish a non-Federal entity under State law to purchase shares of, and manage a Fund to be known as the 'National Rural Cooperative and Business Equity Fund,' to generate and provide equity capital to rural businesses.

(3) EXCLUSION OF GROUPS.—No group of authorized private investors shall be excluded from equity ownership of the Fund described in paragraph (1) if the Fund in existence if an authorized private investor representative of the group is able and willing to invest in the Fund.

(b) PURPOSES.—The purposes of the Fund shall be—

(1) to strengthen the economy of rural areas;

(2) to further sustainable rural business development;

(3) to encourage—

(A) start-up rural businesses;

(B) increased opportunities for small and minority-owned rural businesses; and

(C) the formation of new rural businesses;

(4) to enhance rural employment opportunities;

(5) to provide equity capital to rural businesses, many of which have difficulty obtaining equity capital; and

(6) to leverage non-Federal funds for rural businesses.

(c) ARTICLES OF INCORPORATION AND BY-LAWS.—The articles of incorporation and by-laws of the Fund shall set forth purposes of the Fund that are consistent with the purposes described in subsection (b).

SEC. 383E. INVESTMENT IN THE FUND.—

(a) IN GENERAL.—Of the funds made available under section 383H, the Secretary shall—

(1) subject to subsection (b)(1), make an investment in the Fund $150,000,000;

(2) subject to subsection (c), guarantee 50 percent of each investment made by an authorized private investor in the Fund; and

(3) subject to subsection (d), guarantee the repayment of principal of, and accrued interest on, debentures issued by the Fund to authorized private investors.

(b) PRIVATE INVESTMENT.—

(1) MATCHING REQUIREMENT.—Under subsection (a), the Secretary shall make an amount equal to the greater of—

(i) in compliance with all applicable law.

(ii) a financially sound manner; and

(iii) in a financially sound manner; and

(iv) in compliance with all applicable law.

(c) GUARANTEE OF PRIVATE INVESTMENT.—

(1) IN GENERAL.—The Secretary shall—

(i) make an investment in the Fund not exceeding the greater of—

(A) an amount equal to 7 percent of the capital and surplus of the institution.

(B) the issuance of debt securities issued by the Fund.

(c) RECAPTURE OF GUARANTEE PAYMENTS.—If the Secretary makes a payment on a debt security issued by the Fund as a result of a guarantee of the private investor under this subsection, the Secretary shall have priority over any other creditors for repayment of the debt security.

SEC. 383F. INVESTMENTS AND OTHER ACTIVITIES OF THE FUND.—

(a) INVESTMENTS.—

(A) IN GENERAL.—

(i) INVESTMENTS.—

(ii) WAIVER.—The Secretary may waive the limitation in clause (i) in any case in which an investment exceeding the limits in clause (i) is necessary to preserve prior investments in the rural business.

(b) LIMITATIONS ON INVESTMENTS.—

(i) IN GENERAL.—

(II) the authorized private investor shall be prohibited from making any future investment in the Fund.

(c) DEBT SECURITIES.—

(d) G UARANTEE OF PRIVATE INVESTMENT.—

(i) IN GENERAL.—The Secretary shall guarantee 100 percent of the principal of, and accrued interest on, debentures issued by the Fund that are approved by the Secretary.

(e) MAXIMUM DEBT GUARANTEED BY SECRETARY.—

(i) IN GENERAL.—

(II) the authorized private investor shall be prohibited from making any future investment in the Fund.

(f) DEBT SECURITIES.—

(ii) WAIVER.—The Secretary may waive the limitation in clause (i) in any case in which an investment exceeding the limits in clause (i) is necessary to preserve prior investments in the rural business.

(ii) WAIVER.—The Secretary may waive the limitation in clause (i) in any case in which an investment exceeding the limits in clause (i) is necessary to preserve prior investments in the rural business.

(iii) the shares in the Fund of the authorized private investor shall be redeemed; and

(ii) annually thereafter.

(B) EFFECT OF REDEMPTION.—On redemption of a guarantee under paragraph (A)—

(i) the amount to equal twice the value of the assets held by the Fund; or

(ii) $500,000,000.

(C) RECAPTURE OF GUARANTEE PAYMENTS.—If the Secretary makes a payment on a debt security issued by the Fund as a result of a guarantee of the private investor under this paragraph, the Secretary shall have priority over any other creditors for repayment of the debt security.

SEC. 383G. TOTAL INVESTMENTS BY A SINGLE RURAL BUSINESS.—Subject to clause (i), investment by the Fund in a single rural business shall not exceed the greater of—

(i) an amount equal to 7 percent of the capital of the Fund; or

(ii) $2,000,000.

(ii) WAIVER.—The Secretary may waive the limitation in clause (i) in any case in which an investment exceeding the limits in clause (i) is necessary to preserve prior investments in the rural business.

(i) the form of mezzanine debt or subordinated debt; or

(ii) any other form of quasi-equlity.

(B) LIMITATIONS ON INVESTMENTS.—

(i) IN GENERAL.—

(II) such other requirements as the Board may establish; and

(III) extend credit to the rural business in—

(i) the form of mezzanine debt or subordinated debt; or

(ii) any other form of quasi-equlity.

(i) IN GENERAL.—

(II) such other requirements as the Board may establish; and

(III) extend credit to the rural business in—

(i) the form of mezzanine debt or subordinated debt; or

(ii) any other form of quasi-equlity.

(II) the Fund that are approved by the Secretary.

(iii) in compliance with all applicable law.

(i) an amount equal to 7 percent of the capital of the Fund; or

(ii) $2,000,000.

(i) in a financially sound manner; and

(ii) the authorized private investor shall be prohibited from making any future investment in the Fund.

(i) IN GENERAL.—

(II) the authorized private investor shall be prohibited from making any future investment in the Fund.

(i) IN GENERAL.—

(ii) such other requirements as the Board may establish; and

(iii) extend credit to the rural business in—

(i) the form of mezzanine debt or subordinated debt; or

(ii) any other form of quasi-equlity.

(B) LIMITATIONS ON INVESTMENTS.—

(i) IN GENERAL.—

(II) such other requirements as the Board may establish; and

(III) extend credit to the rural business in—

(i) the form of mezzanine debt or subordinated debt; or

(ii) any other form of quasi-equlity.

(i) an amount equal to 7 percent of the capital of the Fund; or

(ii) $2,000,000.
‘‘(iii) Total nonequity investments.—Except in the case of a project to assist a rural cooperative, the total amount of nonequity investments described in subparagraph (A)(ii) preferred by the Fund shall not exceed 20 percent of the total investments of the Fund in the project.

(C) LIMITATION.—Notwithstanding subparagraph (A)(ii), the Secretary shall enter into a contract with the Administrator of the Small Business Administration under which the Administrator of the Small Business Administration shall be responsible for the routine duties of the Secretary in regard to the Fund.

SEC. 383G. GOVERNANCE OF THE FUND.

(a) IN GENERAL.—The Fund shall be governed by a board of directors that represents all of the authorized private investors in the Fund and the Federal Government and that consists of—

1. a designee of the Secretary;
2. members who are appointed by the Secretary and are not Federal employees, including—
   A. a member with expertise in venture capital investment; and
   B. a member with expertise in cooperative development;
3. 8 members who are elected by the authorized private investors with investments in the Fund
   A. 1 member elected equal to or less than $250,000,000; and
   B. a member by investors in the Fund.

(b) LIMITATION.—No individual investor or group of authorized investors may control more than 25 percent of the votes on the Board.

(c) TECHNICAL ASSISTANCE.—The Fund, including a community banker from an insured depository institution that has (i) direct experience in rural business development; (ii) any other established entity engaging in or assisting in rural business development, including a rural cooperative; or (iii) any other entity established under the provisions of this subtitle, may be authorized to provide, or assist in providing, such technical assistance

SEC. 383H. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this subtitle.

SEC. 602. RURAL BUSINESS INVESTMENT PROGRAM.

The Consolidated Farm and Rural Development Act (as amended by section 601) is amended by adding at the end the following:

‘‘Subtitle H—Rural Business Investment Program’’

SEC. 383A. DEFINITIONS.

‘‘In this subtitle:

1. ARTICLES.—The term ‘articles’ means articles of incorporation for an incorporated body corporate or any similar documents specified by the Secretary for other business entities.

2. DEVELOPMENTAL VENTURE CAPITAL.—The term ‘developmental venture capital’ means capital in the form of equity capital investments in Rural Business Investment Companies with an objective of fostering economic development in rural areas.

3. EMPLOYER WELFARE BENEFIT PLAN; PENSION PLAN.—
   A. In general.—The term ‘employer welfare benefit plan’ and ‘pension plan’ have the meanings given in section 301 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001).

   B. INCLUSIONS.—The term ‘employee welfare benefit plan’ and ‘pension plan’ includes—
   i. public and private pension or retirement plans subject to this subtitle; and
   ii. similar plans not covered by this subtitle that have been established and that are maintained by the Federal Government or any State (including by a political subdivision, agency, or instrumentality of the Federal Government or a State), except for—
   i. 50 percent of funds from the National Rural Cooperative and Business Equity Fund;
   ii. funds obtained from the business revenue of any governmental agency that is a rural development agency, or is an instrumentality of the Federal Government or a State, except for—
   iii. any qualified nonprivate funds that are not included under section 383A(12).

   C. ANNUAL AUDIT.—
   A. In general.—The board shall authorize an annual audit of the financial statements of the Fund by a nationally recognized public accounting firm that are generally accepted accounting principles.

   B. AVAILABILITY OF AUDIT RESULTS.—The results of the audit required by paragraph (1) shall be made available to investors in the Fund.

   C. ANNUAL REPORT.—The board shall prepare and make available to the public an annual report that—

   A. describes the projects funded with amounts from the Fund; and
   B. specifies the recipients of amounts from the Fund.

   D. SPECIFIES COINVESTORS.—The board shall prepare and make available to the public an annual report that—

   A. describes the projects funded with amounts from the Fund; and
   B. specifies the recipients of amounts from the Fund.

   E. EQUITY CAPITAL.—The term ‘equity capital’ means common or preferred stock or a similar instrument, including subordinate debt with equity features.

   F. LEVERAGE.—The term ‘leverage’ includes—

   A. debentures purchased or guaranteed by the Secretary;
   B. participating securities purchased or guaranteed by the Secretary; and
   C. preferred securities outstanding as of the date of enactment of this subtitle.

   G. LICENSE.—The term ‘license’ means a license issued by the Secretary as provided in section 383H(d).

   H. LIMITED LIABILITY COMPANY.—The term ‘limited liability company’ means a business entity that is organized and operating in accordance with a State limited liability company law approved by the Secretary.

   I. MEMBER.—The term ‘member’ means, with respect to a Rural Business Investment Company that is a limited liability company, a holder of an ownership interest or a person otherwise admitted to membership in such limited liability company.

   J. OPERATIONAL ASSISTANCE.—The term ‘operational assistance’ means management, marketing, and other technical assistance that assists a rural business concern with business development.

   K. PARTICIPATION AGREEMENT.—The term ‘participation agreement’ means an agreement entered into by the Secretary, the Rural Business Investment Company, and the Rural Development Agency.

   L. PRIVATE CAPITAL.—The term ‘private capital’ means total of—

   A. any, of the State under the law of which the Fund is established.
agency, other than the Department of Agri-
culture, under a provision of law explicitly
mandating the inclusion of those funds in
the definition of the term ‘private capital’; and

“(B) funds invested in any applicant or
Rural Business Investment Company by 1 or
more entities of any State (including by a poli-
tical subdivision, agency, or instrumentality
of the State and including any guar-
antee extended by those entities) in an ag-
gregate amount that does not exceed 33 per-
cent of the total of the applicant; or

“(A) the area in which the Rural Business
Investment Company was a corporation; or

“(B) to make grants to Rural Business In-
vestment Companies, and to other entities,
for the purpose of providing financial as-
sistance to smaller enterprises financed, or
expected to be financed, by Rural Business
Investment Companies.

SEC. 384C. ESTABLISHMENT.

In accordance with this subtitle, the Sec-
cretary shall establish a Rural Business In-
vestment Program, under which the Sec-
cretary may—

“(1) enter into participation agree-
ments with Rural Business Investment
Companies; and

“(2) to establish a developmental venture
capital program, with the mission of address-
ing the unmet equity investment needs of
small enterprises located in rural areas, by
authorizing the Secretary to:

“(A) to make grants to Rural Business In-
vestment Companies, and to other entities,
for the purpose of providing financial as-
sistance to smaller enterprises financed, or
expected to be financed, by Rural Business
Investment Companies.

SEC. 384D. SELECTION OF RURAL BUSINESS
INVESTMENT COMPANIES.

“(a) ELIGIBILITY.—A company shall be eli-
gible to apply to participate, as a Rural
Business Investment Company, in the pro-
gram established under this subtitle if—

“(1) the company is a newly formed for-
profit entity or a newly formed for-profit
subsidiary of such an entity;

“(2) the company has management team
with experience in community development
financing or relevant venture capital financ-
ing; and

“(3) the company will invest in enterprises
that will create wealth and job opportunities
in rural areas, with an emphasis on smaller
businesses.

“(b) APPLICATION.—To participate, as a
Rural Business Investment Company, in the
program established under this subtitle, a
company meeting the eligibility require-
ments of subsection (a) shall submit an ap-
plication to the Secretary that includes—

“(1) a description of how the company
intends to make successful develop-
mental venture capital investments in
identified rural areas;

“(2) information regarding the community
development finance or relevant venture
capital qualifications and general reputation
of the management of the company;

“(3) a description of how the company
intends to work with community organiza-
tions and other entities to assess the need for
and availability of financing for rural
business concerns in the geographic
area in which the applicant is to
commence business;

“(4) the general business reputation of
the owners and management of the applicant;
and

“(5) the probability of successful oper-
ations of the applicant, including ade-
quate personnel and financial management.

“(c) APPROVAL OR DISAPPROVAL.—Within
a reasonable time after receiving a completed
application submitted in accordance with
this subsection and in accordance with such
requirements as the Secretary may prescribe
by regulation, the Secretary shall—

“(1) approve the application and issue a
license for the operation to the applicant, if
the requirements of this section are satis-
fi ed;

“(2) disapprove the application and notify
the applicant in writing of the disapproval.

“(d) FUNDING.—Not later than 90 days after
the initial receipt by the Secretary of an appli-
cation under this subsection, the Sec-
cretary shall provide the applicant with a
written report describing the status of the
application and any requirements remaining
for completion of the application.

“(e) ISSUANCE OF LICENSE.—The Sec-
cretary shall issue a license for the oper-
atation by those entities) to conduct its oper-
ations, and establish branch offices of
the company, if authorized by the articles,
are approved by the Secretary; and

“(f) DEBENTURES.—The Secretary may
issue debentures to make commitments for the
operation of the company; and

“(g) TERMS AND CONDITIONS.—The Sec-
cretary may make grants under this sec-
tion on such terms and conditions as the Sec-
cretary determines, when necessary, on the
basis of the company’s financial condition,
and the nature and length of the term of the
debenture, an estimate of the ratio of cash to in-
coming contributions; and

“(h) information regarding the manage-
ment and financial strength of any parent
firm, affiliated firm, or any other firm essen-
tial to the success of the business plan of the
company; and

“(i) such other information as the Sec-
cretary may require.

“(j) ISSUANCE OF LICENSE.—Each ap-
plicant for a license to operate as a Rural
Business Investment Company under this
subsection shall submit to the Secretary an ap-
plication, in a form and including such docu-
mentation as may be prescribed by the Sec-
cretary.

“(k) PROCEDURES.—Not later than 90 days after
the initial receipt by the Secretary of an appli-
cation under this subsection, the Sec-
cretary shall provide the applicant with a
written report describing the status of the
application and any requirements remaining
for completion of the application.

“(l) APPROVAL OR DISAPPROVAL.—Within
a reasonable time after receiving a completed
application submitted in accordance with
this subsection and in accordance with such
requirements as the Secretary may prescribe
by regulation, the Secretary shall—

“(1) approve the application and issue a
license for the operation to the applicant, if
the requirements of this section are satis-
fi ed;

“(2) disapprove the application and notify
the applicant in writing of the disapproval.

“(m) MATTERS CONSIDERED.—In reviewing
and processing any application under this
subsection, the Secretary—

“(1) shall determine whether—

“(A) the applicant meets the require-
ments of subsection (d); and

“(B) the management of the applicant is
qualifi ed and has the knowledge, exper-
cise necessary to comply with this
subsection;

“(C) the applicant has an established
track record of successful operations;

“(D) the applicant is an entity which has
adequate personnel and financial manage-
ment;

“(E) the applicant is capable of manage-
ment of the company, including infor-
mation regard-
ing whether the company intends to use li-
enced professionals, when necessary, on the
staff of the company or from an outside enti-
y;

“(F) with respect to binding commitments
to the application under this sub-
title, an estimate of the ratio of cash to in-
coming contributions;

“(G) a description of the criteria to be used
to evaluate whether the company meets the
requirements of the program established under this subtitle; and

“(H) the general business reputation of the
owners and management of the applicant;
and

“(I) the probability of successful oper-
ations of the applicant, including ade-
quate personnel and financial management.

“(J) shall not take into consideration any
projected shortage or unavailability of grant
funds or leverage.

“(K) may approve an applicant to operate as a
Rural Business Investment Company under
this subsection and designate the appli-
cant as a Rural Business Investment Com-
pany, if—

“(1) the Secretary determines that the
application satisfies the requirements of sub-
section (b);

“(2) the area in which the Rural Business
Investment Company is to conduct its oper-
ations, and establishment of branch offices
of the company, if authorized by the articles,
are approved by the Secretary; and

“(3) the applicant enters into a participa-
tion agreement with the Secretary.

SEC. 384E. DEBENTURES.

The Secretary may guarantee the timely pay-
mun capital needs of the communities served;

“(d) a proposal describing how the
company intends to use the grant funds provided
under this subtitle to provide operational as-
sistance to smaller enterprises financed by
the company, including information regard-
ing whether the company intends to use li-
cenced professionals, when necessary, on the
staff of the company or from an outside enti-
y;

“(e) with respect to binding commitments
to the application under this sub-
title, an estimate of the ratio of cash to in-
coming contributions;

“(f) a description of the criteria to be used
to evaluate whether the company meets the
requirements of the program established under this subtitle; and

“(g) information regarding the manage-
ment and financial strength of any parent
firm, affiliated firm, or any other firm essen-
tial to the success of the business plan of the
company; and

“(h) such other information as the Sec-
cretary may require.

“(i) ISSUANCE OF LICENSE.—Each ap-
plicant for a license to operate as a Rural
Business Investment Company under this
subsection shall submit to the Secretary an ap-
plication, in a form and including such docu-
mentation as may be prescribed by the Sec-
cretary.

“(j) PROCEDURES.—Not later than 90 days after
the initial receipt by the Secretary of an appli-
cation under this subsection, the Sec-
cretary shall provide the applicant with a
written report describing the status of the
application and any requirements remaining
for completion of the application.

“(k) APPROVAL OR DISAPPROVAL.—Within
a reasonable time after receiving a completed
application submitted in accordance with
this subsection and in accordance with such
requirements as the Secretary may prescribe
by regulation, the Secretary shall—

“(1) approve the application and issue a
license for the operation to the applicant, if
the requirements of this section are satis-
fi ed;

“(2) disapprove the application and notify
the applicant in writing of the disapproval.

“(m) MATTERS CONSIDERED.—In reviewing
and processing any application under this
subsection, the Secretary—

“(1) shall determine whether—

“(A) the applicant meets the require-
ments of subsection (d); and

“(B) the management of the applicant is
qualifi ed and has the knowledge, exper-
cise necessary to comply with this
subsection;

“(C) the applicant has an established
track record of successful operations;

“(D) the applicant is an entity which has
adequate personnel and financial manage-
ment;

“(E) the applicant is capable of manage-
ment of the company, including infor-
mation regard-
ing whether the company intends to use li-
enced professionals, when necessary, on the
staff of the company or from an outside enti-
y;

“(f) a description of the criteria to be used
to evaluate whether the company meets the
requirements of the program established under this subtitle; and

“(g) information regarding the manage-
ment and financial strength of any parent
firm, affiliated firm, or any other firm essen-
tial to the success of the business plan of the
company; and

“(h) such other information as the Sec-
cretary may require.
shall provide a fidelity bond or insurance in such amount as the Secretary considers to be necessary to fully protect the interests of the United States.

(4) REGISTRATION OF BROKERS AND DEALERS.—The Secretary may regulate brokers and dealers in trust certificates issued under this section.

(5) ECONOMIC REGISTRATION.—Nothing in this subsection prohibits the use of a book-entry or other electronic form of registration for trust certificates issued under this section.

"SEC. 384G. FEES."

(a) IN GENERAL.—The Secretary may charge such fees as the Secretary considers appropriate with respect to any guarantee or grant issued under this subsection.

(b) TRUST CERTIFICATE.—Notwithstanding subsection (a), the Secretary shall not collect a fee for any guarantee of a trust certificate under section 384F, except that any agent of the Secretary may collect a fee approved by the Secretary for the functions described in section 384F(e)(2).

(c) LICENSE.—

(1) IN GENERAL.—The Secretary may prescribe fees to be paid by each applicant for a license to operate as a Rural Business Investment Company under this subtitle.

(2) USE OF AMOUNTS.—Fees collected under this subsection—

(A) shall be deposited in the account for salaries and expenses of the Secretary; and

(B) are authorized to be appropriated solely to cover the costs of licensing examinations.

"SEC. 384H. OPERATIONAL ASSISTANCE GRANTS."

(a) IN GENERAL.—

(1) AUTHORITY.—In accordance with this section, the Secretary may make grants to Rural Business Investment Companies and to other entities, as authorized by this subtitle, to provide operational assistance to smaller enterprises financed or expected to be financed, by the entities.

(2) TERMS.—Grants made under this subsection shall be made over a multiyear period (not to exceed 10 years) under such other terms as the Secretary may require.

(b) USE OF FUNDS.—The proceeds of a grant made under this paragraph may be used by the Rural Business Investment Company receiving the grant only to—

(A) provide operational assistance in connection with an equity investment (made with capital under this subtitle) in a business located in a rural area; or

(B) pay operational expenses of the Rural Business Investment Company.

(f) GRANT AMOUNT.—

(A) shall be deposited in the account for salaries and expenses of the Secretary, in such form and manner as the Secretary may require, a plan for use of the grant.

(g) SUBMISSION OF PLANS.—

(A) RURAL BUSINESS INVESTMENT COMPANIES.—The amount of a grant made under this section to a Rural Business Investment Company shall be equal to the lesser of—

(i) 50 percent of the amount of resources (in cash or in kind) raised by the Rural Business Investment Company; or

(ii) $1,000,000.

(B) OTHER ENTITIES.—The amount of a grant made under this subsection to any entity other than a Rural Business Investment Company shall be equal to the resources (in cash or in kind) raised by the entity in accordance with the requirements applicable to Rural Business Investment Companies under this subtitle.

(2) SUPPLEMENTAL GRANTS.—
"(3) Adequacy.—In addition to the requirements of paragraph (1), the Secretary shall—

(A) determine whether the private capital of each Rural Business Investment Company is adequate to operate on a reasonable basis and that the Rural Business Investment Company will be operated soundly and profitably, and managed actively and prudently in accordance with the rules of the Rural Business Investment Company;

(B) determine that the Rural Business Investment Company will be able to comply with the requirements of this subsection; and

(C) require that at least 75 percent of the capital of each Rural Business Investment Company is invested in rural business concerns.

(d) Diversification of ownership.—The Secretary shall ensure that the management of each Rural Business Investment Company is comprised of individuals other than the Secretary or any affiliate and that the private capital of such company is diversified among a reasonable number of persons.

2. The Secretary shall have jurisdiction over the affairs of a Rural Business Investment Company to engage in any act or practice that constitutes or will constitute, in whole or in part, a violation of this subtitle (including any rule, regulation, order, or participation agreement under this subtitle), by reason of any act or practice involving fraud, by reason of any act or practice involving dishonesty or deceit, or by reason of any act or practice involving any other criminal offense involving dishonesty or breach of trust; or

(c) Unlawful acts.—Except with the written consent of the Secretary, it shall be unlawful—

(1) for any person to take office as an officer, director, employee, agent, or other participant in the management or conduct of the affairs of a Rural Business Investment Company to engage in any act or practice, or to omit any act or practice, in breach of the fiduciary duty of the officer, director, employee, agent, or participant if, as a result of the act or practice, the Rural Business Investment Company suffers or is in imminent danger of suffering financial loss or other damage.

(2) TRUSTEE OR RECEIVER.—The court shall have jurisdiction in any proceeding described in paragraph (1) to appoint a trustee or receiver over the assets of the Rural Business Investment Company, if the person—

(a) has been convicted of a felony, or any other criminal offense involving dishonesty or breach of trust; or

(b) has been found civilly liable in damages, or has been permanently or temporarily enjoined by an order, judgment, or decree of a court of competent jurisdiction, by reason of any act or practice involving fraud, of breach of trust; and

(2) for any person to continue to serve in any of the capacities described in paragraph (1), if—

(A) the person is convicted of a felony, or any other criminal offense involving dishonesty or breach of trust; or

(B) the person is found civilly liable in damages, or is permanently or temporarily enjoined by an order, judgment, or decree of a court of competent jurisdiction, by reason

SEC. 384L. EXAMINATIONS.

(a) In General.—Each Rural Business Investment Company that participates in the program established under this subtitle shall be subject to examinations made at the discretion of the Secretary in accordance with this section.

(b) Assistance of Private Sector Entities.—Examinations made under this subsection may be conducted with the assistance of a private sector entity that has the qualifications and the expertise necessary to conduct such an examination.

(c) Costs.—

(1) In General.—The Secretary may assess the cost of an examination under this subtitle, including any rule, regulation, order, or participation agreement under this subtitle, by reason of any act or practice involving fraud, by reason of any act or practice involving dishonesty or deceit, or by reason of any act or practice involving any other criminal offense involving dishonesty or breach of trust; or

(2) in each case in which the Rural Business Investment Company against which the Secretary examines, against the Rural Business Investment Company examined.

(2) Payment.—Any Rural Business Investment Company against which the Secretary assesses costs under this paragraph shall pay the costs.

(d) Deposit of Funds.—Funds collected under this section shall—

(1) be deposited in the account that incurred the costs for carrying out this section;

(2) be made available to the Secretary to carry out this section, without further appropriation; and

(3) remain available until expended.

SEC. 384M. ENFORCEMENTS AND OTHER ORDERS.

(a) In General.—

(1) Application by Secretary.—Whenever, in the judgment of the Secretary, a Rural Business Investment Company or any other person has engaged or is about to engage in any act or practice that constitutes or will constitute, in whole or in part, a violation of this subtitle (including any rule, regulation, order, or participation agreement under this subtitle), the Secretary may—

(A) determine whether the private capital of such company or institution described in subsection (a) is greater than 5 percent of the capital and surplus of the bank, association, or institution.

(B) Limitation.—No bank, association, or institution described in subsection (a) may make investments described in subsection (a) that are greater than 5 percent of the capital and surplus of the bank, association, or institution.

(c) Limitation on Rural Business Investment Companies Controlled by Farm Credit System Institutions.—If a Farm Credit System institution described in section 121(a)(1) of the Farm Credit Act of 1971 (12 U.S.C. 2012(a)) holds more than 30 percent of the voting shares of a Rural Business Investment Company or any other person has engaged or is about to engage in any act or practice that constitutes or will constitute, in whole or in part, a violation of this subtitle (including any rule, regulation, order, or participation agreement under this subtitle), the Secretary may apply to the appropriate district court of the United States for an injunction to restrain the act or practice, or for an order enforcing compliance with the provision, rule, regulation, order, or participation agreement.

(b) Jurisdiction.—The court shall have jurisdiction over the action and, on a showing by the Secretary that the Rural Business Investment Company or other person has engaged in any act or practice described in paragraph (1), a permanent or temporary injunction, restraining order, or other order, shall be granted.

(b) Jurisdiction.—The court shall have jurisdiction in any proceeding described in paragraph (1) to appoint a trustee or receiver over the assets of the Rural Business Investment Company, if the person—

(1) Application by Secretary.—When an application by the Secretary of the Treasury of the United States is filed with the court for an order for an examination of the Rural Business Investment Company proposed in the program established under this subtitle, the court shall have jurisdiction in any proceeding described in paragraph (1) to appoint a trustee or receiver over the assets of the Rural Business Investment Company, if the person—

(1) AUTHORITY.—The Secretary may act as trustee or receiver of a Rural Business Investment Company.

(2) Appointment.—On the request of the Secretary, the court shall appoint the Secretary as trustee or receiver of a Rural Business Investment Company unless the court considers the appointment inequitable or otherwise inappropriate by reason of any special circumstances existing with respect to the Rural Business Investment Company.

(3) Secretary as Trustee or Receiver.—The court shall have jurisdiction in any proceeding described in paragraph (1) to appoint a trustee or receiver of a Rural Business Investment Company.

(d) Deposit of Funds.—Funds collected under this section shall—

(1) be deposited in the account that incurred the costs for carrying out this section;

(2) be made available to the Secretary to carry out this section, without further appropriation; and

(3) remain available until expended.

SEC. 384N. ADDITIONAL PENALTIES FOR NON-COMPLIANCE.

(a) In General.—With respect to any Rural Business Investment Company that violates or fails to comply with this subtitle (including any rule, regulation, order, or participation agreement under this subtitle), the Secretary may, in accordance with this section—

(1) void the participation agreement between the Secretary and the Rural Business Investment Company; and

(2) cause the Rural Business Investment Company to forfeit all of the rights and privileges derived by the Rural Business Investment Company under this subtitle.

(b) ADJUDICATION OF NON-COMPLIANCE.—

(1) In General.—Before the Secretary may cause a Rural Business Investment Company to forfeit rights or privileges under subsection (a), a court of the United States of competent jurisdiction must find that the Rural Business Investment Company committed a violation, or failed to comply, in a cause of action brought for that purpose in the district, territory, or other place subject to the jurisdiction of the United States, in which the principal office of the Rural Business Investment Company is located.

(2) PARTIES AUTHORIZED TO FILE CAUSES OF ACTION.—Each cause of action brought by the United States under this subsection shall be brought by the Secretary or by the Attorney General.
of any act or practice involving fraud or breach of trust.

SEC. 384P. REMOVAL OR SUSPENSION OF DIRECTORS OR OFFICERS.

"(a) In general.—Not later than 30 days after the date of enactment of this Act, and at any time thereafter, if the Secretary shall find, upon evidence satisfactory to the Secretary, that a director or an officer of a Rural Business Investment Company, the Secretary may remove, with or without cause, the director or officer of any Rural Business Investment Company.

SEC. 384Q. CONTRACTING OF FUNCTIONS.

"(a) Establishment.—The Secretary may establish programs, including contracts with the Administrator of the Small Business Administration to carry out, on behalf of the Secretary, the day-to-day management and operation of the program authorized by this subtitle.

SEC. 384R. REGULATIONS.

"(a) In general.—The Secretary, in establishing programs under this section, may establish regulations, in such detail as he deems necessary, to carry out this section.

SEC. 384S. FUNDING.

"(a) In general.—The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) (as amended by section 602) is amended by adding at the end the following:

"Subtitle I—Rural Endowment Program

SEC. 385A. PURPOSE.

The purpose of this subtitle is to provide rural communities with technical and financial assistance to implement comprehensive community development strategies to reduce the economic and social distress resulting from poverty, high unemployment, out-migration, plant closings, agricultural downturn, declines in the natural resource-based economy, or environmental degradation.

SEC. 385B. DEFINITIONS.

"(a) Program entity.—The term 'Program entity' means—

(1) the Secretary, for the purpose of measuring performance-based benchmarks; or

(2) one of the asset base of an eligible rural area to support community development.

"(b) Applications.—The purposes of the Program are—

(A) to enhance the ability of an eligible rural area to be a single program entity that has the capacity to implement a comprehensive community development strategy; and

(B) to leverage private and public resources for the benefit of community development efforts in eligible rural areas;

"(c) Criteria for Applications.—To be eligible for an endowment grant for a regional approach, the program entity that submits the application shall demonstrate that—

(i) a comprehensive community development strategy for the eligible rural area is required to achieve the purposes established by a regional approach; and

(ii) the combined population of the eligible rural areas served by the comprehensive community development strategy is 50,000 inhabitants or less.

"(d) Program Entity.—The Secretary shall approve a program entity to receive an endowment grant under the Program, the eligible entity shall submit an application at such time, in such form, and containing such information as the Secretary may require.

"(e) Regional Applications.—

(A) Program entity.—The Secretary shall encourage regional applications from program entities serving more than 1 eligible rural area.

(B) Program entity.—To be eligible for an endowment grant for a regional approach, the program entity that submits the application shall demonstrate that—

(i) a comprehensive community development strategy for the eligible rural areas is required to achieve the purposes established by a regional approach; and

(ii) the combined population of the eligible rural areas served by the comprehensive community development strategy is 50,000 inhabitants or less.

"(f) Program entity.—The Secretary shall approve a program entity to receive a grant under the Program, the eligible entity shall submit a regional application for the purpose of subsection (f)(2), 2 or more program entities that submit a regional application shall be considered to be a single program entity.

"(g) Preference.—The Secretary shall give preference to a joint application submitted by a private, nonprofit community development corporation and a unit of local government through a regional approach.

"(h) Entity Approval.—The Secretary shall approve a program entity to receive an endowment grant under the Program, if the program entity meets criteria established by the Secretary, including the following:

(i) Program entity shall serve a rural area that serves from economic or social distress resulting from poverty, high unemployment, out-migration, plant closings, agricultural downturn, declines in the natural resource-based economy, or environmental degradation.

(ii) Capacity to Implement Strategy.—The program entity shall demonstrate the
capacity to implement a comprehensive community development strategy.

(3) Goals.—The goals described in the application submitted under subsection (b) shall include:

(A) reducing economic or social distress resulting from poverty, high unemployment, outmigration, plant closings, agricultural downturn, declines in the natural resource-based economy, or environmental degradation;

(B) addressing a broad range of the development needs of an eligible rural area, including economic, social, and environmental needs, for a period of not less than 10 years;

(C) is developed with input from a broad array of entities, including Federal and State agencies, civic, and community organizations;

(D) specifies measurable performance-based outcomes for all activities; and

(E) includes a financial plan for achieving the outcomes and activities of the comprehensive community development strategy that identifies sources for, or a plan to meet, the non-Federal share requirement with respect to the first disbursement made under this subsection.

(4) Participation Process.—The program entity shall demonstrate the ability to convene and maintain a multi-stakeholder, community development process.

(d) Planning Grants to Conditionally Approved Program Entities.—

(1) IN GENERAL.—The Secretary may award supplemental grants to approved program entities to assist the approved program entities in the development of a comprehensive community development strategy under subsection (a).

(2) ELIGIBILITY FOR SUPPLEMENTAL GRANTS.—In determining whether to award a supplemental grant to an approved program entity, the Secretary shall consider the economic need of the approved program entity.

(3) LIMITATIONS ON AMOUNT OF GRANTS.—Under this subsection, an approved program entity may receive a supplemental grant in an amount of not more than $100,000.

(e) Endowment Grant Award.—

(1) IN GENERAL.—To be eligible for an endowment grant, the approved program entity shall:

(A) the approved program entity shall develop, and obtain the approval of the Secretary for, a comprehensive community development strategy that—

(i) is designed to reduce economic or social distress resulting from poverty, high unemployment, outmigration, plant closings, agricultural downturn, declines in the natural resource-based economy, or environmental degradation;

(ii) addresses a broad range of the development needs of an eligible rural area, including economic, social, and environmental needs, for a period of not less than 10 years;

(iii) is developed with input from a broad array of entities, including Federal and State agencies, civic, and community organizations;

(iv) specifies measurable performance-based outcomes for all activities; and

(v) includes a financial plan for achieving the outcomes and activities of the comprehensive community development strategy that identifies sources for, or a plan to meet, the non-Federal share requirement with respect to the first disbursement made under this subsection.

(B) CONDITIONS.—As part of the final approval, the approved program entity shall agree to:

(i) achieve, to the maximum extent practicable, performance-based benchmarks; and

(ii) comply with the terms of the comprehensive community development strategy for a period of not less than 10 years.

(f) Endowment Grants.—

(1) IN GENERAL.—Under the Program, the Secretary may make endowment grants to approved program entities with final approval to implement an approved comprehensive community development strategy.

(2) AMOUNT OF GRANTS.—An endowment grant to an approved program entity shall be in an amount of not more than $6,000,000, as determined by the Secretary based on:

(A) the size of the population of the eligible rural area for which the endowment grant is to be made; or

(B) the size of the eligible rural area for which the endowment grant is to be used;

(C) the extent of the comprehensive community development strategy to be implemented using the endowment grant award; and

(D) the extent to which the community suffers from economic or social distress resulting from—

(i) poverty;

(ii) high unemployment;

(iii) outmigration;

(iv) plant closings;

(v) agricultural downturn;

(vi) declines in the natural resource-based economy; or

(vii) environmental degradation.

(3) ENDOWMENT FUNDS.—

(A) ESTABLISHMENT.—On notification from the Secretary that the program entity has been approved under subsection (c), the approved program entity shall establish an endowment fund.

(B) FUNDING OF ENDOWMENT.—Federal funds provided in the form of an endowment grant under the Program shall—

(i) be deposited in the endowment fund;

(ii) be the property of the approved program entity;

(iii) be used in a manner consistent with this subtitle; and

(iv) be subject to oversight by the Secretary for a period of not more than 10 years.

(C) INTEREST.—Interest earned on Federal funds in the endowment fund shall be—

(i) retained by the Secretary; and

(ii) treated as Federal funds are treated under subparagraph (B).

(D) LIMITATION.—The Secretary shall promulgate regulations on matching funds and returns on program-related investments only to the extent that such funds or proceeds are used in a manner consistent with this subtitle.

(4) CONDITIONS.—

(A) DISBURSEMENT.—

(i) IN GENERAL.—Each endowment grant award shall be payable in a period not to exceed 5 years beginning during the fiscal year containing the date of final approval of the approved program entity under subsection (a).

(ii) MANNER OF DISBURSEMENT.—Subject to subparagraph (B), the Secretary may disburse a grant award in 1 lump sum or in incremental disbursements made each fiscal year.

(iii) INCENTIVAL DISBURSEMENTS.—If the Secretary elects to make incremental disbursements, for each fiscal year after the initial disbursement, the Secretary shall make a disbursement under clause (i) only if the approved program entity—

(D) has met the performance-based benchmarks of the approved program entity for the preceding fiscal year; and

(ii) has provided the non-Federal share required for the preceding fiscal year under subparagraph (B).

(iv) ADVANCE DISBURSEMENTS.—The Secretary may make disbursements under this paragraph notwithstanding any provision of law limiting grant disbursements to amounts necessary to cover expected expenses on a term basis.

(B) NON-FEDERAL SHARE.—

(i) IN GENERAL.—Except as provided in clause (ii), for each disbursement under subparagraph (A), the Secretary shall require the approved program entity to provide a non-Federal share in an amount equal to 50 percent of the amount of funds received by the approved program entity under the disbursement.

(ii) LOWER NON-FEDERAL SHARE.—In the case of an approved program entity that has made endowment grants to other entities (as determined by the Secretary), the Secretary may—

(I) reduce the non-Federal share to not less than 20 percent; and

(II) allow the non-Federal share to be provided in the form of in-kind contributions.

(II) BINDING COMMITMENTS; PLAN.—For the purpose of meeting the non-Federal share requirement with respect to the first disbursement of an endowment grant award to an approved program entity under the Program, an approved program entity shall—

(i) have, at a minimum, binding commitments to provide the non-Federal share required with respect to the first disbursement of the endowment grant award; and

(III) if the Secretary is making incremental disbursements of a grant, develop a viable plan for providing the remaining amount of the required non-Federal share.

(C) LIMITATIONS.—

(i) IN GENERAL.—Subject to clause (ii), of each disbursement, an approved program entity shall use—

(I) not more than 10 percent for administrative costs of carrying out program-related investments; and

(II) not more than 20 percent for the purpose of maintaining a loss reserve account; and

(iii) the remainder for program-related investments contained in the comprehensive community development strategy.

(II) LOSS RESERVE ACCOUNT.—If all disbursed funds available under a grant are expended in accordance with clause (i) and the grant recipient has no expected losses to carryover into the following fiscal year, the grant recipient may use funds in the loss reserve account described in clause (i) for program-related investments described in clause (i)(III) for which no reserve for losses is required.

(D) FEDERAL AGENCY ASSISTANCE.—Under the Program, the Secretary shall provide and coordinate technical assistance for grant recipients by designated field staff of Federal agencies.

(E) PRIVATE TECHNICAL ASSISTANCE.—Under the Program, the Secretary may make grants to qualified intermediaries to provide technical assistance and capacity building to approved program entities under the Program.

(2) DUTIES.—A qualified intermediary that receives a grant under this subsection shall—

(A) provide assistance to approved program entities in developing, coordinating, and overseeing investment strategy;

(B) provide technical assistance in all aspects of planning, developing, and managing the Program; and

(C) facilitate Federal and private sector involvement in rural community development.

(3) ELIGIBILITY.—To be considered a qualified intermediary under this subsection, an intermediary shall—

(A) be a private, nonprofit community development organization;

(B) have expertise in Federal or private rural community development policy or programs;

(C) have experience in providing technical assistance, planning, and capacity building assistance to rural communities and nonprofit entities in eligible rural areas;

(D) MAINTAIN LOSS RESERVE ACCOUNT.—A qualified intermediary may receive a grant under this subsection of not more than $100,000.

(E) MAINTAIN INCOME STATEMENTS.—For purposes of Federal income tax law, the approved program entity shall—

(A) keep accurate and complete records and make available such information relating to the Program as the Secretary of the Treasury requires; and

(B) make such reports, returns, and statements as are required by the Secretary of the Treasury relating to the Program.
SEC. 385D. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this subtitle for each of fiscal years 2002 through 2006.

SEC. 605. ENHANCEMENT OF ACCESS TO BROADBAND SERVICE IN RURAL AREAS.

The Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) is amended by adding at the end the following:

TITLE VI—RURAL BROADBAND ACCESS

SEC. 601. ACCESS TO BROADBAND TELECOMMUNICATIONS SERVICES IN RURAL AREAS.

(a) PURPOSE.—The purpose of this section is to provide funds for the construction, improvement, and acquisition of facilities and equipment for broadband service in eligible rural communities.

(b) DEFINITIONS.—In this section:

(1) BROADBAND SERVICE.—The term ‘broadband service’ means any technology identified by the Secretary as having the capacity to transmit data to enable a subscriber to the service to originate and receive high-quality voice, data, graphics, or video.

(2) ELIGIBLE RURAL COMMUNITY.—The term ‘eligible rural community’ means any incorporated or unincorporated place that has not received, on or after October 1, 2005, a grant or loan under this Act.

(3) ELECTRIC COOP.—The term ‘electric cooperative’ means any electric cooperative that is a member of the National Rural Electric Cooperative Association.

(4) GRANTS.—The term ‘grant’ means any grant made under this Act.

(5) LOANS.—The term ‘loan’ means any loan made under this Act.

(c) GRANTS.—The Secretary shall make grants to eligible entities described in subsection (e) to provide funds for the construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in eligible rural communities.

(d) LOANS AND LOAN GUARANTEES.—The Secretary shall make or guarantee loans to eligible entities described in subsection (e) to provide funds for the construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in eligible rural communities.

(e) ELIGIBLE ENTITIES.—To be eligible to obtain a grant under this section, an entity must:

(1) be eligible to obtain a loan or loan guarantee to furnish, improve, or extend a rural telecommunications service under this Act; and

(2) submit to the Secretary a proposal for a project that meets the requirements of this section.

(f) BROADBAND SERVICE.—The Secretary shall, from time to time as advances in technology warrant, review and recommend modifications of rate-of-return discrimination and of the identification of broadband service technologies under subsection (b)(1).

(g) TECHNOLOGICAL NEUTRALITY.—For purposes of determining whether or not to make a grant, loan, or loan guarantee for a project under this section, the Secretary shall not take into consideration the type of technology proposed to be used under the project.

(h) TERMS AND CONDITIONS FOR LOANS AND LOAN GUARANTEES.—A loan or loan guarantee under subsection (d) shall:

(1) be made available in accordance with the requirements of the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.);

(2) bear an annual rate of, as determined by the Secretary—

(A) 4 percent per annum; or

(B) the current applicable market rate; and

(3) have a term not to exceed the useful life of the assets constructed, improved, or acquired with the proceeds of the loan or extension of credit.

(i) USE OF LOAN PROCEEDS TO REFINANCE LOANS FOR DEPARTMENT OF BROADCAST SERVICE.—Notwithstanding any other provision of this Act, the proceeds of any loan made by the Secretary under this Act may be used by the recipient of the loan for the purpose of refinancing an outstanding obligation of the recipient on another telecommunications loan made under this Act if the use of the proceeds for that purpose will further the purpose of construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in eligible rural communities.

(j) FUNDING.—

(1) IN GENERAL.—Not later than 30 days after the date of enactment of this title, on October 1, 2002, and on each October 1 thereafter after October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Commerce $100,000,000, to remain available until expended.

(2) RECEIPT AND ACCEPTANCE.—The Secretary shall accept the transfer of funds transferred under paragraph (1), without further appropriation.

(k) TERRITORIES OF THE UNITED STATES.—

(1) IN GENERAL.—No grant, loan, or loan guarantee may be made under this section before September 30, 2006.

(2) EFFECT OF AGRICULTURAL NEED.—The Secretary of Agriculture shall make grants to eligible entities described in subsection (a) to provide funds for the construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in eligible rural communities.

(3) USE OF FUNDS.—The Secretary shall use the proceeds for that purpose to further the purpose of construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in eligible rural communities.

(l) FARMERS MARKET DEVELOPMENT.

SEC. 231 of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note; Public Law 106-224) is amended—

(1) by redesignating subsections (b) through (d) as subsections (c) through (e), respectively;

(2) by striking subsection (a) and inserting the following:

(a) DEFINITION OF VALUE-ADDED AGRICULTURAL PRODUCT.—The term ‘value-added agricultural product’ means any agricultural commodity that—

(A) is a commodity or product that has been expanded; or

(B) the customer base for the agricultural product does not have to meet the requirements of paragraph (2) of section 231 of the Agricultural Risk Protection Act of 2000; or

(2) by striking subsection (a) and inserting the following:

(a) IN GENERAL.—No grant, loan, or loan guarantee may be made under this section before September 30, 2006.

(2) EFFECT OF AGRICULTURAL NEED.—The Secretary of Agriculture shall make grants to eligible entities described in subsection (a) to provide funds for the construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in eligible rural communities.

(3) USE OF FUNDS.—The Secretary shall use the proceeds for that purpose to further the purpose of construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in eligible rural communities.

(m) FUNDING.—

(1) IN GENERAL.—Not later than 30 days after the date of enactment of this title, on October 1, 2002, and on each October 1 thereafter after October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Commerce $100,000,000, to remain available until expended.

(2) RECEIPT AND ACCEPTANCE.—The Secretary shall accept the transfer of funds transferred under paragraph (1), without further appropriation.

(n) TERRITORIES OF THE UNITED STATES.—

(1) IN GENERAL.—No grant, loan, or loan guarantee may be made under this section before September 30, 2006.

(2) EFFECT OF AGRICULTURAL NEED.—The Secretary of Agriculture shall make grants to eligible entities described in subsection (a) to provide funds for the construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in eligible rural communities.

(3) USE OF FUNDS.—The Secretary shall use the proceeds for that purpose to further the purpose of construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in eligible rural communities.

(o) FARMERS MARKET DEVELOPMENT.

SEC. 231 of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note; Public Law 106-224) is amended—

(1) by redesignating subsections (b) through (d) as subsections (c) through (e), respectively;

(2) by striking subsection (a) and inserting the following:

(a) DEFINITION OF VALUE-ADDED AGRICULTURAL PRODUCT.—The term ‘value-added agricultural product’ means any agricultural commodity that—

(A) has undergone a change in physical state; or

(B) was produced in a manner that enhances the value of the agricultural commodity or product, as determined by the Secretary; and

(2) as a result of the change in physical state or the manner in which the agricultural commodity or product was produced—

(A) the customer base for the agricultural commodity or product has been expanded; and

(B) a greater portion of the revenue derived from the sale or processing of the agricultural commodity or product is available to the producer of the commodity or product.

(b) GRANT PROGRAM.—

(1) PURPOSES.—The purposes of this subsection are—

(A) to increase the share of the food and agricultural system profit received by agricultural producers; (B) to increase the number and quality of rural small and mid-sized farms and ranches by stabilizing the number of land, water, and energy resources, wildlife habitat, and other landscape values and amenities in rural areas.

(2) AMOUNT OF GRANT.—

(A) IN GENERAL.—The total amount provided under this subsection to a grant recipient may not exceed $500,000.

(B) PRIORITY.—The Secretary shall give priority to grant proposals for less than $200,000 submitted under this subsection.

(3) GRANTEE STRATEGIES.—A grantee under paragraph (2) shall use the grant—

(A) to develop a business plan or perform a feasibility study to establish a viable marketing opportunity for a value-added agricultural product; or

(B) to provide capital to establish alliances or business ventures that allow the producer of the value-added agricultural product to better compete in domestic or international markets.

(4) GRANTS FOR MARKETING OR PROCESSING CERTIFIED ORGANIC AGRICULTURAL PRODUCTS.—

(A) IN GENERAL.—Out of any amount that is made available to the Secretary for a fiscal year under paragraph (2), the Secretary shall not use less than 5 percent of the amount for grants to assistance of certified organic agricultural products in post-farm marketing or processing of the products through a business or cooperative ventures that—

(i) expand the customer base of the certified organic agricultural products; and

(ii) increase the portion of product revenue available to the producers.

(B) CERTIFIED ORGANIC AGRICULTURAL PRODUCTS.—For the purposes of this paragraph, the term ‘certified organic agricultural product’ means a product that is certified under the certification program established under paragraph (2) of section 2106 of the Organic Agriculture Act of 2008 (7 U.S.C. 1621m; Public Law 110-234).

(c) INSUFFICIENT APPLICATIONS.—If, for any fiscal year, the Secretary receives an insufficient quantity of applications for grants described in paragraph (A) to use the funds reserved under subparagraph (A), the Secretary may use the excess reserved funds to make grants for any other purpose authorized under this subsection.

(d) INSUFFICIENT APPLICATIONS.—There is authorized to be appropriated to carry out this subsection $75,000,000 for each of fiscal years 2002 through 2006.
Subtitle B—National Rural Development Partnership

SEC. 611. SHORT TITLE.
This subtitle may be cited as the "National Rural Development Partnership Act of 2001."

SEC. 612. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.
Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et. seq.) is amended by adding at the end the following:

"(a) DEFINITIONS.—In this section:

"(1) AGENCY WITH RURAL RESPONSIBILITIES.—The term 'agency with rural responsibilities' means an executive agency (as defined in section 105 of title 5, United States Code) that—

"(A) implements Federal law targeted at rural areas, including—

"(i) the act of April 24, 1950 (commonly known as the 'Granger-Thye Act') (64 Stat. 82, chapter 9);

"(ii) the Intergovernmental Cooperation Act of 1968 (82 Stat. 1098);

"(iii) section 4172 of title 49, United States Code;

"(iv) the Rural Development Act of 1972 (86 Stat. 657);

"(v) the Rural Development Policy Act of 1980 (84 Stat. 2546);

"(vi) the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.);

"(vii) amendments made to section 334 of the Public Health Service Act (42 U.S.C. 254d) by the Rural Health Clinics Act of 1963 (97 Stat. 1345); and

"(viii) the Rural Housing Amendments of 1963 (76 Stat. 1280) and the amendments made by the Rural Housing Amendments of 1983 to title V of the Housing Act of 1949 (42 U.S.C. 1417 et seq.); or

"(B) administers a program that has a significant impact on rural areas, including—

"(i) the Appalachian Regional Commission;

"(ii) the Department of Agriculture;

"(iii) the Department of Commerce;

"(iv) the Department of Defense;

"(v) the Department of Education;

"(vi) the Department of Energy;

"(vii) the Department of Health and Human Services;

"(viii) the Department of Housing and Urban Development;

"(ix) the Department of the Interior;

"(x) the Department of Justice;

"(xi) the Department of Labor;

"(xii) the Department of Transportation;

"(xiii) the Department of the Treasury;

"(xiv) the Department of Veterans Affairs;

"(xv) the Environmental Protection Agency;

"(xvi) the Federal Emergency Management Administration;

"(xvii) the Small Business Administration;

"(xviii) the Social Security Administration;

"(xix) the Federal Reserve System;

"(xx) the United States Postal Service;

"(xxi) the Corporation for National Service;

"(xxii) the National Endowment for the Arts and the National Endowment for the Humanities; and

"(xxiii) other agencies, commissions, and corporations.

"(2) COORDINATING COMMITTEE.—The term 'Coordination Committee' means the National Rural Development Coordinating Committee established by subsection (c).

"(3) PARTNERSHIP.—The term 'Partnership' means the National Rural Development Partnership established by subsection (b).

"(4) STATE RURAL DEVELOPMENT COUNCIL.—The term 'State rural development council' means a State rural development council that meets the requirements of subsection (d).

"(b) PARTNERSHIP.—""(1) IN GENERAL.—The Secretary shall continue the National Rural Development Partnership composed of—

"(A) the Coordinating Committee; and

"(B) State rural development councils.

"(2) PURPOSES.—The purposes of the Partnership are—

"(A) to empower and build the capacity of States and rural communities within States to design unique responses to their own special rural development needs, with local determinations of progress and selection of projects and activities;

"(B) to encourage participants to be flexible and innovative in establishing new partnerships and trying fresh, new approaches to rural development issues, with responses to rural development that use different approaches to fit different situations; and

"(C) to encourage all partners in the Partnership (Federal, State, local, and tribal governments, the private sector, and nonprofit organizations) to be fully engaged and share equally in decisions.

"(3) GOVERNING PANEL.—""(A) IN GENERAL.—A panel consisting of representatives of the Coordinating Committee and State rural development councils shall be established to lead and coordinate the strategic operation, policies, and practices of the Partnership.

"(B) ANNUAL REPORT.—In conjunction with the Coordinating Committee and State rural development councils, the panel shall prepare and submit to Congress an annual report on the activities of the Partnership.

"(4) ROLE OF FEDERAL GOVERNMENT.—The role of the Federal Government in the Partnership shall be that of a partner and facilitator, with Federal agencies authorized—

"(A) to cooperate with States to implement the Partnership;

"(B) to provide States with the technical and administrative support necessary to plan and implement tailored rural development strategies to meet local needs;

"(C) to ensure that the head of each agency referred to in subsection (a)(1)(B) designates a senior-level agency official to represent their agency on the Coordinating Committee and directs appropriate field staff to participate fully with the State rural development council within the jurisdiction of the field staff;

"(D) to enter into cooperative agreements with, and to provide grants and other assistance to, State rural development councils.

"(E) ROLE OF PRIVATE AND NONPROFIT SECTOR ORGANIZATIONS.—Private and nonprofit sector organizations are encouraged—

"(A) to act as full partners in the Partnership; and

"(B) to cooperate with participating government organizations in developing innovative approaches to the solution of rural development problems.

"(c) NATIONAL RURAL DEVELOPMENT COORDINATING COMMITTEE.—""(1) ESTABLISHMENT.—The Secretary shall establish a National Rural Development Coordinating Committee.

"(2) CONFORMATION.—The Coordinating Committee shall be composed of—

"(A) 1 representative of each agency with rural responsibilities that elects to participate in the Coordinating Committee; and

"(B) representatives, approved by the Secretary, of—

"(i) national associations of State, regional, local, and tribal government organizations; and

"(ii) intergovernmental and multijurisdictional agencies and organizations;
“(ii) national public interest groups;
“(iii) other nonprofit public entities that elect to participate in the activities of the Coordinating Committee; and
“(iv) the Urban Institute.

(3) DUTIES.—The Coordinating Committee shall—
“(A) provide support for the work of the State rural development councils; and
“(B) facilitate coordination among Federal programs and activities, and with State, local, tribal, and private programs and activities, affecting rural development;
“(C) enhance the effectiveness, responsiveness, and delivery of Federal programs in rural areas;
“(D) further and provide to Federal authorities information and input for the development and implementation of Federal programs impacting rural economic and community development;
“(E) notwithstanding any other provision of law, review and comment on policies, regulations, and proposed legislation that affect or would affect rural areas;
“(F) provide technical assistance to State rural development councils for the implementation of Federal programs;
“(G) notwithstanding any other provision of law, develop and facilitate strategies to reduce or eliminate administrative and regulatory impediments; and
“(H) make grants to a State receiving funds under this section to submit an annual report on the use of the funds by the State, including a description of strategic plans, goals, performance measures, and outcomes for the State rural development council of the State.

(4) ELECTION NOT TO PARTICIPATE.—An agency with rural responsibilities that elects not to participate in the Partnership and the Coordinating Committee shall submit to Congress a report that describes—
“(A) the programs or activities that the agency will retain;
“(B) the impacts on rural areas that will be avoided as a result of the agency’s decision not to participate in the Partnership and the Coordinating Committee; and
“(C) a more effective means of partnership-building and collaboration to achieve the programmatic responsibilities of the agency.

(5) STATE RURAL DEVELOPMENT COUNCILS.—
“(1) ESTABLISHMENT.—Notwithstanding chapter 63 of title 31, United States Code, each State, local, and tribal government or community that elects to participate in the Partnership by entering into an agreement with the Secretary to establish a State rural development council, shall—
“(A) have a nonpartisan membership that is broad and representative of the economic, social, and political diversity of the State; and
“(B) carry out programs and activities in a manner that reflects the diversity of the State.

(2) DUTIES.—A State rural development council shall—
“(A) facilitate collaboration among Federal, State, local, and tribal governments and the private and nonprofit sectors in the planning and implementation of programs and policies that target or have an impact on rural areas of the State;
“(B) enhance the effectiveness, responsiveness, and delivery of Federal and State programs in rural areas of the State;
“(C) provide to the Coordinating Committee and other appropriate organizations information on the condition of rural areas in the State;
“(D) report on policies and programs that address, or fail to address, the needs of the rural areas of the State;
“(E) provide comments to the Coordinating Committee and other appropriate organizations on policies, regulations, and proposed legislation that affect or would affect the rural areas of the State;
“(F) notwithstanding any other provision of law, in conjunction with the Coordinating Committee, facilitate the development of strategies to reduce or eliminate conflicting or duplicative administrative or regulatory requirements of Federal, State, local, and tribal governments;
“(G) use and/or cooperate with funds provided by the Partnership under an agreement entered into under paragraph (1) to—
“(i) retain an Executive Director and such support staff as are necessary to facilitate and implement the directives of the State rural development council.
“(ii) pay expenses associated with carrying out subparagraphs (A) through (F); and
“(iii) provide to the Coordinating Committee an annual plan with goals and performance measures; and
“(H) submit to the Coordinating Committee an annual report on the progress of the State rural development council in meeting the goals and measures.

(6) ACTIONS OF STATE RURAL DEVELOPMENT COUNCIL MEMBERS.—When carrying out a program or activity authorized by a State rural development council or this subtitle, a member of the council shall be regarded as a full-time employee of the Federal Government for purposes of chapter 71 of title 28, United States Code, and the Federal Advisory Committee Act (5 U.S.C. App.).

(7) FEDERAL PARTICIPATION IN STATE RURAL DEVELOPMENT COUNCILS.—
“(A) IN GENERAL.—The State Director for Rural Development for a State, other employee of the Department of Agriculture, and other Federal agencies that elect to participate in the Partnership shall fully participate in the governance and operations of State rural development councils on an equal basis with other members of the State rural development councils.
“(B) CONFLICTS.—A Federal employee who participates in a State rural development council shall not participate in the making of any council decision that the agency represented by the Federal employee has any financial or other interest in the outcome of the decision.

(8) FEDERAL GUIDANCE.—The Office of Government Ethics, in consultation with the Attorney General, shall issue guidance to all Federal employees that participate in State rural development councils that describes specific decisions that—
“(A) would constitute a conflict of interest for the Federal employee; and
“(B) from which the Federal employee must recuse himself or herself.

(9) ADMINISTRATIVE SUPPORT OF THE PARTNERSHIP.—
“(1) DETAIL OF EMPLOYEES.—
“(A) IN GENERAL.—In order to provide experienced administrative collaboration, and the head of an agency with rural responsibilities that elects to participate in the Partnership may, and is encouraged to, detail an employee of the agency with rural responsibilities to the Partnership without reimbursement for a period of up to 12 months.
“(B) AMOUNT OF FINANCIAL ASSISTANCE.—In providing financial assistance to State rural development councils, the Secretary and heads of other Federal agencies shall provide assistance that, to the maximum extent practicable, is—
“(i) uniform in amount; and
“(ii) targeted to newly created State rural development councils.
“(C) FEDERAL SHARE.—The Secretary shall develop a plan to decrease, over time, the federal share of the operations of State rural development councils.

(10) FEDERAL AGENCIES.—
“(A) IN GENERAL.—Notwithstanding any other provision of law, a Federal agency shall make funds available to an agency to provide funds to the Partnership with other agencies, in order to carry out the purposes described in subsection (b), for the Partnership shall be eligible to receive grants, gifts, contributions, or technical assistance from, or enter into contracts with, any Federal agency.

(11) FEDERAL FINANCIAL SUPPORT FOR CERTAIN FEDERAL FUNDS.—
“(A) IN GENERAL.—There are authorized to be appropriated such sums as are necessary—
“(B) from which the Federal employee has any financial or other interest in the outcome of the decision.

(12) EXEMPTION FROM MATCHING REQUIREMENTS.—
“(A) IN GENERAL.—Except as provided in paragraph (2), a State rural development council shall provide matching funds, in kind, goods or services, with Federal financial assistance under contracts or cooperative agreements, gifts, contributions, or technical assistance received by a State rural development council from a Federal agency that are used to provide for—
“(A) support 1 or more specific program or project activities; or
“(B) reimburse the State rural development council for services provided to the Federal agency providing the funds, grants, funds provided under contracts or cooperative agreements, gifts, contributions, or technical assistance.

(13) TERMINATION.—The authority provided under this section shall terminate on the
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date that is 5 years after the date of enactment of this section.”.

Subtitle C— Consolidated Farm and Rural Development Act

SEC. 621. WATER AND WASTE DISPOSAL GRANTS. Section 306(a)(22) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(a)(22)) is amended—

(1) by striking “(2) The” and inserting the following:

“(2) Water, waste disposal, and wastewater facility grants.—”

(2) by striking “in general.—” and inserting “in general.—”

(3) by striking “$590,000,000” and inserting “$3,500,000,000”;

4) by striking “The amount” and inserting the following:

“(ii) Amount.—The amount”;

(4) by striking “paragraph” and inserting “subparagraph”;

(5) by striking “The Secretary shall” and inserting the following:

“(iii) Grant rate.—The Secretary shall”;

and

(6) by adding at the end the following:

“(B) Revolving funds for financing water and wastewater projects.—

“(i) In general.—The Secretary may make grants to qualified private, nonprofit entities to capitalize revolving funds for the purpose of providing loans to eligible borrowers for—

“(I) long-term costs incurred for replacement equipment, small-scale extension services, or other small capital projects that are not part of the regular operations and maintenance activities of existing water and wastewater systems;

“(II) short-term costs incurred for replacement equipment, small-scale extension services, or other small capital projects that are not part of the regular operations and maintenance activities of existing water and wastewater systems;

“(III) Eligible borrowers.—To be eligible to obtain a loan from a revolving fund under clause (i), a borrower shall be able to obtain a loan, guarantee, or grant under paragraph (1) or this paragraph.

“(IV) Term.—The term of a loan made to an eligible borrower under this subparagraph shall not exceed—

“(I) $100,000 for costs described in clause (1)(I) and

“(II) $100,000 for costs described in clause (1)(II);

“(V) Authorization of appropriations.—There is authorized to be appropriated to carry out this subparagraph $30,000,000 for each of fiscal years 2002 through 2006.”.


SEC. 623. RURAL WATER AND WASTEWATER CIRCUIT RIDER PROGRAM. Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(a)) is amended by added at the end the following:

“(22) Rural water and wastewater circuit rider program.—

“(A) In general.—The Secretary shall establish a competitively awarded rural and wastewater circuit rider program that is based on the rural water circuit rider program of the National Rural Water Association that (as of the date of this paragraph) receives funding from the Secretary, acting through the Rural Utilities Service.

“(B) Relationship to existing program.—The program established under subparagraph (A) shall not affect the authority of the Secretary to carry out the circuit rider program for which funds are made available under the heading “Rural Community Advancement Program” of title III of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002.

“(C) Authorization of appropriations.—There is authorized to be appropriated to carry out this paragraph $1,500,000 for each of fiscal years 2003 through 2006.”.

SEC. 624. MULTIJURISDICTIONAL REGIONAL PLANNING ORGANIZATIONS. Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) (as amended by section 623) is amended by added at the end the following:

“(23) Multijurisdictional regional planning organizations.—

“(A) Grants.—The Secretary shall provide grants to multijurisdictional regional planning and development organizations to pay the Federal share of the cost of providing assistance to local governments to improve the infrastructure, services, and business development capabilities of local rural areas.

“(B) Priority.—In determining which organizations receive a grant under this paragraph, the Secretary shall provide a priority to an organization that—

“(i) serves a rural area that, during the most recent 5-year period,

“(I) has a net out-migration of inhabitants, or other population loss, from the rural area that equals or exceeds 5 percent of the population of the rural area; or

“(II) has a median household income that is less than the nonmetropolitan median household income of the applicable State; and

“(III) has a history of providing substantive assistance to local governments and economic development organizations.

“(C) Federal share.—A grant provided under this paragraph shall be for not more than 75 percent of the cost of providing assistance described in subparagraph (A).

“(D) Maximum grants.—The amount of a grant provided to an organization under this paragraph shall not exceed $100,000.

“(E) Authorization of appropriations.—There is authorized to be appropriated to carry out this paragraph $30,000,000 for each of fiscal years 2003 through 2006.”.

SEC. 625. LOAN GUARANTEES FOR CERTAIN RURAL DEVELOPMENT LOANS. (a) Loan Guarantees for Water, Wastewater, and Essential Community Facilities Loans.—Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(a)) is amended by adding at the end the following:

“(25) Loan guarantees for certain rural development loans.—

“(A) In general.—The Secretary may guarantee under this title a loan made to finance a community facility or water or waste facility project, including a loan financed by the net proceeds described in section 144(a)(12)(B)(ii) of the Internal Revenue Code of 1986.

“(B) Requirements.—To be eligible for a loan guarantee under this paragraph, an individual or entity offering to purchase the loan must demonstrate to the Secretary that the person has—

“(i) the capabilities and resources necessary to service the loan in a manner that ensures the continued performance of the loan, as determined by the Secretary; and

“(ii) the ability to pay the guaranteed portion of the loan or the additional credit necessary to properly service the loan.

“(C) Authorization of appropriations.—There is authorized to be appropriated to carry out this paragraph $15,000,000 for each of fiscal years 2002 through 2006.”.

SEC. 627. RURAL FIREFIGHTERS AND EMERGENCY PERSONNEL GRANT PROGRAM. Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) (as amended by section 626(a)) is amended by adding at the end the following:

“(25) Rural firefighters and emergency medical personnel grant program.—

“(A) In general.—The Secretary may make grants to units of general local government and Indian tribes (as defined in section 401(a)(1) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)) to pay the cost of training firefighters and emergency medical personnel in firefighting, emergency medical practices, and responding to hazardous materials and biowarfare agents.

“(B) Use of funds.—

“(i) General.—Not less than 60 percent of the amounts made available for competitive awards under this paragraph shall be used to provide grants to fund partial scholarships for training of individuals at training centers approved by the Secretary.

“(ii) Priority.—In awarding grants under this clause, the Secretary shall give priority to grant applicants with relatively low
transportation costs considering the location of the grant applicant and the proposed location of the training.

(ii) GRANTS FOR TRAINING CENTERS.—

(a) IN GENERAL.—A grant under subparagraph (A) may be used to provide financial assistance to State and regional centers that provide training to firefighters and emergency medical personnel for improvements to the training facility, equipment, curriculum, and personnel.

(b) LIMITATION.—Not more than $2,000,000 shall be provided to any single training center for any fiscal year under this subclause.

(i) ESTABLISHMENT OF NEW CENTERS.—

(aa) IN GENERAL.—A grant under subparagraph (A) may be used to provide the Federal share of the costs of establishing a regional training center for firefighters and emergency medical personnel.

(bb) FEDERAL SHARE.—The amount of a grant under this subclause for a training center shall not exceed 50 percent of the cost of establishing the training center.

(c) FUNDING.—

(I) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, the Secretary shall transfer under clause (i), with-
carry out this subsection $15,000,000 for each of fiscal years 2003 through 2006.''.

SEC. 635. USE OF RURAL DEVELOPMENT LOANS AND GRANTS FOR OTHER PURPOSES.

Subtitle A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) (as amended by section 506) is amended by adding at the end the following:

"SEC. 310C. USE OF RURAL DEVELOPMENT LOANS AND GRANTS FOR OTHER PURPOSES.

"If, after making a loan or a grant described in section 381E(d), the Secretary determines that circumstances exist under which the loan or grant was made have sufficiently changed to make the purpose or activity for which the loan or grant was made available inappropriate, the Secretary may allow the loan borrower or grant recipient to use property (real and personal) purchased or improved with the loan or grant funds, or proceeds from the sale of property (real and personal) purchased with such funds, for another project or activity that (as determined by the Secretary)—

"(1) will be carried out in the same area as the original project or activity;

"(2) meets the criteria for a loan or a grant described in section 381E(d); and

"(3) is subject to any additional requirements as are established by the Secretary.''.

SEC. 636. SIMPLIFIED APPLICATION FORMS FOR LOAN GUARANTEES.

Section 310A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921a) (as amended by section 526) is amended by striking subsection (g) and inserting the following:

"(g) SIMPLIFIED APPLICATION FORMS FOR LOAN GUARANTEES.—

"(1) IN GENERAL.—The Secretary shall provide to lenders a short, simplified application form for guarantees under this title of—

"(A) farmer program loans the principal amount of which is $100,000 or less; and

"(B) business and industry guaranteed loans under section 310B(a)(1) the principal amount of which is—

"(i) in the case of a loan guaranteed made during fiscal year 2002 or 2003, $300,000 or less; and

"(ii) in the case of a loan guaranteed made during any subsequent fiscal year—

"(I) $500,000 or less; or

"(II) if the Secretary determines that there is not a significant increased risk of a default on the loan, $500,000 or less.

"(2) WATER AND WASTE DISPOSAL GRANTS AND LOANS.—The Secretary shall develop an application process that accelerates, to the maximum extent practicable, the processing of applications for water and waste disposal grants or direct or guaranteed loans under paragraph (1) or (2) of section 306(a), the terms ‘rural’ and ‘rural area’ mean any area other than a city or town with a population in excess of 50,000 inhabitants or less of 50,000,000,000,000

"(B) WATER AND WASTE DISPOSAL GRANTS AND DIRECT AND GUARANTEED LOANS.—For the purpose of water and waste disposal grants under paragraphs (1) and (2) of section 306(a), the terms ‘rural’ and ‘rural area’ mean any area not in a city or town with a population in excess of 50,000,000,000,000,000.

"(C) COMMUNITY FACILITY LOANS AND GRANTS.—For the purpose of community facility direct and guaranteed loans and grants under paragraphs (1), (19), (20), and (21) of section 306(a), the terms ‘rural’ and ‘rural area’ mean a city, town, or unincorporated area that has a population of no more than 50,000 inhabitants.

"(D) BUSINESS AND INDUSTRY DIRECT AND GUARANTEED LOANS.—For the purpose of business and industry direct and guaranteed loans under section 310B(a)(1), the terms ‘rural’ and ‘rural area’ mean any area other than a city or town that has a population of greater than 50,000,000,000,000,000 and the immediately adjacent urbanized area of such city or town.

"(E) MULTIJURISDICTIONAL REGIONAL PLANNING ORGANIZATIONS; NATIONAL RURAL DEVELOPMENT PARTNERSHIP.—In sections 306(a)(23) and 377, the term ‘rural area’ means—

"(i) all the territory of a State that is not within the boundary of any standard metropolitan statistical area; and

"(ii) all territory within any standard metropolitan statistical area within a census tract having a density of less than 20 persons per square mile, as determined by the Secretary according to the most recent census of the United States as of any date.

"(F) RURAL ENTREPRENEURS AND MICROENTERPRISE ASSISTANCE PROGRAM; NATIONAL RURAL COOPERATIVE AND BUSINESS EQUITY FUND.—In section 378 and subtitle G, the term ‘rural area’ means an area that is located—

"(i) outside a standard metropolitan statistical area; or

"(ii) within a community that has a population of 50,000 inhabitants or less.''.

SEC. 638. RURAL ENTREPRENEURS AND MICROENTERPRISE ASSISTANCE PROGRAM.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921a) is amended by striking paragraph (7).

"(2) Section 381A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921a) is amended by adding at the end the following:

"SEC. 378. RURAL ENTREPRENEURS AND MICROENTERPRISE ASSISTANCE PROGRAM.

"(a) DEFINITIONS.—In this section:

"(1) ECONOMICALLY DISADVANTAGED MICROENTERPRISE.—The term ‘economically disadvantaged microenterprise’ means an individual with an income (adjusted for family size) of not more than the greater of—

"(A) 80 percent of median income of an area; or

"(B) 80 percent of the statewide nonmetropolitan area median income.

"(2) MICROENTERPRISE.—The term ‘microenterprise’ means a business loan or loan guarantee of not more than $50,000 provided to a rural enter-

"(3) MICROENTERPRISE DEVELOPMENT ORGANIZATION.—

"(A) IN GENERAL.—The term ‘microenterprise development organization’ means a nonprofit entity that provides training and technical assistance to rural entrepreneurs and access to capital or another service described in subsection (c) to rural entrepre-

"(B) INCLUSIONS.—The term ‘microenterprise development organization’ includes an organization described in paragraph (A) with a demonstrated record of delivering services to economically disadvantaged microentrepreneurs.

"(4) MICROENTERPRISE DEVELOPMENT PROGRAM.—The term ‘microenterprise development program’ means a program admin-

"(5) MICROENTERPRISE.—The term ‘microenterprise’ means the owner, operator, or developer of a microenterprise.

"(6) PROGRAM.—The term ‘program’ means the rural microenterprise and microenterprise development program established under subsection (b)(1).

"(7) QUALIFIED ORGANIZATION.—The term ‘qualified organization’ means—

"(A) a microenterprise development organization or microenterprise development program that has demonstrated a record of delivering microenterprise services to rural entrepreneurs, as demonstrated by the development of an effective plan of action and the receipt of necessary resources to deliver microenterprise services to rural entrepre-

"(8) RURAL AND RURAL AREA.—

"(a) IN GENERAL.—Section 393(a) of the Con-

"(9) MICROENTERPRISE.—The term ‘microenterprise’ means the owner, operator, or developer of a microenterprise.

"(10) PROGRAM.—The term ‘program’ means the rural microenterprise and microenterprise development program established under subsection (b)(1).

"(11) QUALIFIED ORGANIZATION.—The term ‘qualified organization’ means—

"(A) a microenterprise development organization or microenterprise development program that has demonstrated a record of delivering microenterprise services to rural entrepreneurs, as demonstrated by the development of an effective plan of action and the receipt of necessary resources to deliver microenterprise services to rural entrepre-

"(B) an intermediary that has a demonstrated record of delivery assistance to microenterprise development organizations or microenterprise development programs; and

"(C) a microenterprise development organization or microenterprise development program that—

"(i) serves rural entrepreneurs; and

"(ii) enters into an agreement with a local community, in conjunction with a State or local government or Indian tribe, to provide assistance described in subsection (c); and

"(iii) a microenterprise development organization of which certifies to the Secretary that no microenterprise development organization or
microenterprise development program exists under the jurisdiction of the Indian tribe; or

(E) a group of 2 or more organizations or Indian tribes described in subparagraph (A), (B), (C), or (D) of this paragraph, to act jointly as a qualified organization under this section.

(12) RURAL CAPACITY BUILDING SERVICE.—

The term ‘rural capacity building service’ means a service provided to an organization that—

(A) is, or is in the process of becoming, a microenterprise development organization or microenterprise development program; and

(B) serves rural areas for the purpose of enhancing the ability of the organization to provide technical assistance, training, and other related services to rural entrepreneurs.

(13) RURAL ENTREPRENEUR.—

The term ‘rural entrepreneur’ means a microentrepreneur or prospective microentrepreneur—

(A) the principal place of business of which is in a rural area; and

(B) that is unable to obtain sufficient training, technical assistance, or microcredit elsewhere, as determined by the Secretary.

(14) SECRETARY.—

The term ‘Secretary’ means the Secretary of Agriculture, acting through the Rural Business-Cooperative Service.

(15) TRAINING AND TECHNICAL ASSISTANCE.—

(A) IN GENERAL.—The term ‘training and technical assistance’ means—

(i) enhancing business planning, marketing, management, or financial management skills; and

(ii) obtaining microcredit.

(B) TRIBAL GOVERNMENT.—The term ‘tribal government’ means the governing body of an Indian tribe.

(b) ESTABLISHMENT.—

(1) IN GENERAL.—From amounts made available under subsection (b), the Secretary shall establish a rural entrepreneur and microenterprise program.

(2) PURPOSE.—The purpose of the program shall be to provide low- and moderate-income individuals with—

(A) the skills necessary to establish and operate small businesses in rural areas; and

(B) continuing technical assistance as the individuals begin operating their small businesses.

(c) ASSISTANCE.—

(1) IN GENERAL.—The Secretary may make a grant under this section to a qualified organization to—

(A) provide training, technical assistance, or microcredit to a rural entrepreneur; and

(B) provide training, operational support, or a rural capacity building service to a qualified organization to assist the qualified organization in developing microenterprise training, technical assistance, and other related services;

(C) assist in researching and developing the best practices in delivering training, technical assistance, and microcredit to rural entrepreneurs; and

(D) to carry out other projects and activities as the Secretary determines are consistent with the purposes of this section.

(2) ALLOCATION.—

(A) IN GENERAL.—Subject to subparagraphs (B) and (C), of the amount of funds made available for a fiscal year to make grants under this section, the Secretary shall ensure that—

(i) not more than 75 percent of the funds are used to carry out activities described in paragraph (1)(A); and

(ii) not more than 25 percent of the funds are used to carry out activities described in subparagraphs (B) through (D) of paragraph (1).

(B) LIMITATION ON GRANT AMOUNT.—No single qualified organization may receive more than 10 percent of the total funds that are made available for a fiscal year to carry out this section.

(C) ADMINISTRATIVE EXPENSES.—No more than 15 percent of assistance received by a qualified organization for a fiscal year under this section may be used for administrative expenses.

(d) SUBGRANTS.—Subject to such regulations as the Secretary may promulgate, a qualified organization that receives a grant under this section may use the grant to provide assistance to other qualified organizations, such as small or emerging qualified organizations.

(e) LOW-INCOME INDIVIDUALS.—The Secretary shall ensure that not less than 50 percent of the grants made under this section is used to benefit low-income individuals identified by the Secretary, including individuals residing on Indian reservations.

(f) DIVERSITY.—The Secretary shall ensure that no more than 20 percent of the cost of a program described in subsection (a) is provided through fees, grants (including community development block grants), and gifts; or

(g) COST SHARING.—

(1) FEDERAL SHARE.—The Federal share of the cost of a project carried out using funds from a grant under this section shall be 75 percent.

(2) FORM OF NON-FEDERAL SHARE.—The non-Federal share of the cost of a project described in paragraph (1) may be—

(A) in cash (including through fees, grants (including community development block grants), and gifts); or

(B) in kind.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $100,000,000 for each of fiscal years 2002 through 2006.

SEC. 369. RURAL SENIORS.

(a) INTERAGENCY COORDINATING COMMITTEE FOR RURAL SENIORS.—Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by section 638) is amended by adding at the end the following:

**SEC. 379A. INTERAGENCY COORDINATING COMMITTEE FOR RURAL SENIORS.**

(a) IN GENERAL.—The Secretary shall establish an interagency coordinating committee (referred to in this section as the ‘Committee’) to examine the special problems of rural seniors.

(b) MEMBERSHIP.—The Committee shall be comprised of—

(1) the Undersecretary of Agriculture for Rural Development, who shall serve as chairperson of the Committee;

(2) 2 representatives of the Secretary of Health and Human Services, of whom—

(A) 1 shall have expertise in the field of health care; and

(B) 1 shall have expertise in the field of programs under the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.);

(3) 1 representative of the Secretary of Housing and Urban Development;

(4) 1 representative of the Secretary of Transportation; and

(5) representatives of such other Federal agencies as the Secretary may designate.

(c) DUTIES.—The Committee shall—

(1) study health care, transportation, technology, housing, accessibility, and other areas of need of rural seniors;

(2) identify successful examples of senior care programs in rural communities that could serve as models for other rural communities; and

(3) not later than 1 year after the date of enactment of this section, submit to the Secretary, the Committee on Agriculture, Nutrition, and Forestry of the Senate recommendations for legislative and administrative action.

(d) FUNDING.—Funds available to any Federal agency may be used to carry out interagency activities under this section.

**SEC. 379B. GRANTS FOR PROGRAMS FOR RURAL SENIORS.**

(a) IN GENERAL.—The Secretary shall make grants to nonprofit organizations (including cooperatives) to pay the Federal share of the cost of programs that—

(1) in general, act jointly as a qualified organization under this section.

(b) FEDERAL SHARE.—The Federal share of a grant under this section shall be not more than 75 percent of the cost of a program described in subsection (a).

(c) RESERVATION OF FUNDING.—In making grants under this section, the Secretary shall give priority to proposals that leverage resources to meet multiple rural community goals.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 2003 through 2006.

(e) RESERVATION OF COMMUNITY FACILITIES PROGRAM FUNDS FOR SENIOR FACILITIES.—Section 306(a)(19) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(19)) is amended by adding at the end the following:

**SEC. 379B. GRANTS FOR PROGRAMS FOR RURAL SENIORS.**

(a) IN GENERAL.—The Committee on Agriculture, Nutrition, and Forestry of the Senate, the Committee on Agriculture of the House of Representatives, and the Committee on Appropriation (as amended by section 638) is amended by adding at the end the following:

**SEC. 379A. GRANTS FOR PROGRAMS FOR RURAL SENIORS.**

(a) IN GENERAL.—For each fiscal year, not less than 12.5 percent of the funds made available to carry out this paragraph shall be reserved for grants to pay the Federal share of the cost of developing and constructing senior facilities, or carrying out other projects that mainly benefit seniors, in rural areas.

(b) RELIANCE.—Funds reserved under clause (i) for a fiscal year shall be reserved only until April 1 of the following fiscal year.

**SEC. 460. CHILDREN’S DAY CARE FACILITIES.**

Section 306(a)(19) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(19)) (as amended by section 638) is amended by adding at the end the following:

**SEC. 460. CHILDREN’S DAY CARE FACILITIES.**

(1) IN GENERAL.—For each fiscal year, not less than 10 percent of the funds made available to carry out this paragraph shall be reserved for grants to pay the Federal share of the cost of developing and constructing day care facilities for children in rural areas.

(b) RELIANCE.—Funds reserved under clause (i) for a fiscal year shall be reserved only until April 1 of the following fiscal year.

**SEC. 641. RURAL TELEWORK.**

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by section 638) is amended by adding at the end the following:

**SEC. 379B. RURAL TELEWORK.**

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE ORGANIZATION.—The term ‘eligible organization’ means a nonprofit entity, an educational institution, an Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), or any other organization that meets the requirements of this
section and such other requirements as are established by the Secretary.

(2) INSTITUTE.—The term ‘institute’ means a regional rural telework institute established under paragraph (b).

(3) TELEWORK.—The term ‘telework’ means the use of telecommunications to perform work functions at a rural work center located outside the place of business of an employer.

(b) RURAL TELEWORK INSTITUTE.—

(1) IN GENERAL.—The Secretary shall make a grant to an eligible organization to pay the Federal share of the cost of establishing and operating a national rural telework institute to carry out projects described in paragraph (a).

(2) ELIGIBLE ORGANIZATIONS.—The Secretary shall establish criteria that an organization shall meet to be eligible to receive a grant under this subsection.

(3) DEADLINE FOR INITIAL GRANT.—Not later than 1 year after the date on which funds are first made available to carry out this subsection, the Secretary shall make the initial grant under this subsection.

(4) PROJECTS.—The institute shall use grant funds obtained under this subsection to carry out projects described in paragraph (a).

(A) to serve as a clearinghouse for telework research and development;

(B) to conduct outreach to rural communities and establish or expand a telework location in a rural area; and

(C) to develop and share best practices in rural telework throughout the United States;

(D) to develop innovative, market-driven telework projects and joint ventures with the private sector that employ workers in rural areas in jobs that promote economic self-sufficiency;

(E) to share information about the design and implementation of telework arrangements;

(F) to support private sector businesses that are transitioning to telework;

(G) to support and assist telework projects and individuals at the State and local level; and

(H) to perform such other functions as the Secretary considers appropriate.

(5) NON-FEDERAL SHARE.—As a condition of receiving a grant under this subsection, an eligible organization shall agree to—

(i) during each of the first, second, and third years of the project, 50 percent of the amount of the grant; and

(ii) during each of the fourth and fifth years of the project, 100 percent of the amount of the grant.

(B) INDIAN TRIBES.—Notwithstanding subparagraph (A), an Indian tribe may use Federal funds made available to the tribe for self-governance to pay the non-Federal contributions required under subparagraph (A).

(C) FORM.—The non-Federal contributions required under subparagraph (A) may be in the form of in-kind contributions, including office equipment, office space, and services.

(6) ELIGIBLE ORGANIZATIONS.—To be eligible to receive a grant under this subsection, an eligible entity shall—

(A) be a nonprofit organization or educational institution in a rural area; and

(B) submit to, and receive the approval of, the Secretary of an application demonstrating that the entity has adequate resources and capabilities to establish or expand a telework location in a rural area.

(c) NON-FEDERAL SHARE.—

(A) IN GENERAL.—As a condition of receiving a grant under this subsection, an eligible organization shall agree to—

(i) pay the Federal share of the cost of establishing and operating a telework institute to carry out projects described in paragraph (a).

(ii) establish and operate a telework institute to carry out projects described in paragraph (a).

(B) INDIAN TRIBES.—Notwithstanding subparagraph (A), an Indian tribe may use Federal funds made available to the tribe for self-governance to pay the non-Federal contributions required under subparagraph (A).

(C) SOURCES.—The non-Federal contributions required under subparagraph (A)—

(i) may be in the form of in-kind contributions, including office equipment, office space, and services; and

(ii) may not be made from funds made available under this title or the Rural Development Block Grants under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 3501 et seq.).

(d) NON-FEDERAL SHARE.—

(A) IN GENERAL.—Not later than 1 year after the date of enactment of this section, the Secretary shall establish criteria that an organization applying for a grant under this subsection shall meet.

(B) INDIAN TRIBES.—Notwithstanding paragraph (a), an Indian tribe may use Federal funds made available to the tribe for self-governance to pay the non-Federal contributions required under subparagraph (A).

(2) DEADLINE FOR INITIAL GRANT.—Not later than 1 year after the date on which funds are first made available to carry out this subsection, the Secretary shall make the initial grant under this subsection.

(3) MAXIMUM AMOUNT OF GRANT.—The amount of a grant provided to an eligible entity under this subsection shall not exceed $500,000.

(4) APPLICABILITY OF CERTAIN FEDERAL LAWS.—An entity receiving a grant under this section shall be subject to the provisions of Federal law (including regulations), administered by the Secretary of Labor or the Equal Employment Opportunity Commission, that govern the responsibilities of employers to employees.

(e) REGULATIONS.—Not later than 180 days after the date of enactment of this section, the Secretary shall promulgate regulations to carry out this section.

(2) AUTHORIZATION OF APPROPRIATION.—There is authorized to be appropriated to carry out this section $10,000,000 each fiscal year, of which $5,000,000 shall remain available until expended.

(3) INCLUSION.—The term ‘environmental project’ means a project that—

(i) improves environmental quality; and

(ii) is necessary to comply with an environmental law (including regulations).

(4) SEARCH GRANT.—The term ‘SEARCH grant’ means a grant for special environmental assistance for the regulation of communities and habitat awarded under section 386B(e)(3).

 SEC. 642. GRANTS FOR EMERGENCY WEATHER RADIO TRANSMITTERS.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by section 641) is amended by adding at the end the following:

SEC. 378C. GRANTS FOR EMERGENCY WEATHER RADIO TRANSMITTERS.

(a) IN GENERAL.—The Secretary, acting through the Administrator of the Rural Utilities Service, may make grants to public and nonprofit entities for the construction and installation of emergency radio broadcast systems.

(b) ELIGIBILITY.—To be eligible for a grant under this section, an applicant shall provide to the Secretary—

(i) a description of the emergency radio broadcast service to be provided, which shall include—

(A) a description of the emergency radio broadcast service to be provided, which shall include—

(B) a description of how the tower placement will increase coverage of a rural area by the emergency radio broadcast system of the National Oceanic and Atmospheric Administration.

(c) FEDERAL SHARE.—A grant provided under this section shall not be more than 75 percent of the cost of acquiring a radio transmitter described in subsection (a).

(d) AUTHORIZATION OF APPROPRIATION.—There is authorized to be appropriated to carry out this section $30,000,000 for each of fiscal years 2002 through 2006.

 SEC. 643. DELTA REGIONAL AUTHORITY.

(a) AUTHORIZATION OF APPROPRIATIONS.—

Section 382B(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa–12(a)) is amended by striking ‘‘2002’’ and inserting ‘‘2002’’.

(b) TERMINATION OF AUTHORITY.—Section 382N of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa–13) is amended by striking ‘‘2002’’ and inserting ‘‘2002’’.

 SEC. 644. SEARCH GRANTS FOR SMALL COMMUNITIES.

The Consolidated Farm and Rural Development Act (as amended by section 604) is amended by adding at the end the following:

Subtitle J—SEARCH Grants for Small Communities

SEC. 386A. DEFINITIONS.

In this subtitle:

The term ‘‘council’’ means an independent citizens’ council established by section 386B(d).

(2) ENVIRONMENTAL PROJECT.—The term ‘‘environmental project’’ means a project that—

(i) improves environmental quality; and

(ii) is necessary to comply with an environmental law (including regulations).

(3) INCLUSION.—The term ‘‘environmental project’’ includes an initial feasibility study of a project.

(4) SEARCH GRANT.—The term ‘‘SEARCH grant’’ means a grant for special environmental assistance for the regulation of communities and habitats awarded under section 386B(e)(3).

SEC. 386B. SEARCH GRANT PROGRAM.

(a) IN GENERAL.—There is established the SEARCH Grant Program.

(b) APPLICATION.—

(1) IN GENERAL.—Not later than October 1 of each fiscal year, a State may submit to the Secretary an application to receive a grant under subsection (c) for the fiscal year.

(2) REQUIREMENTS.—An application under paragraph (1) shall contain—

(A) a certification by the State that the State has appointed members to the council of the State under subsection (c)(2)(C); and

(B) such information as the Secretary may require.

(c) GRANTS TO STATES.

(1) IN GENERAL.—Not later than 60 days after the date on which the Office of Management and Budget apportions any amounts made available under this subtitle, for each fiscal year after the date of enactment of this subtitle, the Secretary shall, on request by a State—

(A) determine whether any application submitted by the State under subsection (b) meets the requirements of subsection (b)(2); and

(B) subject to paragraph (2), subsection (e)(4)(B)(ii), and section 386D(b), if the Secretary determines that the application meets the requirements of subsection (b)(2), award a grant of not to exceed $1,000,000 to the State, to be used by the council of the State.
to award SEARCH grants under subsection (e).”

“(2) GRANTS TO CERTAIN STATES.—The aggregate amount of grants awarded to States other than all or part of 1 of the 48 contiguous States, under this subsection shall not exceed $1,000,000 for any fiscal year.”

“(d)(3)(B) or subparagraph (A) shall be renumbered, provisions for award under this subtitle among States, or the appropriation under subparagraph (a)(I) is delayed because of circumstances beyond the control of the council, as determined by the State.”

“(A)(ii) is delayed because of circumstances beyond the control of the council, as determined by the State.”

“(ii) LIMITATION.—A State that accumulates a balance of unexpended funds described in subparagraph (A) to the council in an amount exceeding $3,000,000 shall be ineligible to apply for additional funds for SEARCH grants during the fiscal year in which the report is submitted.”

“SEC. 386D. FUNDING.”

“(a) AUTHORIZATION OF APPROPRIATIONS.—The congressional Appropriations Committees are authorized to carry out section 386B(c) $51,000,000, of which not to exceed $1,000,000 shall be made to carry out section 386B(c)(2).”

“(b) ACTUAL APPROPRIATION.—If funds to carry out section 386B(c) are made available for a fiscal year in an amount that is less than the amount authorized under subsection (a) for that fiscal year, the appropriated funds shall be divided equally among the States.”

“(c) UNEXPENDED FUNDS.—If, for any fiscal year, a State does not apply, or does not qualify, to receive funds under section 386B(b), the funds that would have been made available to the State under section 386B(c) on submission by the State of a successful application under section 386B(b) shall be redistributed for award under this subtitle among States, the councils of which awarded 1 or more SEARCH grants during the preceding fiscal year.”

“(d) OTHER EXPENSES.—There are authorized to be appropriated such sums as are necessary to carry out the provisions of this title (other than section 386B(c)).”

“Subtitle D—Food, Agriculture, Conservation, and Trade Act of 1990”

“SEC. 651. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERICALIZATION CORPORATION.”

“(a) REPEAL OF CORPORATION AUTHORIZATION.—Subtitle G of title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5901 et seq.) is repealed.”

“(b) DISPOSITION OF ASSETS.—On the date of enactment of this Act—

“(1) the assets, both tangible and intangible, of the Alternative Agricultural Research and Commercialization Corporation referred to in this section as the Corporation”,

“(c) USE OF ASSETS.—(1) IN GENERAL.—Funds transferred under subsection (b), and any income from assets or proceeds from the sale of assets transferred under subsection (b), shall be deposited into an account in the Treasury, and shall remain available to the Secretary until expended, without further appropriation, to provide—

“(A) any outstanding claims or obligations of the Corporation; and

“(B) the costs incurred by the Secretary in carrying out this section.”

“(2) FINAL DISPOSITION.—On final disposition of all assets transferred under subsection (b), any funds remaining in the account described in paragraph (1) shall be transferred into miscellaneous receipts in the Treasury.”

“(d) CONFORMING AMENDMENTS.—(1) The following provisions are repealed:

“(A) Section 730 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 5902 note; Public Law 104-127).”

“(2) Section 801 of title 31, United States Code.”

“(3) Section 401 of the Agricultural Research, Education, and Extension Reform Act of 1998 (7 U.S.C. 5941 note).”

“(A) the asset, both tangible and intangible, of the Alternative Agricultural Research and Commercialization Corporation referred to in this section as the Corporation”,

“(B) the costs incurred by the Secretary in carrying out this section.”

“(2) FINAL DISPOSITION.—On final disposition of all assets transferred under subsection (b), any funds remaining in the account described in paragraph (1) shall be transferred into miscellaneous receipts in the Treasury.”

“(d) CONFORMING AMENDMENTS.—(1) The following provisions are repealed:

“(A) Section 730 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 5902 note; Public Law 104-127).”

“SEC. 651. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERICALIZATION CORPORATION.”

“(a) REPEAL OF CORPORATION AUTHORIZATION.—Subtitle G of title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5901 et seq.) is repealed.”

“(b) DISPOSITION OF ASSETS.—On the date of enactment of this Act—

“(1) the assets, both tangible and intangible, of the Alternative Agricultural Research and Commercialization Corporation referred to in this section as the Corporation”,

“(c) USE OF ASSETS.—(1) IN GENERAL.—Funds transferred under subsection (b), and any income from assets or proceeds from the sale of assets transferred under subsection (b), shall be deposited into an account in the Treasury, and shall remain available to the Secretary until expended, without further appropriation, to provide—

“(A) any outstanding claims or obligations of the Corporation; and

“(B) the costs incurred by the Secretary in carrying out this section.”

“(2) FINAL DISPOSITION.—On final disposition of all assets transferred under subsection (b), any funds remaining in the account described in paragraph (1) shall be transferred into miscellaneous receipts in the Treasury.”

“(d) CONFORMING AMENDMENTS.—(1) The following provisions are repealed:

“(A) Section 730 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 5902 note; Public Law 104-127).”

“(2) Section 801 of title 31, United States Code.”

“(3) Section 401 of the Agricultural Research, Education, and Extension Reform Act of 1998 (7 U.S.C. 5941 note).”

“(A) the asset, both tangible and intangible, of the Alternative Agricultural Research and Commercialization Corporation referred to in this section as the Corporation”,

“(B) the costs incurred by the Secretary in carrying out this section.”

“(2) FINAL DISPOSITION.—On final disposition of all assets transferred under subsection (b), any funds remaining in the account described in paragraph (1) shall be transferred into miscellaneous receipts in the Treasury.”

“(d) CONFORMING AMENDMENTS.—(1) The following provisions are repealed:

“(A) Section 730 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 5902 note; Public Law 104-127).”

“(2) Section 801 of title 31, United States Code.”

“(3) Section 401 of the Agricultural Research, Education, and Extension Reform Act of 1998 (7 U.S.C. 5941 note).”
"(1) CRITICAL EMERGING ISSUES.—Subject to paragraph (2), the Secretary shall use the funds in the Account for research, extension, and education grants (referred to in this section as RESEARCH, EXTENSION, AND EDUCATION grants) to address critical emerging agricultural issues related to—

(A) future food production;

(B) environmental quality and natural resource use; and

(C) farm income.

(3) Section 783(c)(1)(A)(i)(II) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 900a-5) is amended by striking "subtitles G of titles XVI and".

SEC. 652. TELEMEDICINE AND DISTANCE LEARNING SERVICES IN RURAL AREAS.

(a) In General.—Section 2335A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aa-5) is amended by striking "2002" and inserting "2006".

(b) CONFORMING AMENDMENT.—Section 1(b) of Public Law 102-551 (7 U.S.C. 950aa note) is amended by striking "1997" and inserting "2006".

Subtitle E—Rural Electrification Act of 1936

SEC. 661. GUARANTEES FOR BONDS AND NOTES ISSUED FOR ELECTRIFICATION OR TELEPHONE PURPOSES.

(a) In General.—The Rural Electrification Act of 1936 is amended by inserting after section 313 (7 U.S.C. 940c) the following:

"SEC. 313A. GUARANTEES FOR BONDS AND NOTES ISSUED FOR ELECTRIFICATION OR TELEPHONE PURPOSES.

"(a) In General.—Subject to subsection (b), the Secretary shall guarantee payments on bonds or notes issued by cooperative or other lenders organized on a not-for-profit basis if the proceeds of the bonds or notes are used for electrification or telephone purposes and are eligible for assistance under this Act, including the refinancing of bonds or notes issued for such projects.

(b) LIMITATIONS.—

(1) OUTSTANDING LOANS.—A lender shall not receive a guarantee under this section for a bond or note if, at the time of the guarantee, the total principal amount of such guaranteed bonds or notes outstanding of the lender would exceed the principal amount of outstanding loans of the lender for electrification or telephone purposes that have been made in compliance with laws approved for such purposes under this Act.

(2) GENERATION OF ELECTRICITY.—The Secretary shall not guarantee payment on a bond or note issued by a lender, the proceeds of which are used for the generation of electricity.

(c) QUALIFICATIONS.—The Secretary may deny the request of a lender for the guarantee of a bond or note under this section if the Secretary determines that—

(A) the lender does not have appropriate experience or knowledge or is otherwise not qualified to make loans for electrification or telephone purposes;

(B) the bond or note issued by the lender is not of reasonable and sufficient quality; or

(C) the lender has not provided sufficient evidence that the proceeds of the bond or note are used for eligible projects described in subsection (a).

(4) INTEREST RATE REDUCTION.—

(A) In General.—Except as provided in subparagraph (B), a lender may not use any amount obtained from the reduction in funding costs as a result of the guarantee of a bond or note under this section to reduce the interest rate on a new or outstanding loan.

(B) FARMHOUSE LOANS.—A lender may use any amount described in subparagraph (A) to reduce the interest rate on a loan if the loan is—

(a) made by the lender for electrification or telephone projects that are eligible for assistance under this Act; and

(b) made concurrently with a loan approved by the Secretary under this Act for such a project, as provided in section 307.

(5) FEES.—

(A) IN GENERAL.—A lender that receives a guarantee issued under this section on a bond or note shall pay a fee to the Secretary.

(B) AMOUNT.—The amount of an annual fee paid for the guarantee of a bond or note under this section shall equal to 30 basis points of the amount of the unpaid principal of the bond or note guaranteed under this section.

(C) PAYMENT.—A lender shall pay the fees required under this subsection on a semiannual basis.

(7) GUARANTEES.—

(A) deposited into the rural economic development subaccount maintained under section 313(b)(2)(A), to remain available until expended;

(B) used for the purposes described in section 313(b)(2)(B).

(9) AUTHORIZATION OF APPROPRIATIONS.—

(A) in paragraph (10) (as so redesignated) and inserting the following:

"(10) INSULAR AREA.—The term ‘insular area’ means—

(A) the Commonwealth of Puerto Rico;

(B) Guam;

(C) American Samoa;

(D) the Commonwealth of the Northern Mariana Islands;

(E) the Federated States of Micronesia;

(F) the Republic of the Marshall Islands;

(G) the Republic of Palau; and

(H) the Virgin Islands of the United States; and

(3) striking paragraph (13) (as so redesignated) and inserting the following:

"(13) STATE.—The term ‘State’ means—

(A) a State;

(B) the District of Columbia; and

(C) any insular area.

(B) EFFECT OF AMENDMENTS.—The amendments made by subsection (a) shall not affect any basis for distribution of funds by formula (in effect on the date of enactment of this Act) to—

(1) the Federated States of Micronesia;

(2) the Republic of the Marshall Islands; or

(3) the Republic of Palau.

SEC. 662. EXPANSION OF 911 ACCESS.

(a) In General.—The Secretary shall—

(1) require that a local government that is not a State prepare and submit a plan to the Secretary to provide basic 911 services to its citizens;

(2) make funds available under section 313(b)(2)(A) for the development of the plan required under paragraph (1); and

(3) any funds made available under this section shall—

(A) to reduce the interest rate on a new or outstanding loan.

(b) Administration of Cushion of Credit.

(1) LIMITATION.—To ensure that the Secretary has the resources necessary to properly examine the proposed guarantees, the Secretary may limit the number of guarantees issued under this section if the number of such guarantees exceeds 5 per year.

(2) DEPARTMENT OPINION.—On the timely request of an eligible lender, the General Counsel of the Department of Agriculture shall provide the Secretary with an opinion regarding the validity and authority of a guarantee issued to the lender under this section.

(3) AUTHORIZATION OF APPROPRIATIONS.—

(A) in paragraph (10) (as so redesignated) and inserting the following:

(10) INSULAR AREA.—The term ‘insular area’ means—

(A) the Commonwealth of Puerto Rico;

(B) Guam;

(C) American Samoa;

(D) the Commonwealth of the Northern Mariana Islands;

(E) the Federated States of Micronesia;

(F) the Republic of the Marshall Islands;

(G) the Republic of Palau; and

(H) the Virgin Islands of the United States; and

(3) striking paragraph (13) (as so redesignated) and inserting the following:

"(13) STATE.—The term ‘State’ means—

(A) a State;

(B) the District of Columbia; and

(C) any insular area.

(B) EFFECT OF AMENDMENTS.—The amendments made by subsection (a) shall not affect any basis for distribution of funds by formula (in effect on the date of enactment of this Act) to—

(1) the Federated States of Micronesia;

(2) the Republic of the Marshall Islands; or

(3) the Republic of Palau.

SEC. 702. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECO-

OMICS ADVISORY BOARD.

Section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(h)) is amended by striking "2002" and inserting "2006".

SEC. 703. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDU-

CATION.

Section 1417 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152) is amended—

(1) in subsection (a) (1) by striking "and after "economics"; and

(2) in subsection (b) (1) by inserting "or rural economic, community, and business development before the period; and

(2) in paragraph (2) (1) by inserting "or in rural economic, community, and business development before the period; and

(2) in paragraph (3) (1) by inserting "or teaching programs emphasizing rural economic, community, and business development before the period; and

(2) in paragraph (4) (1) by inserting "or programs emphasizing rural economic, community, and business development, after "programs"; and
SEC. 704. COMPETITIVE RESEARCH FACILITIES GRANT PROGRAM.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1417 (7 U.S.C. 3152) the following:

SEC. 1417A. COMPETITIVE RESEARCH FACILITIES GRANT PROGRAM.

(a) AUTHORITY.—The Secretary may award grants to eligible institutions on a competitive basis for the construction, acquisition, modernization, renovation, alteration, and remodeling of food and agricultural research facilities such as buildings, laboratories, and other capital facilities (including furniture and fixtures and equipment) in accordance with this section.

(b) ELIGIBLE INSTITUTIONS.—The following institutions are eligible to compete for grants under subsection (a):

(1) A State cooperative institution.

(2) A Hispanic-serving institution.

(c) CRITERIA FOR AWARD.—The Secretary shall award grants to support the national research purposes specified in section 1402 in a manner determined by the Secretary.

(d) SEC. 705. GRANTS FOR RESEARCH ON THE PRODUCTION AND MARKETING OF ALCOHOLIC BEVERAGES OR HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.

Section 1419(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174(d)) is amended by striking "2002" and inserting "2006".

SEC. 706. POLICY RESEARCH CENTERS.

Section 1419A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174) is amended—

(1) in subsection (c)(3), by striking "collect and analyze" and inserting "collect, analyze, and disseminate"; and

(2) in subsection (d), by striking "2002" and inserting "2006".

SEC. 707. HUMAN NUTRITION INTERVENTION AND HEALTH PROMOTION RESEARCH PROGRAM.

Section 1421(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174(d)) is amended by striking "2002" and inserting "2006".

SEC. 708. PILOT RESEARCH PROGRAM TO COMBINE AGRICULTURAL AND AGRICULTURAL RESEARCH.

Section 1421A(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174a(d)) is amended by striking "2002" and inserting "2006".

SEC. 709. NUTRITION EDUCATION PROGRAM.

Section 1422(c)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175(c)(3)) is amended by striking "2002" and inserting "2006".

SEC. 710. ANIMAL HEALTH AND DISEASE RESEARCH PROGRAMS.

Section 1433(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3165(a)) is amended in the first sentence by striking "2002" and inserting "2006".

SEC. 711. RESEARCH ON NATIONAL OR REGIONAL PROBLEMS.

Section 1433(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3165(a)) is amended by striking "2002" and inserting "2006".

SEC. 712. EDUCATION GRANTS PROGRAMS FOR HISPANIC-SERVING INSTITUTIONS.

Section 1434(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3165b) is amended by striking "2002" and inserting "2006".

SEC. 713. COMPETITIVE GRANTS FOR INTERNATIONAL AGRICULTURAL SCIENCE AND EDUCATION PROGRAMS.

Section 1458(a)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3229c) is amended by striking "2002" and inserting "2006".

SEC. 714. INDIRECT COSTS.

Section 1462 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3310) is amended—

(a) by inserting "(a) IN GENERAL.—" before "Except";

(b) by striking "19 percent" and all that follows and inserting "the negotiated indirect cost rate established for an institution by the cognizant Federal audit agency for the institution."); and

(c) by adding at the end the following:

"(2) in subsection (a) shall not apply to a grant awarded competitively under section 9 of the Small Business Act (15 U.S.C. 636)."

SEC. 715. RESEARCH EQUIPMENT GRANTS.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by adding after section 1462 (7 U.S.C. 3310) the following:

SEC. 1462A. RESEARCH EQUIPMENT GRANTS.

(a) IN GENERAL.—The Secretary may make competitive grants for the acquisition of special purpose scientific research equipment for use in the food and agricultural sciences programs of eligible institutions described in subsections (b) and (c) of this section.

(b) ELIGIBLE INSTITUTIONS.—The Secretary may make a grant under this section to—

(1) a college or university; or

(2) a State cooperative institution.

(c) MAXIMUM AMOUNT.—The amount of a grant made to an eligible institution under this section may not exceed $500,000.

(d) PROHIBITION ON CHARGE OF EQUIPMENT AND INDIRECT COSTS.—The acquisition or depreciation of equipment purchased with a grant under this section shall not—

(1) charged as an indirect cost against another Federal grant; or

(2) included as part of the indirect cost pool for purposes of calculating the indirect cost rate of an eligible institution.

SEC. 404. AUTHORIZATION OF APPROPRIATIONS.—

There is authorized to be appropriated to carry out this section $50,000,000 for each of fiscal years 2002 through 2006.

SEC. 716. AGRICULTURAL RESEARCH PROGRAMS.

Section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended by inserting after "2002" and inserting "2006".

SEC. 717. EXTENSION EDUCATION.

Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3313) is amended by adding the following:

"(1) charged as an indirect cost against another Federal grant; or

(2) included as part of the indirect cost pool for purposes of calculating the indirect cost rate of an eligible institution.

SEC. 1469A. AVAILABILITY OF COMPETITIVE GRANT FUNDS.

"Except as otherwise provided by law, funds made available to the Secretary to carry out a competitive agricultural research, education, or extension grant program under this section shall be available for obligation for 2-year period beginning on October 1 of the fiscal year for which the funds are made available.

SEC. 719. JOINT REQUESTS FOR PROPOSALS.

(a) PURPOSES.—The purposes of this section are—

(1) to reduce the duplication of administrative functions relating to grant awards and administration among Federal agencies conducting similar types of research, education, and extension programs; and

(2) to maximize the use of peer review resources in research, education, and extension programs; and

(b) AUTHORITY.—The Secretary of Agriculture, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1467 (7 U.S.C. 3319) the following:

SEC. 1473B. JOINT REQUESTS FOR PROPOSALS.

(a) IN GENERAL.—In carrying out any competitive agricultural research, education, or extension grant program authorized under this Act or any other Act, the Secretary may cooperate with 1 or more other
Federal agencies (including the National Science Foundation) in issuing joint requests for proposals, awarding grants, and administering grants, for similar or related research, education, or extension projects or activities.

"(b) TRANSFER OF FUNDS.—

"(1) The Secretary may delegate to a cooperating Federal agency the authority to issue requests for proposals, make grant awards, or administering grants.

"(2) COOPERATING AGENCY.—The cooperating Federal agency may transfer funds to, or receive funds from, the Secretary for the purpose of carrying out the joint request for proposals, making awards, or administering grants.

"(3) LIMITATIONS.—Funds transferred or received under this subsection shall be —

"(A) used only in accordance with the laws authorizing the appropriation of the funds; and

"(B) made available by grant only to recipients that are eligible to receive the grant under the laws.

"(c) ADMINISTRATION.—

"(1) SECRETARY.—The Secretary may delegate authority to issue requests for proposals, make grant awards, or administer grants, wholly or in part, to a cooperating Federal agency.

"(2) COOPERATING FEDERAL AGENCY.—The cooperating Federal agency may delegate to the Secretary the authority to issue requests for proposals, make grant awards, or administer grants, wholly or in part.

"(d) REGULATIONS, RATINGS.—The Secretary and a cooperating Federal agency may agree to make applicable to recipients of grants—

"(1) the post-award grant administration regulations and indirect cost rates applicable to recipients of grants from the Secretary; or

"(2) the post-award grant administration regulations and indirect cost rates applicable to recipients of grants from the cooperating Federal agency.

"(e) JOINT PEER REVIEW PANELS.—Subject to section 1413B, the Secretary and a cooperating Federal agency may establish joint peer review panels for the purpose of evaluating grant proposals.

SEC. 720. SUPPLEMENTAL AND ALTERNATIVE CROPS.

Section 1473(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3314(a)) is amended by striking "2002" and inserting "2006".

SEC. 721. AQUACULTURE.

Section 1477 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3324) is amended in the first sentence by striking "2002" and inserting "2006".

SEC. 722. RANGELAND RESEARCH.

Section 1483(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3341(a)) is amended by striking "2002" and inserting "2006".

SEC. 723. BIOSECURITY PLANNING AND RESPONSE PROGRAMS.

(a) IN GENERAL.—The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 331B et seq.) is amended by adding at the end the following:

"Subtitle N—Biosecurity

"CHAPTER 1—AGRICULTURE INFRASTRUCTURE SECURITY

"SEC. 1484. DEFINITIONS.

"(1) IN GENERAL.—The term 'agricultural research facility' means a facility—

"(A) the term ‘agricultural research facility’ means a facility—

"(B) that is—

"(I) an Agricultural Research Service facility;

"(II) a Forest Service facility; or

"(III) an Animal and Plant Health Inspection Service facility;

"(ii) a Federal agricultural facility in the process of being planned or being constructed;

"(iii) any other facility under the full control of the Secretary.

"(2) COOPERATING COMMISSION.—The term ‘Commission’ means the Agriculture Infrastructure Security Commission established under section 1486.

"(2) FUND.—The term ‘Fund’ means the Agriculture Infrastructure Security Fund Account established by section 1485.

"SEC. 1485. AGRICULTURE INFRASTRUCTURE SECURITY FUND.

"(a) ESTABLISHMENT.—There is established in the Treasury of the United States an account, to be known as the 'Agriculture Infrastructure Security Fund Account', consisting of funds appropriated to, or deposited into, the Fund under subsection (c).

"(b) PURPOSES.—The purposes of the Fund are to—

"(I) provide funding to protect and strengthen the Federal food safety and agricultural infrastructure that—

"(II) is essential to support national food and agricultural policy;

"(II) protects against animal and plant diseases and pests;

"(III) ensures the safety of the food supply; and

"(IV) ensures sound science in support of food and agricultural policy.

"(c) DISPOSITION OF FUNDS.—The Secretary shall deposit into the Fund any funds received—

"(1) as proceeds from the sale of assets under subsection (e); or

"(2) as gifts under subsection (f).

"(d) AVAILABILITY OF FUNDS.—Amounts in the Fund shall remain available until expended for further Act of appropriation.

"(e) ADDITIONAL FUNDS.—Funds made available under paragraph (1) shall be in addition to funds otherwise available to the Secretary to receive gifts and bequests or dispose of property (real, personal, and intangible).

"(f) EXPENDITURES FROM FUND.—

"(1) IN GENERAL.—Subject to paragraph (2), on request by the Secretary, the Secretary may transfer from the Fund to the Secretary any funds deposited into the Fund.

"(2) LIMITATIONS.—The Secretary may transfer funds to, or receive funds from, the Secretary for the purpose of carrying out the joint request for proposals, making awards, or administering grants.

"(g) GIFTS.—

"(1) IN GENERAL.—To carry out the purposes specified in subsection (b), the Secretary may accept gifts and bequests of funds, property (real, personal, and intangible), equipment, services, and other intangible contributions from States, local governments, colleges and universities, individuals, and other public and private entities.

"(h) PROHIBITED SOURCE.—

"(1) IN GENERAL.—For the purposes of this subsection, the Secretary shall not consider a State or local government, Indian tribe (as defined in section 1 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), any other public entity, or college or university, to be a prohibited source under any Department rule or policy that prohibits the acceptance of gifts from individuals and entities that do business with the Department.

"(i) EXCEPTION.—Notwithstanding any Department rule or policy that prohibits the acceptance of gifts from individuals or private entities that do business with the Department or that, for any other reason, are considered to be prohibited sources, the Secretary may accept gifts under this subsection if the Secretary determines that it is in the public interest to accept the gift.

"(2) DISPOSITION OF GIFTS.—The Secretary shall deposit any gift of funds under this subsection into the Fund in accordance with subsection (c)(2)(A).

"SEC. 1486. AGRICULTURE INFRASTRUCTURE SECURITY COMMISSION.

"(a) ESTABLISHMENT.—The Secretary shall establish a commission to be known as the 'Agriculture Infrastructure Security Commission' to carry out the duties described in subsection (f).

"(b) MEMBERSHIP.—

"(1) APPOINTMENT.—

"(A) VOTING MEMBERS.—

"(i) IN GENERAL.—The Commission shall be composed of 15 voting members, appointed by the Secretary in accordance with clause (ii) based on nominations solicited from the public.

"(ii) QUALIFICATIONS.—The Secretary shall appoint members that—

"(I) represent a balance of the public and private sectors; and

"(II) have combined expertise in—

"(aa) facilities development, modernization, construction, security, consolidation, and closure;

"(bb) plant diseases and pests;
(cc) animal diseases and pests;
(dd) food safety;
(ee) biosecurity;
(ff) the needs of farmers and ranchers;
(gg) biosecurity; and
(hh) State, local, and tribal government; and
(ii) any other area related to agriculture infrastructure security, as determined by the Secretary.

(2) NONVOTING MEMBERS.—The Commission shall be composed of the following nonvoting members:

(i) The Secretary.

(ii) 4 representatives appointed by the Secretary of Health and Human Services, 1 each from—
(I) the Public Health Service;
(II) the National Institutes of Health;
(iii) the Centers for Disease Control and Prevention; and
(iv) the Food and Drug Administration.

(iii) 1 representative appointed by the Attorney General.

(iv) 1 representative appointed by the Director of Homeland Security.

(v) Not more than 4 representatives of the Department appointed by the Secretary.

(2) TERM.—The appointment of each member of the Commission shall be made not later than 90 days after the date of enactment of this subtitle.

(3) MEETINGS.—

(a) IN GENERAL.—The term 'term' means the period of time for which a member is appointed to serve.

(b) VACANCIES.—A vacancy on the Commission shall be filled in the same manner as the original appointment was made.

(c) MEETINGS.—

(i) IN GENERAL.—The Commission shall meet at the call of—
(A) the Chairperson;
(B) a majority of the voting members of the Commission; or
(C) the Secretary.

(ii) FEDERAL ADVISORY COMMITTEE ACT.—


(B) OPEN MEETINGS; RECORDS.—Subject to subparagraph (C)—

(i) meeting of the Commission shall be—
(A) publicly announced in advance; and
(ii) open to the public; and
(iii) make the minutes and records available to the public on request.

(C) EXCEPTION.—When required in the interest of national security—

(i) the Chairperson may choose not to give public notice of a meeting; and
(ii) the Chairperson may close all or any portion of any meeting to the public, and the minutes of the meeting, or portion of a meeting, shall not be made available to the public; and
(iii) by majority vote, the Commission may redact the minutes of a meeting that was open to the public.

(D) CHAIRPERSON.—The Secretary shall select a Chairperson from among the voting members of the Commission.

(2) DUTIES.—

(i) IN GENERAL.—The Commission shall—

(A) advise the Secretary on the uses of the Fund; and
(B) review all agricultural research facilities for—

(i) research importance; and

(ii) importance to agriculture infrastructure security;

(C) identify any agricultural research facility that should be closed, realigned, consolidated, or otherwise engaged in the revision of the research agenda of the Secretary and protect agriculture infrastructure security;

(D) develop recommendations concerning agriculture infrastructure; and

(E) evaluate the agricultural research facilities acquisition and modernization system (including acquisitions by gift, grant, or any other form of agreement) used by the Department; and

(ii) based on the evaluation, recommend improvements to the system.

(2) STRATEGIC PLAN.—To assist the Commission in carrying out the duties described in paragraph (1), the Commission shall use the 18-year strategic plan prepared by the Strategic Planning Task Force established under section 4 of the Research Facilities Act (7 U.S.C. 390b).

(3) REPORT.—

(a) IN GENERAL.—Not later than 240 days after the date of enactment of this subtitle, and each June 1 thereafter, the Commission shall prepare and submit to the Secretary, the Committee on Appropriations of the Senate, and the Committee on Agriculture, Nutrition, and Forestry and the Chairman of the Appropriations of the Senate, a report on the findings and recommendations under paragraph (1).

(b) WRITTEN RESPONSE.—Not later than 90 days after the date of receipt of a report from the Commission under subparagraph (A), the Secretary shall provide to the Committee a written response concerning the matter of which the Secretary will implement the recommendations in the report.

(4) PUBLIC AVAILABILITY.—

(i) IN GENERAL.—Subject to clause (ii), the report submitted by the Commission, and any response made by the Secretary, under this subsection shall be available to the public.

(ii) EXCETION.—

(A) NATIONAL SECURITY.—The Commission or the Secretary may determine that any report, or portion of a report, or response, shall not be publicly released in the interest of national security.

(B) FEDERAL ADVISORY COMMITTEE ACT.—On such a determination, the report or response, or any portion of the report or response, shall not be released under section 522 of title 5, United States Code.

(5) COMMISSION PERSONNEL MATTERS.—

(A) COMPENSATION OF MEMBERS.—

(i) NON-FEDERAL EMPLOYEES.—A voting member of the Commission who is not a regular full-time employee of the Federal Government shall, while attending meetings of the Commission or otherwise engaged in the business of the Commission (including travel time), be entitled to receive compensation at the rate fixed by the Secretary, but not exceeding the daily rate of an official designated by the Secretary as an official of GS–5 of the General Schedule established under section 5332 of title 5, United States Code.

(ii) TRAVEL EXPENSES.—A voting member of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter 1 of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Commission.

(2) STAFF.—The Secretary shall provide the Commission with any personnel and other resources as the Secretary determines appropriate.

(b) FUNDING.—

(1) AUTHORIZATION OF APPROPRIATIONS.—The Secretary is authorized to carry out this section such sums as are necessary for each of fiscal years 2002 through 2006.

(2) AGRICULTURE INFRASTRUCTURE SECURITY FUND.—For the purpose of establishing the Commission, the Secretary shall use such sums from the Fund as the Secretary determines to be appropriate.

CHAPTER 2—OTHER BIOSECURITY PROGRAMS

SEC. 1487. SPECIAL AUTHORIZATION FOR BIOSECURITY PLANNING AND RESPONSE.

(1) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts for agricultural research, extension, and education under this Act, there are authorized to be appropriated for agricultural research, education, and extension activities for biosecurity planning and response such sums as are necessary for each of fiscal years 2002 through 2006.

(b) USE OF FUNDS.—Using any authority available to the Secretary, the Secretary shall fund programs under this section to carry out agricultural research, education, and extension activities (including through competitive grants) necessary—

(i) to prepare the United States for a bioterrorism attack; and

(ii) to counter other threats to chemical or biological attack.

SEC. 1488. AGRICULTURE BIOTERRORISM RESEARCH FACILITIES.

(1) DEFINITIONS.—In this section:

(A) CONSTRUCTION.—The term 'construction' includes—

(i) the construction of new buildings; and

(ii) the expansion, renovation, remodeling, and alteration of existing buildings.

(B) EXCLUSIONS.—The term 'cost' does not include the cost of—

(i) acquiring land or an interest in land; or

(ii) constructing any offsite improvements.

(C) ELIGIBLE ENTITY.—The term 'eligible entity' means a college or university that—

(i) demonstrated expertise in the area of animal and plant diseases; and

(ii) meets the eligibility criteria for competitive grants.

(D) APPLICABILITY.—This section shall not apply to—

(i) a college or university that is a land-grant college or university (as defined in section 1944 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)); and

(ii) any construction cost, including architects' fees.

(2) USE OF FUNDS.—Using any authority available to the Secretary, the Secretary shall fund programs under this section to carry out agricultural research, education, and extension activities (including through competitive grants) necessary—

(i) to prepare the United States for a bioterrorism attack; and

(ii) to counter other threats to chemical or biological attack.
shall make construction grants, on a com-
petitive basis, to eligible entities.

(2) LIMITATION ON GRANTS.—An eligible en-
tity shall not receive grant funds under this section for not less than 20 years after the date of completion of the facility.

(c) REQUIREMENTS FOR GRANTS.—

(1) The Secretary shall make a grant to an eligible entity under this section only if, with respect to any facility constructed using grant funds, the eligible entity—

(A) submits to the Secretary, in such form, in such manner, and containing such agreements, assurances, and information as the Secretary may require, an application for the grant;

(B) is determined by the Secretary to be competent to engage in the type of research for which the facility is proposed to be constructed;

(C) provides such assurances as the Sec-

(2) for not less than 20 years after the date of completion of the facility, the facility shall be used for the purposes of the research for which the facility was constructed, as described in the grant application;

(ii) sufficient funds are available to pay the non-Federal share of the cost of constructing the facility;

(iii) sufficient funds will be available, as of the date of completion of the construction, for the effective use of the facility for the purposes of the research for which the facility was constructed; and

(iv) the proposed construction—

(1) will increase the capability of the eli-

(2) is necessary to improve or maintain the quality of the research of the eligible en-

(3) meets such reasonable qualifications as many be established by the Secretary with respect to—

(i) the relative scientific and technical merit of the applications, and the relative ef-

(4) for not less than 20 years after the date of completion of the facility, the facility shall be used for the purposes of the research for which the facility was constructed, as described in the grant application;

(iii) sufficient funds are available to pay the non-Federal share of the cost of constructing the facility;

(iv) sufficient funds will be available, as of the date of completion of the construction, for the effective use of the facility for the purposes of the research for which the facility was constructed; and

(v) the proposed construction—

(1) will increase the capability of the eli-

(2) is necessary to improve or maintain the quality of the research of the eligible en-

(3) meets such reasonable qualifications as may be established by the Secretary with respect to—

(iv) the relative scientific and technical merit of the applications, and the relative ef-

fectedness of facilities proposed to be con-

structed, in expanding the quality of, and the capacity of eligible entities to carry out, biosecurity research;

(ii) the quality of the research to be car-

ried out in each facility constructed;

(iii) all research activities to be carried out within the facility as those activities relate to research needs of the United States in securing, and ensuring the safety of, the food supply of the United States;

(iv) the age and condition of existing re-

search facilities of the eligible entity; and

(v) biosafety and biosecurity require-

ments necessary to protect facility staff, members of the public, and the food supply;

(E) has demonstrated a commitment to enhancing and expanding the research pro-

ductivity of the eligible entity.

(2) PRIORITY.—In providing grants under this section, the Secretary shall give priority to an eligible entity that, as determined by the Secretary, has demonstrated expertise in—

(A) animal and plant disease prevention;

(B) pathogen and toxin mitigation;

(C) cereal disease resistance;

(D) grain milling and processing;

(E) livestock production and nutrition practices;

(F) vaccine development;

(G) meat processing;

(H) pathogen detection and control; or

(I) food safety.

(d) AMOUNT OF GRANT.—The amount of a grant awarded under this section shall be determined by the Secretary.

(e) FEDERAL SHARE.—The Federal share of the cost of any construction carried out using funds from a grant provided under this section shall not exceed 50 percent.

(f) GUIDELINES.—Not later than 180 days after the date of enactment of this subtitle, the Secretary shall issue guidelines with re-

spect to the provision of grants under this section.

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $100,000,000 for each of fiscal years 2003 through 2005.

(b) SENSE OF CONGRESS ON INCREASING CAPA-

CITY FOR RESEARCH ON BIOSECURITY AND ANIMAL AND PLANT HEALTH DISEASES.—It is the sense of Congress that funding for the Secretary, the Agriculture, Food and Rural Development, and Human and Animal Health Inspections Services, and the Animal and Plant Health Inspection Service, and other agencies of the Department of Agri-

culture with responsibilities for biosecurity should be increased as necessary to improve the capacity of the agencies to conduct re-

search and analysis of, and respond to, bio-

terrorism and animal and plant diseases.

Subtitle B—Food, Agriculture, Conservation, and Trade Act of 1990

SEC. 731. NATIONAL GENETIC RESOURCES PRO-

GRAM.

Section 1585(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (U.S.C. 5844(b)) is amended by striking “2002” and inserting “2006”.

SEC. 732. BIOTECHNOLOGY RISK ASSESSMENT

Section 1668 of the Food, Agriculture, Conser-

vation, and Trade Act of 1990 (7 U.S.C. 5921) is amended—

(1) by redesignating subsections (e) through (g) as subsections (f) through (h), re-

respectively; and

(2) by inserting after subsection (d) the fol-

lowing:

(e) GRANT PRIORITY.—In selecting projects for which grants shall be made under this section, the Secretary shall give priority to those which—

(A) have expertise in beef cattle genetic improvement programs, with the goal of incor-

porating the increasing number of traits being evaluated and the increasing amount

of information from DNA technology into genetic programs in order to—

(i) consolidate research efforts to reduce
disease in beef cattle;

(ii) have been actively involved, for at least 20 years, in the estimation and predic-
tion of progeny differences for public and private universities and consortia of institu-
tions of higher education, that—

(1) in subsection (e), by adding at the end the following:

(2) in subsection (h), by striking “2002” and inserting “2006”.

SEC. 734. NUTRITION MANAGEMENT RESEARCH AND EXTENSION INITIATIVE.

Section 1672(a)(9) of the Food, Agriculture, Conser-

vation, and Trade Act of 1990 (7 U.S.C. 5925a(g)) is amended by striking “2002” and inserting “2006”.

SEC. 735. ORGANIC AGRICULTURE RESEARCH AND EXTENSION INITIATIVE.

Section 1672(b) of the Food, Agriculture, Conser-

vation, and Trade Act of 1990 (7 U.S.C. 5925b) is amended—

(1) in subsection (a)—
(A) by inserting after "Board," the following: "and the National Organic Standards Board;"
(B) in paragraph (2), by striking "and" at the end and inserting "at the end and inserting a semicolon and;"
(C) in paragraph (3), by striking the period at the end and inserting a semicolon; and
(D) by adding at the end the following: ".(4) pursuit of the traits for organic commodities using advanced genomics;
.(5)" pursuing classical and marker-assisted breeding for publicly held varieties of crops and foraging for organic systems;
.(6) identifying marketing and policy constraints on the expansion of organic agriculture;
.(7) conducting advanced on-farm research and development that emphasizes observation of, experimentation with, and innovation for working organic farms, including research relating to production and to socioeconomic conditions;"
and
(2) in subsection (e), by striking "2002" and inserting "2006".

SEC. 736. AGRICULTURAL TELECOMMUNICATIONS PROGRAM.

Section 1673(h) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amended by striking "2002" and inserting "2006".

SEC. 737. ASSISTIVE TECHNOLOGY PROGRAM TO MEET THE NEEDS OF MINORITY SERVING INSTITUTIONS.

Section 1680(c)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933(c)(1)) is amended by striking "2002" and inserting "2006".

Subtitle C—Agricultural Research, Extension, and Education Reform Act of 1998

SEC. 741. INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.

Section 401 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621) is amended—
.(1) by striking subsection (b) and inserting the following:
.(b) FUNDING.—
.(1) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Account to carry out this section—
.(A) on October 1, 1998 and each October 1 thereafter through October 1, 2001, $25,000,000; and
.(B) on October 1, 2002, and each October 1 thereafter through October 1, 2005, $145,000,000."
.(2) ELIGIBILITY AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation." and
.(2) in subsection (e), by adding at the end the following:
.(3) MINORITY-SERVING INSTITUTIONS.—The Secretary shall consider, reserving, to the maximum extent practicable, 10 percent of the funds made available to carry out this section for a fiscal year for grants to minority-serving institutions.

SEC. 742. PARTNERSHIPS FOR HIGH-VALUE AGRICULTURAL PRODUCT QUALITY RESEARCH.

Section 402(g) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7622(g)) is amended by striking "2002" and inserting "2006".

SEC. 743. PRECISION AGRICULTURE.

Section 403(l)(1) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7623(l)(1)) is amended by striking "2002" and inserting "2006".

SEC. 744. BIODEGRADABLE PRODUCTS.

Section 404 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7624) is amended—
.(1) in subsection (e)(2), by striking "2001" and inserting "2006"; and
.(2) in subsection (h), by striking "2002" and inserting "2006".

SEC. 745. THOMAS JEFFERSON INITIATIVE FOR CROP DIVERSIFICATION.

Section 442 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7623(h)) is amended by striking "2002" and inserting "2006".

SEC. 746. INTEGRATING AGRICULTURAL, EDUCATION, AND EXTENSION COMPETITIVE GRANTS PROGRAM.

Section 406 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626) is amended—
.(1) by redesignating subsection (e) as subsection (f);
.(2) by inserting after subsection (d) the following:
.(e) TERM OF GRANT.—A grant under this section shall have a term of not more than 5 years;" and
.(3) in subsection (f) (as so redesignated), by striking "2002" and inserting "2006".

SEC. 747. SUPPORT FOR RESEARCH REGARDING DISEASES OF WHEAT AND BARLEY CAUSED BY FUSARIUM GRAMINARUM.

Section 408 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7628(e)) is amended by striking "2002" and inserting "2006".

SEC. 751. CARRYOVER.

Section 7 of the Hatch Act of 1887 (7 U.S.C. 361) is amended by striking subsection (c) and inserting the following:
.(c) INTEGRATED RESEARCH AND EXTENSION ACTIVITIES.—Section 3 of the Hatch Act of 1887 (7 U.S.C. 361c) is amended by striking subsection (1) and inserting the following:
.(1) IN GENERAL.—
.(A) REQUIREMENT.—To receive funding under this Act and subsections (b) and (c) of section 3 of the Smith-Lever Act (7 U.S.C. 343) for a fiscal year, a State must have expended on activities that integrate cooperative research and extension (referred to in this section as ‘integrated activities’), in the preceding fiscal year, an amount equal to not less than 25 percent of the funds paid to the State under this section and subsections (b) and (c) of section 3 of the Smith-Lever Act (7 U.S.C. 343) for the preceding fiscal year.
.(B) PLAN OF WORK.—The State shall include in the plan of work of the State required under section 4 a description of the manner in which the State will meet the requirements of this subsection.
.(C) APPLICABILITY.—This subsection does not apply to funds provided to a 1994 Institution (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103-382)).
.(D) GRANT STATUS.—(B) to the Commonwealth of Puerto Rico, the Virgin Islands, or Guam.
.(E) INTEGRATED RESEARCH AND EXTENSION ACTIVITIES.—Section 3 of the Hatch Act of 1887 (7 U.S.C. 361c) is amended by striking subsection (1) and inserting the following:
.(1) INTEGRATED RESEARCH AND EXTENSION ACTIVITIES.—
.(A) REQUIREMENT.—To receive funding under this Act and subsections (b) and (c) of section 3 of the Smith-Lever Act (7 U.S.C. 343) for a fiscal year, a State must have expended on activities that integrate cooperative research and extension (referred to in this section as ‘integrated activities’), in the preceding fiscal year, an amount equal to not less than 25 percent of the funds paid to the State under this section and subsections (b) and (c) of section 3 of the Smith-Lever Act (7 U.S.C. 343) for the preceding fiscal year.
.(B) DEFICIENCY OF AMOUNT.—In determining compliance with subparagraph (A), the Secretary shall include all cooperative research and extension funds expended by the State in the prior fiscal year, including Federal, State, and local funds.
.(C) PLAN OF WORK.—The State shall include in the plan of work of the State required under section 4 a description of the manner in which the State will meet the requirements of this subsection.
.(D) INTEGRITY.—This subsection does not apply to funds provided—
.(A) to a 1994 Institution (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103-382)); or
.(B) to the Commonwealth of Puerto Rico, the Virgin Islands, or Guam.

SEC. 752. REPORTING OF TECHNOLOGY TRANSFER ACTIVITIES.

Section 7(e) of the Hatch Act of 1887 (7 U.S.C. 361g(e)) is amended by adding at the end the following:
.(f) TECHNOLOGY TRANSFER ACTIVITIES.—The technology transfer activities conducted with respect to federally-funded agricultural research.

SEC. 753. COMPLIANCE WITH MULTISTATE AND INTEGRATION REQUIREMENTS.

(a) MULTISTATE COOPERATIVE EXTENSION ACTIVITIES.—Section 3 of the Smith-Lever Act (7 U.S.C. 343) is amended by striking subsection (h) and inserting the following:
.(h) MULTISTATE COOPERATIVE EXTENSION ACTIVITIES.—
.(1) DEFINITION OF MULTISTATE ACTIVITY.—In this section, the term ‘multistate activity’ means a cooperative extension activity in which 2 or more States cooperate to resolve problems that concern more than 1 State.
.(2) REQUIREMENT.—
.(A) IN GENERAL.—To receive funding under subsection (b) for a fiscal year, a State must have expended on multistate activities, in the preceding fiscal year, an amount equivalent to not less than 5 percent of the funds paid to the State under subsections (b) and (c) for the preceding fiscal year.
.(B) DETERMINATION OF AMOUNT.—In determining compliance with subparagraph (A), the Secretary shall include all cooperative extension funds expended by the State in the preceding fiscal year, including Federal, State, and local funds.
.(C) REDUCTION OF PERCENTAGE.—The Secretary may reduce the minimum percentage required to be expended for multistate activities under paragraph (2) by a State in a case of hardship, unfeasibility, or other similar circumstances beyond the control of the Secretary.
.(D) PLAN OF WORK.—The State shall include in the plan of work of the State required under section 4 a description of the manner in which the State will meet the requirements of this subsection.
.(E) INTACTNESS.—This subsection does not apply to funds provided—
.(A) to a 1994 Institution (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103-382)); or
.(B) to the Commonwealth of Puerto Rico, the Virgin Islands, or Guam.


Section 3 of the Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking paragraph (7).
amount of expenditures for integrated activities under paragraph (1) (A) may also be used in the same fiscal year to calculate the amount of expenditures for multistate activities required under subsection (c)(5) of this section and section 3 (h) of the Smith-Lever Act (7 U.S.C. 343(h)).

(c) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2002.

CHAPTER 2—1994 INSTITUTIONS

SEC. 754. EXTENSION AT 1994 INSTITUTIONS.

Section 3(b) of the Smith-Lever Act (7 U.S.C. 343(b)) is amended by striking paragraph (3) and inserting the following:

"(3) EXTENSION AT 1994 INSTITUTIONS.—

(A) IN GENERAL.—There are authorized to be appropriated for each fiscal year of the period ending with September 30, 2005, and each fiscal year thereafter, funds not in excess of $35,000,000, to remain available until expended.

(B) DISTRIBUTION.—Amounts made available under subparagraph (A)—

"(1) shall be distributed on a formula to be developed and implemented by the Secretary, in consultation with the 1994 Institutions; and

"(2) may include payments for extension activities carried out during 1 or more fiscal years.

(C) COOPERATIVE AGREEMENT.—In accordance with such regulations as the Secretary may promulgate, a 1994 Institution may also enter into one or more cooperative agreements during a fiscal year under this section with one or more eligible entities to provide services or resources to support activities under this section.

an amount of expenditures for multistate activities under subsection (c)(5) of this section and section 3(h) of the Smith-Lever Act (7 U.S.C. 343(h)). Such sums as are necessary for the purposes set forth in section 2, to remain available until expended.


(a) TECHNICAL AMENDMENT TO REFLECT NAME CHANGES.—Section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103-382)) such sums as are necessary for each of fiscal years 2002 through 2006 and inserting ―such sums as are necessary for each of fiscal years 2002 through 2006."

(b) ACCREDITATION REQUIREMENT FOR RESEARCH GRANTS.—Section 533(a)(3) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103-382) is amended—

"(1) by striking paragraph (A) and inserting ―section 534, 535, and 536;";

"(c) LAND-GRAANT STATUS FOR 1994 INSTITUTIONS.—Section 533(b) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103-382) is amended by striking ―$4,600,000 for each of fiscal years 1996 through 2002 and inserting ―such amounts as are necessary;"

(d) CHANGE OF INDIAN STUDENT COUNT FOR- mula funds to be distributed to the eligible institution under this paragraph for the preceding fiscal year for the fiscal year that begins on October 1, 2002, and inserting the following:

"(5) CARRYOVER.—No more".

(e) INCREASE IN INSTITUTIONAL PAYMENTS.—Section 533(a)(4)(A) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103-382) is amended by striking ―$50,000 and inserting ―$100,000;"

(f) INSTITUTIONAL CAPACITY BUILDING GRANTS.—Section 535 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103-382) is amended—

"(1) in subsection (b)(1), by striking ―2002 and inserting ―2006;" and

"(2) in subsection (c), by striking ―$7,000,000 for each of fiscal years 1996 through 2002 and inserting such amounts as are necessary for each of fiscal years 2002 through 2006."

SEC. 756. ELIGIBILITY FOR INTEGRATED GRANTS PROGRAM.

Section 406(b) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626(b)) is amended by inserting ―and 1994 Institutions‖ before ―on a competitive basis."

SEC. 757. AUTHORIZATION PERCENTAGES FOR RESEARCH AND EXTENSION MULFunds.

(a) EXTENSION.—Section 144(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222(a)) is amended—

"(1) by striking ―There‖ and inserting the following:

"(a) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There;";

"(2) by striking the second sentence; and

"(3) by striking ―beginning‖ through ―6 percent‖ and inserting the following:

"(2) MINIMUM AMOUNT.—Beginning with fiscal year 2003, there shall be appropriated under this section each fiscal year an amount that is not less than 15 percent;";

"(3) by striking ―Funds appropriated‖ and inserting the following:

"(3) USES.—Funds appropriated; and"

"(4) by striking ―No more‖ and inserting the following:

"(4) CARRYOVER.—No more."

(b) RESEARCH.—Section 1445(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222c(a)) is amended—

"(1) by striking ―There‖ and inserting the following:

"(1) IN GENERAL.—There;";

"(2) by striking the second sentence and inserting the following:

"(2) AMOUNT.—The amount of the matching funds shall be equal to not less than 15 percent (A) for each fiscal year of 2003, 50 percent of the formula funds to be distributed to the eligible institution; and

"(B) for each of fiscal years 2004 through 2006, 10 percent of the amount required under this paragraph for the preceding fiscal year."

"(1) by striking ―The eligible‖ and inserting the following:

"(2) by striking ―No more‖ and inserting the following:

"(5) CARRYOVER.—No more.

SEC. 758. CARRYOVER.

Section 1445(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222c(a)) is amended by striking paragraph (5) and inserting the following:

"(5) CARRYOVER.—

(A) IN GENERAL.—The balance of any amount provided for the fiscal year under this section that remains unexpended at the end of the fiscal year may be carried over for use during the following fiscal year.

(B) FAILURE TO EXPEND FULL AMOUNT.—If any unexpended balance carried over by an eligible institution is not expended by the end of the second fiscal year, an amount equal to the unexpended balance shall be deducted from the next succeeding annual allotment to the eligible institution."

SEC. 759. REPORTING OF TECHNOLOGY TRANS- FER ACTIVITIES.

Section 1445(c)(3) of the National Agricul- tural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222c(c)(3)) is amended by adding at the end the following:

"(F) The technology transfer activities conducted with respect to federally-funded agricultural research.”

SEC. 760. GRANTS TO UPGRADE AGRICULTURAL AND FOOD SCIENCES FACILITIES AT 1890 LAND-GRAIN COLLEGES, INCLUD- ING TUSKEGEE UNIVERSITY.

Section 1447(b) of the National Agricul- tural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b(b)) is amended by striking ―$15,000,000 for each of fiscal years 1996 through 2002 and inserting ―$25,000,000 for each of fiscal years 2002 through 2006."

SEC. 761. NATIONAL RESEARCH AND TRAINING CENTRAL CENTERS.

Section 1449 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222c) is amended by striking ―2002‖ each place it appears in subsections (a)(1) and (f) and inserting ―2003."

SEC. 762. MATCHING FUNDS REQUIREMENT FOR RESEARCH AND EXTENSION ACTIVI- TIES.

Section 1449 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222c) is amended by inserting subsections (c) and (d) and inserting the following:

"(c) MATCHING FORMULA.—

"(1) IN GENERAL.—For each of fiscal years 2003 through 2006, the State shall provide matching funds from non-Federal sources.

"(2) AMOUNT.—The amount of the matching funds shall be equal to not less than 50 percent of the formula funds to be distributed to the eligible institution; and

"(3) For each of fiscal years 2004 through 2006, 10 percent of the amount required under this paragraph for the preceding fiscal year.”
(d) WAIVERS.—Notwithstanding subsection (f), for any fiscal years 2003 through 2006, the Secretary may waive the matching funds requirement under subsection (f) for any amount above the level of 50 percent for an eligible institution of a State if the Secretary determines that the State will be unlikely to meet the matching requirement.

CHAPTER 4—LAND-GRANT INSTITUTIONS

Subchapter A—General

SEC. 771. PRIORITY-SETTING PROCESS.
Section 102(c)(1) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 762(c)(1)) is amended—

(1) by striking “establish and implement a process for obtaining” and inserting “obtain public”; and

(2) by striking the period at the end and inserting the following: “through a process that reflects transparency and opportunity for input from producers of diverse agricultural crops and diverse geographic and cultural communities.”

SEC. 772. TERMINATION OF CERTAIN SCHEDULE A APPOINTMENTS.

(a) TERMINATION.—Not later than 60 days after the date of enactment of this Act, the Secretary of Agriculture shall terminate each appointment listed as an excepted position under schedule A of the General Schedule made by the Secretary to the Federal civil service of an individual who holds dual government appointments, and who carries out agricultural extension work in a program at a college or university eligible to receive funds, under—

(1) the Smith-Lever Act (7 U.S.C. 341 et seq.);

(2) section 1444 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221); or

(3) section 208(e) of the District of Columbia Public Education Reorganization Act (88 Stat. 143)

(b) CONTINUATION OF CERTAIN FEDERAL BENEFITS.

(1) IN GENERAL.—Notwithstanding title 5, United States Code, and subject to paragraph (2), an individual described in subsection (a), during the period the individual is employed in an agricultural extension program described in subsection (a) without a break in service, shall continue to—

(A) be eligible to participate, to the same extent that the individual was eligible to participate (on the day before the date of enactment of this Act), in—

(i) the Federal Employee Health Benefits Program;

(ii) the Federal Employee Group Life Insurance Program; (iii) the Civil Service Retirement System;

(iv) the Federal Employee Retirement System; and

(v) the Thrift Savings Plan; and

(B) receive Federal Civil Service employment credit to the same extent that the individual was receiving such credit on the day before the date of enactment of this Act.

(2) LIMITATIONS.—An individual may continue to be eligible for the benefits described in paragraph (1) if—

(A) in the case of an individual who remains employed in the agricultural extension program described in subsection (a) on the date of the enactment of this Act, the enrolling college or university continues to fulfill the administrative and financial responsibilities (including making agency contributions) associated with providing those benefits as determined by the Secretary of Agriculture; and

(B) in the case of an individual who changes employment to a second college or university described in subsection (a) and...

(1) the individual continues to work in an agricultural extension program described in subsection (a), as determined by the Secretary of Agriculture;

(i) the second college or university—

(1) fulfills the administrative and financial responsibilities (including making agency contributions) associated with providing those benefits, as determined by the Secretary of Agriculture; and

(ii) within 120 days before the date of the employment of the individual, had employed a different individual described in subsection (a) who had performed the same duties of employment; and

(iii) the individual was eligible for those benefits on the day before the date of enactment of this Act.

Subchapter B—Land-Grant Institutions in Insular Areas

SEC. 775. DISTANCE EDUCATION GRANTS PROGRAM FOR INSULAR AREA LAND-GRAIN INSTITUTIONS.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 321 et seq.) is amended by adding at the end the following:

Subtitle 0—Land-Grant Institutions in Insular Areas

SEC. 1489. DISTANCE EDUCATION GRANTS FOR INSULAR AREAS.

“(a) IN GENERAL.—The Secretary may make competitive or noncompetitive grants to State cooperative institutions in insular areas to carry out distance education and training programs at cooperative institutions to carry out distance food and agricultural education programs using digital network technologies.

“(b) USE.—Grants made under this section shall be used—

(1) to acquire the equipment, instrumentation, networking capability, hardware and software, infrastructure, and in-house technical staff necessary to establish and implement a digital network capability to the classroom; and

(2) to develop and provide educational services (including faculty development) to prepare students or faculty seeking a degree or certificate that is approved by the State or a regional accrediting body recognized by the Secretary of Education.

“(c) ELIGIBILITY.—An institution described in subsection (a) is eligible for a grant under this section if—

(1) the institution has signed a memorandum of understanding with an eligible institution of an insular area to carry out these programs in cooperation with that institution; and

(2) the institution has an agreement with an eligible institution of an insular area to carry out these programs in cooperation with that institution.

“(d) ADMISSION OF PROGRAM.—The Secretary may by rule establish a program under this section for the enrollment of students in an eligible insular area.

“(e) MATCHING REQUIREMENT.—

(1) IN GENERAL.—The Secretary may establish a matching requirement under paragraph (1), the requirement shall include an option for the Secretary to waive the requirement for an insular area State cooperative institution for any fiscal year if the Secretary determines that the institution will be unlikely to meet the matching requirement for the fiscal year.

“(f) AUTHORIZATION OF APPROPRIATIONS.—

There is authorized to be appropriated to carry out this section $4,000,000 for each of fiscal years 2002 through 2006.

SEC. 776. MATCHING REQUIREMENTS FOR RESEARCH AND EXTENSION FORMULA FUNDS FOR INSULAR AREA LAND-GRANT INSTITUTIONS.

(a) EXPERIMENT STATIONS.—Section 3(d) of the Hatch Act of 1902 (7 U.S.C. 1921(d)) is amended by striking paragraph (4) and inserting the following:

“(4) EXCEPTION FOR INSULAR AREAS.

“(A) IN GENERAL.—Effective beginning for fiscal year 2003, in lieu of the matching funds requirement of subsection (a), the insular areas of the Commonwealth of Puerto Rico, Guam, and the Virgin Islands of the United States shall provide matching funds from non-Federal sources in an amount equal to not less than 50 percent of the formula funds distributed to the insular areas, respectively, under this section.

“(B) WAIVERS.—The Secretary may waive the matching funds requirement for subparagra...
(A) agricultural marketing programs;
(B) programs to protect the animal and plant resources of the United States; and
(C) educational programs or special studies to improve the quality of the food supply of the United States.

(b) TIMELY, COST-EFFECTIVE RESEARCH.—To meet the urgent applied research needs of inspection or regulatory agencies of the Department, the Secretary—
(1) may use a public or private source; and
(2) shall use the most practicable source to provide timely and cost-effective means of providing the research.

(c) CONFLICTS OF INTEREST.—The Secretary shall establish guidelines to prevent any conflict of interest that may arise if an inspection or regulatory agency of the Department obtains research from any Federal agency, the work or technology transfer efforts of which are funded in part by an industry subject to the jurisdiction of the inspection or regulatory agency of the Department.

(d) REGULATIONS.—The Secretary may promulgate such regulations as are necessary to carry out this section.

SEC. 783. EMERGENCY RESEARCH TRANSFER AUTHORITY.

(a) IN GENERAL.—Subject to subsection (b), in addition to any other authority that the Secretary may have to transfer appropriated funds, the Secretary may transfer up to 2 percent of any appropriation made available to an office or agency of the Department for a fiscal year for agricultural research, extension, marketing, animal and plant health, nutrition, food safety, nutrition education, or forestry programs to any other appropriation for an office or agency of the Department for emergency research, extension, or education purposes; to address imminent threats to animal and plant health, food safety, or human nutrition, including bioterrorism.

(b) LIMITATIONS.—The Secretary may transfer funds under subsection (a) only—
(1) on a determination by the Secretary that the need is so imminent that the need will not be timely met by annual, supplemental, or emergency appropriations;
(2) on an aggregate amount that does not exceed $5,000,000 for any fiscal year; and
(3) with the approval of the Director of the Office of Management and Budget.

SEC. 794. REVIEW OF AGRICULTURAL RESEARCH SERVICE.

(a) IN GENERAL.—The Secretary shall conduct a review of the purpose, efficiency, effectiveness, and impact on agricultural research of the Agricultural Research Service.

(b) ADMINISTRATION.—In conducting the review, the Secretary shall use persons outside the Department, including—
(1) Federal scientists;
(2) college and university faculty;
(3) private and nonprofit scientists; or
(4) other persons familiar with the work of the Agricultural Research Service in conducting agricultural research in the United States.

(c) REPORT.—Not later than September 30, 2004, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the results of the review.

(d) FUNDING.—The Secretary shall use to carry out this section not more than 0.1 percent of the amount of appropriations made available to the Agricultural Research Service for fiscal year 2004 for salaries and expenses.

SEC. 795. TECHNOLOGY TRANSFER FOR RURAL DEVELOPMENT.

(a) IN GENERAL.—The Secretary, acting through the Rural Business-Cooperative Service and the Agricultural Research Service, shall establish a program to promote the availability of technology transfer opportunities of the Department to rural businesses and residents.

(b) COMPONENTS OF PROGRAM.—The program shall—
(1) a website featuring information about the program and technology transfer opportunities of the Department;
(2) an annual joint program for State economic development directors and Department rural development directors regarding technology transfer opportunities of the Agricultural Research Service and other offices and agencies of the Department; and
(3) technology transfer opportunity programs for each Agricultural Research Service laboratory, conducted at least biennially, which may include participation by other local Federal laboratories, as appropriate.

(c) FUNDING.—The Secretary shall use to carry out this section—
(1) amounts made available to the Agricultural Research Service; and
(2) amounts made available to the Rural Business-Cooperative Service for salaries and expenses.

SEC. 796. BEGINNING FARMER AND RANCHER DEVELOPMENT PROGRAM.

(a) DEFINITION OF BEGINNING FARMER OR RANCHER.—In this section, the term “beginning farmer or rancher” means a person that—
(1) has not operated a farm or ranch; or
(2) has operated a farm or ranch for not more than 10 years; and

(b) P E R M I T T E D A C T I O N S.—The Secretary may make competitive grants to support new and established local and regional training, education, outreach, and technical assistance initiatives for beginning farmers or ranchers.

(c) GRANTS.—(1) IN GENERAL.—In carrying out this section, the Secretary shall make competitive grants to support new and established local and regional training, education, outreach, and technical assistance initiatives for beginning farmers or ranchers, including programs and services (as appropriate) relating to—

(1) mentoring, apprenticeships, and internships;
(2) resources and referral; and
(3) assisting beginning farmers or ranchers in acquiring land from retiring farmers and ranchers;

(4) innovative farm and ranch transfer strategies;

(5) entrepreneurship and business training;

(6) model land leasing contracts;

(7) financial management training;

(8) whole farm planning;

(9) conservation assistance;

(10) risk management education;

(11) diversification and marketing strategies;

(12) curriculum development;

(13) understanding the impact of concentration and globalization;

(14) basic livestock and crop farming practices;

(15) the acquisition and management of agricultural credit;

(16) environmental compliance;

(17) information processing; and

(18) other similar subject areas of use to beginning farmers or ranchers.

(2) ELIGIBILITY.—To be eligible to receive a grant under this subsection, the recipient shall be a collaborative State, local, or regionally-based network or partnership of public or private entities, which may include—

(A) a State cooperative extension service;

(B) a Federal or State agency;
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(C) a community-based and nongovernmental organization;

(D) a college or university (including an institution awarding an associate’s degree) or foundations maintained by a college or university; or

(E) any other appropriate partner, as determined by the Secretary.

(3) The term of a grant under this subsection shall not exceed 3 years.

(4) MATCHING REQUIREMENT.—To be eligible to receive a grant under this subsection, a recipient shall provide a match in the form of cash or in-kind contributions in an amount equal to 25 percent of the funds provided by the grant.

(5) SET-ASIDE.—Not less than 25 percent of funds used to carry out this subsection for a fiscal year shall be used to support programs and services that address the needs of—

(A) limited resource beginning farmers or ranchers (as defined by the Secretary);

(B) socially disadvantaged beginning farmers or ranchers (as defined in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)));

(C) farmers and ranchers desiring to become farmers or ranchers.

(6) PROHIBITION.—A grant made under this subsection may not be used for the planning, repair, rehabilitation, acquisition, or construction of a building or facility.

(7) ADMINISTRATIVE COSTS.—The Secretary shall not use more than 4 percent of the funds used to carry out this section for administrative costs incurred by the Secretary in carrying out this section.

(8) EDUCATION TEAMS.—

(A) IN GENERAL.—In carrying out this section, the Secretary shall establish beginning farmer and rancher education teams to develop curricula and conduct educational programs and workshops for beginning farmers or ranchers in diverse geographical areas of the United States.

(B) CURRICULUM.—In promoting the development of curricula, the Secretary shall, to the maximum extent practicable, include modules tailored to specific audiences of beginning farmers or ranchers, based on crop or regional diversity.

(C) COMPOSITION.—In establishing an education team for a specific program or workshop, the Secretary shall, to the maximum extent practicable—

(i) obtain the short-term services of specialists with knowledge and expertise in programs serving beginning farmers or ranchers; and

(ii) use officers and employees of the Department with direct experience in programs of the Department that may be taught as part of the curriculum for the program or workshop.

(9) COOPERATION.—

(A) IN GENERAL.—In carrying out this subsection, the Secretary shall cooperate, to the maximum extent practicable, with—

(i) State cooperative extension services;

(ii) Federal and State agencies;

(iii) community-based and nongovernmental organizations;

(iv) colleges and universities (including an institution awarding an associate’s degree) or foundations maintained by a college or university; and

(v) any other appropriate partners, as determined by the Secretary.

(B) COOPERATIVE AGREEMENT.—Notwithstanding chapter 63 of title 31, United States Code, the Secretary may enter into a cooperative agreement to reflect the terms of any cooperation under subparagraph (A).

(C) CURRICULUM AND TRAINING CLEARINGHOUSE.—The Secretary shall establish an online clearinghouse that makes available to beginning farmers or ranchers education curricula and training materials and programs, which may include online courses for direct use by beginning farmers or ranchers.

(D) STAKEHOLDER INPUT.—In carrying out this section the Secretary shall seek stakeholder input from—

(i) beginning farmers and ranchers;

(ii) local, regional, national, foundations, and other persons with expertise in operating beginning farmer and rancher programs; and

(iii) an advisory committee established under paragraph (7) of section 798 of this Act.

(E) PARTICIPATION BY OTHER FARMERS AND RANCHERS.—In nothing in this section prohibits the Secretary from allowing farmers and ranchers who are not beginning farmers or ranchers from participating in programs authorized under this section to the extent that the programs or workshops provided by the program are designed to benefit farmers and ranchers.

(F) FUNDING.—

(i) FEES AND CONTRIBUTIONS.—

(A) IN GENERAL.—The Secretary may—

(I) charge $250 per person or part of the costs of curriculum development and the delivery of programs or workshops provided by the program; or

(II) accept contributions from cooperating entities under a cooperative agreement entered into under subsection (d)(4)(B) to cover all or part of the costs for the delivery of programs or workshops by the beginning farmer and rancher education teams.

(ii) available to the Secretary to carry out the purposes of the account, without further appropriation;

(iii) remain available until expended; and

(iv) be available to any funds made available under paragraph (2).

(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2002 through 2006.

SEC. 797. SENSE OF CONGRESS REGARDING DOUBLING OF FUNDING FOR AGRICULTURAL RESEARCH.

It is the sense of Congress that—

(A) Federal funding for food and agricultural research has been essentially constant for 2 decades, putting at risk the scientific base on which food and agricultural advances have been made;

(B) the resulting increase in the relative proportion of private sector, industry investments in food and agricultural research has been accompanied by lessened independence and objectivity of research and outreach conducted by the Federal and university research sectors; and

(C) funding for food and agricultural research should be at least doubled over the next 5 fiscal years—

(i) to restore the balance between public and private sector funding for food and agricultural research; and

(ii) to maintain the scientific base on which food and agricultural advances are made.

SEC. 798. PRIORITY FOR FARMERS AND RANCHERS PARTICIPATING IN CONSERVATION PROGRAMS.

In carrying out new on-farm research or extension programs or projects authorized by this Act, an amendment made by this Act, or any Act enacted after the date of enactment of this Act, the Secretary shall give priority in carrying out the programs or projects to farmers or ranchers that participate in Federal agricultural conservation programs.

SEC. 798A. ORGANIC PRODUCTION AND MARKET DATA INCENTIVES.

The Secretary shall ensure that segregated data on the production and marketing of organic agricultural products is included in the ongoing baseline of data collection regarding agricultural production and marketing.

SEC. 798B. ORGANICALLY PRODUCED PRODUCT RESEARCH AND EDUCATION.

Not later than July 1 of each year, the Secretary, shall prepare, in consultation with the Advisory Committee on Small Farms, and submit to the Committee on Agriculture of the House of Representatives, and the Senate, a report on—

(A) the implementation of the organic rule promulgated under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.); and

(B) the impact of the organic rule on farms (as defined by the Advisory Committee on Small Farms).

SEC. 789C. INTERNATIONAL ORGANIC RESEARCH COLLABORATION.

The Secretary, acting through the Agricultural Research Service (including the National Agricultural Library), shall facilitate access by research and extension professionals in the United States to, and the use of, those products of agricultural research conducted outside the United States.

TITLE VIII—FORESTRY

SEC. 801. OFFICE OF INTERNATIONAL FORESTRY.

Section 2406(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 670d(h)) is amended by striking “2002” and inserting “2006”.

SEC. 802. MCIINTIRE-STENNIS COOPERATIVE FORESTRY EXTENSION ACTIVITIES.

It is the sense of Congress to reaffirm the importance of Public Law 87–88 (16 U.S.C. 562a, et seq.), commonly known as the “McIntire-Stennis Cooperative Forestry Act”.

SEC. 803. SUSTAINABLE FORESTRY OUTREACH INITIATIVE; RENEWABLE RESOURCES EXTENSION ACTIVITIES.

(a) SUSTAINABLE FORESTRY OUTREACH INITIATIVE.—The Sustainable Resources Extension Act of 1978 is amended by striking “2002” and after section 5A (16 U.S.C. 1674a) the following:

"SEC. 5B. SUSTAINABLE FORESTRY OUTREACH INITIATIVE.—

"The Secretary shall establish a program, to be known as the ‘Sustainable Forestry Outreach Initiative’, to educate landowners concerning—

"(1) the value and benefits of practicing sustainable forestry; and

"(2) the importance of professional forestry advice in achieving sustainable forestry objectives; and

"(3) the variety of public and private sector resources available to assist the landowners in planning for and practicing sustainable forestry.

(b) RENEWABLE RESOURCES EXTENSION ACTIVITIES.—

(1) AUTHORIZATION OF APPROPRIATIONS.—Section 8 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1671) is amended by striking the first sentence and inserting the following: “There is authorized to be appropriated to carry out this Act $30,000,000 for each of fiscal years 2002 through 2006.”.

(2) TERMINATION DATE.—Section 8 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1671) is amended by striking “2003” and inserting “2007”.

SEC. 804. RENWY EFFECTIVE DATE.

The provisions of this Act shall apply to the fiscal year 2002 and each subsequent fiscal year.
SEC. 804. FORESTRY INCENTIVES PROGRAM.

Section 4 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103) is repealed.

SEC. 805. FOREST LAND ENHANCEMENT PROGRAM.

(a) FINDINGS.—Congress finds that—

(1) there is a growing dependence on nonindustrial private forest land to supply the necessary market commodities, and nonmarket values (such as habitat for fish and wildlife, aesthetics, outdoor recreation opportunities, and other forest resources), required by a growing population;

(2) there is a strong demand for expanded assistance programs for owners of nonindustrial private forest land; and

(3) alternative federal assistance programs; and

(b) PURPOSES.—The purposes of this section.

(Sec. 804. Forestry Incentives Program. Sec. 805. Forest Land Enhancement Program.)

SEC. 804. FORESTRY INCENTIVES PROGRAM.

Section 4 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103) is repealed.

SEC. 805. FOREST LAND ENHANCEMENT PROGRAM.

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(1) there is a growing dependence on nonindustrial private forest land to supply the necessary market commodities, and nonmarket values (such as habitat for fish and wildlife, aesthetics, outdoor recreation opportunities, and other forest resources), required by a growing population;

(2) there is a strong demand for expanded assistance programs for owners of nonindustrial private forest land; and

(3) alternative federal assistance programs; and

(b) PURPOSES.—The purposes of this section.

(Sec. 804. Forestry Incentives Program. Sec. 805. Forest Land Enhancement Program.)

SEC. 804. FORESTRY INCENTIVES PROGRAM.

Section 4 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103) is repealed.

SEC. 805. FOREST LAND ENHANCEMENT PROGRAM.

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(1) there is a growing dependence on nonindustrial private forest land to supply the necessary market commodities, and nonmarket values (such as habitat for fish and wildlife, aesthetics, outdoor recreation opportunities, and other forest resources), required by a growing population;

(2) there is a strong demand for expanded assistance programs for owners of nonindustrial private forest land; and

(3) alternative federal assistance programs; and

(b) PURPOSES.—The purposes of this section.

(Sec. 804. Forestry Incentives Program. Sec. 805. Forest Land Enhancement Program.)
(B) Payments to a single owner.—The maximum amount of cost-sharing payments to any 1 owner shall be determined by the Secretary.

(4) Consultation.—The Secretary shall make determinations under this subsection in consultation with the State forester.

(5) Recapture.—

(i) The Secretary shall establish and implement a mechanism to recapture payments made to an owner if the owner fails to carry out an approved activity specified in a stewardship, forestry, or stand management plan for which the owner received cost-sharing payments under the Program.

(ii) In general.—The remedy described in paragraph (1) shall be in addition to any other remedy available to the Secretary.

(6) Distribution.—The Secretary shall distribute funds available for cost-sharing under the Program among owners of nonindustrial private forest land in the States after giving appropriate consideration to—

(i) the total acreage of nonindustrial private forest land in each State;

(ii) the potential productivity of the nonindustrial private forest land in each State;

(iii) the number of owners eligible for cost sharing in each State;

(iv) the opportunities to enhance nonindustrial private forest land in each State;

(v) the demand and demand for agroforestry practices in each State;

(vi) the total acreage of nonindustrial private forest land in each State;

(vii) the anticipated demand for timber and nonindustrial private forest land in each State;

(viii) the need to improve forest health in the State to minimize the damaging effects of catastrophic fire, insects, disease, or weather; and

(ix) the need and demand for sustainable forestry practices in each State.

(7) Availability of Funds.—During the period of fiscal years 2002 through 2006, the Secretary shall use $100,000,000 of funds of the Commodity Credit Corporation to carry out the Program.

(8) Conforming Amendments.—

(a) Section 266(b)(2) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6992(b)(2)) is amended by striking “forestry incentive program” and inserting “Forestry Land Enhancement Program.”

(b) Section 12(a) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2108a) is amended by eliminating the second sentence of section 8(a) and inserting “Forest Land Enhancement Program.”

(c) Section 126a(8) of the Internal Revenue Code of 1986 is amended by striking “forestry incentive program” and inserting “Forestry Land Enhancement Program.”

SEC. 808. SUSTAINABLE FOREST COOPERATIVE PROGRAM.

(a) Definitions.—In this section:

(1) Farmer or rancher.—The term ‘farmer or rancher’ means a person engaged in the production of an agricultural commodity (including livestock).

(2) Forestry cooperative.—The term ‘forestry cooperative’ means an association that is—

(A) owned and operated by nonindustrial private forest landowners; and

(B) comprised of members—

(i) of which at least 51 percent are farmers or ranchers; and

(ii) that use sustainable forestry practices on nonindustrial private forest land to create a long-term, sustainable income stream.

(3) Nonindustrial private forest land.—The term ‘nonindustrial private forest land’ has the meaning given the term ‘nonindustrial private forest lands’ in section 5(c).

(b) Establishment.—The Secretary shall establish a program, to be known as the ‘sustainable forestry cooperative program’, under which the Secretary shall provide, to nonprofit organizations on a competitive basis, grants to establish, and develop and support, sustainable forestry practices carried out by members of, forestry cooperatives.

(1) Use of Funds.—

(A) In general.—Subject to paragraph (2), funds from a grant provided under this section shall be used to—

(i) predevelopment, development, startup, capital acquisition, and marketing costs associated with sustainable forestry; or

(ii) the development or support of a sustainable forestry practice of a member of a forestry cooperative.

(B) Development.—The Secretary shall provide funds under paragraph (1)(A) only to a nonprofit organization with demonstrated expertise in cooperative development, as determined by the Secretary.

(C) Compliance with Plan.—A sustainable forestry practice developed or supported through the use of funds from a grant under this section shall comply with any applicable standards for sustainable forestry contained in a management plan that—

(i) meets the requirements of section 4(e); and

(ii) is approved by the State forestry (or equivalent State official).

(d) Authority of Appropriations.—There is authorized to be appropriated to carry out this section $2,000,000 for each of fiscal years 2002 through 2006.

SEC. 807. STEWARDSHIP INCENTIVE PROGRAM.

(a) Findings.—Congress finds that—

(1) there is an increasing threat of fire to millions of acres of forest land and rangeland throughout the United States;

(2) this threat is especially great in the interior States of the western United States, where the Forest Service estimates that more than 39,000,000 acres of National Forest System land are at high risk of catastrophic wildfire;

(3) the degraded condition of forest land and rangeland has resulted in the lack of a cohesive strategy to address the threat of catastrophic wildfires; and

(4) there is a critical need for cost-effective investments in improved fire management technologies.

(b) Forest Fire Research Centers.—The Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1614 et seq.) is amended by adding at the end the following:

SEC. 11. FOREST FIRE RESEARCH CENTERS.

(a) In general.—Subject to the availability of appropriations, the Secretary of Agriculture, acting through the Chief of the Forest Service (referred to in this section as the ‘Secretary’) shall establish at least 2 forest fire research centers on the campuses of institutions of higher education (which may include research centers in existence on the date of enactment of this section) that—

(1) have expertise in natural resource development; and

(2) are located in close proximity to other Federal natural resource, forest management, and land management organizations.

(b) Locations.—Of the forest fire research centers established under subsection (a) —

(1) at least 1 center shall be established in California, Idaho, Montana, Oregon, or Washington; and

(2) at least 1 center shall be located in Arizona, Colorado, New Mexico, Nevada, or Wyoming.

(c) Duties.—At each of the forest fire research centers established under subsection (a) the Secretary shall—

(1) the conduct of integrative, interdisciplinary research into the ecological, socioeconomic, and environmental impacts of fire and the use of management of ecosystems and landscapes to facilitate fire control; and

(2) the development of mechanisms to rapidly transfer new fire control and management technologies to fire and land managers.

(d) Advisory Committee.—

(i) In general.—The Secretary, in consultation with the Secretary of the Interior, shall establish a committee composed of fire and land managers and fire researchers to determine the areas of need and establish priorities for research projects conducted at forest fire research centers established under subsection (a).

(ii) Administration.—The Federal Advisory Committee Act (5 U.S.C. App. and section 102 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7612)) shall not apply to the committee established under paragraph (1).

(iii) Authorization of Appropriations.—There are authorized to be appropriated such sums as are necessary to carry out this section.

SEC. 809. WILDFIRE PREVENTION AND HAZARD MITIGATION PURPOSE FUEL PURCHASE PROGRAM.

(a) Findings.—Congress finds that—

(B) according to the Comptroller General, the average cost of attempting to put out fires in the interior West grew by 150 percent, from $134,000,000 in fiscal year 1986 to $300,000,000 in fiscal year 1997.

(C) the costs of preparedness, including the costs of maintaining a readiness force to fight fires, rose about 70 percent, from $30,000,000 in fiscal year 1992 to $52,000,000 in fiscal year 1997.

(D) the need for increased investments in improved fire management technologies.
the following:

meets the conditions described in clauses (ii) within a metropolitan statistical area that which drought conditions are present; and

(ii) modification of forest fuel load conditions through the removal of hazardous fuels would

(A) minimize catastrophic damage from wildfires;

(B) reduce the need for emergency funding to respond to wildfires; and

(C) protect lives, communities, watersheds, and wildlife habitat;

(iii) the hazardous fuels removed from forest land represent an abundant renewable re-source, as well as a significant supply of bio-mass for biomass-to-energy facilities;

(iv) the United States should invest in tech-nologies that promote economic and entre-preneural opportunities in processing forest products removed through hazardous fuel reduction activities.

(7) The United States should—

(A) develop and expand markets for traditionally underused wood and other biomass as an alternative for value-added excessive forest fuels; and

(B) commit resources to support planning, assessments, and project reviews to ensure that hazardous fuels management is accom-plished expeditiously and in an environmentally sound manner.

(b) FOREST PROTECTION AND HAZARDOUS FUEL PURCHASE PROGRAM.—The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 6 (16 U.S.C. 2133b) the following:

SEC. 6A. WILDFIRE PREVENTION AND HAZARDOUS FUEL PURCHASE PROGRAM.

"(a) DEFINITIONS.—In this section:

"(1) BIOMASS-TO-ENERGY FACILITY.—The term 'biomass-to-energy facility' means a facility that uses forest biomass or other biomass as a raw material to produce electric energy, useful heat, or a transportation fuel.

"(2) ELIGIBLE COMMUNITY.—The term 'eligible community' means—

"(A) any town, township, municipality, or other similar unit of local government (as determined by the Secretary), or any area represented by a nonprofit corporation or in-stitution organized under Federal or State law to promote broad-based economic develop-ment, that—

"(i) has a population of not more than 10,000 individuals;

"(ii) is located within a county in which at least 15 percent of the total primary and sec-ondary forest biomass is harvested from forest land adjacent to eligible communities;

"(B) wildlife; or

"(C) in the case of a wildfire, human, community, or firefighter safety, in a year in which hazardous fuels management is required to implement the National Fire Plan (as identified by the Secretary) would best be accomplished through the submission to the Secretary of such assurances as the Secretary may require; and

"(iii) give priority to condition class 3 hazardous fuels to a biomass-to-energy facility; and

"(IV) the cost of removal of hazardous fuels; and

"(V) in an amount that is at least equal to the product obtained by multiplying—

the number of tons of hazardous fuels delivered to a grant recipient by

an amount that is at least $5 but not more than $10 per ton of hazardous fuels, as determined by the Secretary, and taking into consideration the factors described in clause (i).

(b) LIMITATION ON INDIVIDUAL GRANTS.—

"(1) IN GENERAL.—Except as provided in clause (ii), a grant under subparagraph (A) shall not exceed $1,500,000 for any biomass-to-energy facility for any fiscal year.

"(2) SMALL BIOMASS-TO-ENERGY FACILITIES.—A biomass-to-energy facility that has an annual production of 5 megawatts or less shall not be subject to the limitation under clause (1).

(c) MONITORING OF GRANT RECIPIENT ACTIVITIES.—

"(1) IN GENERAL.—As a condition of a grant (a "grant recipient") shall keep such records as the Secretary may require, including records that—

"(i) completely and accurately disclose the use of grant funds; and

"(ii) describe all transactions involved in the purchase of hazardous fuels.

"(2) ACCREDITATION.—The Secretary shall monitor the operator of a biomass-to-energy facility that purchases and uses hazardous fuels with funds from a grant under this subsection to determine and document the reduction in fire hazards on that land.

"(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $50,000,000 for each of fiscal years 2002 through 2006.

"(c) LONG-TERM FOREST STEWARDSHIP CON-TRACTS FOR HAZARDOUS FUELS REMOVAL.—

"(1) ANNUAL ASSESSMENT OF TREATMENT NET-WORK.—

"(A) IN GENERAL.—Subject to the available-ability of appropriations, not later than March 1 of each of fiscal years 2002 through 2006, the Secretary shall submit to Congress an assessment of the number of acres of Federal forest land recommended to be treated during the subsequent fiscal year, using stewardship end result contracts authorized by paragraph (3).

"(B) COMPONENTS.—The assessment shall include—

"(i) the acreage by condition class, type of treatment, and treatment year to achieve the restoration goals outlined in the report within 10-, 15-, and 20-year time periods;

"(ii) give priority to condition class 3 hazardous fuels for which data are described in paragraph (a)(4)(A), including modifications in the restoration goals based on the effects of—

"(I) fire;

"(II) hazardous fuels treatments under the National Fire Plan (as identified by the Secretary); or

"(III) updates in data;

"(ii) provide information relating to the type of material and estimated quantities and range of sizes of material that shall be included in the treatments;

"(iii) describe the management area prescriptions in the applicable land and resource management plan for the land on which the treatment is recommended; and

"(iii) give priority to areas described in subsection (a)(4)(A).

"(2) FUNDING RECOMMENDATION.—The Secretary shall include in the annual assess-ment under paragraph (1) a request for funds sufficient to implement the recommenda-tions contained in the assessment using stewardship end result contracts described in paragraph (3) in any case in which the Secrecord determines that the objectives of the National Fire Plan (as identified by the Secre-tary) would best be accomplished through forest stewardship end result contracts.

"(3) STEWARDSHIP END RESULT CONTRAC-TINGS.—

"(A) IN GENERAL.—Subject to the avail-ability of appropriations, the Secretary may enter into stewardship end result contracts to implement the National Fire Plan as
identified by the Secretary) on National Forest System land based on the treatment schedules provided in the annual assessments conducted under paragraph (1) of this section.

"(B) Forest Fire Management.—The Forest Service, in accordance with the Forest Service's best management practices, shall develop and implement treatment schedules under paragraph (1) of this section for each State, after consultation with the State foresters in that State.

"(C) Program.—The Forest Service shall develop and implement a comprehensive program to address the issue of wildfires; (1) to ensure that the stewardship end result contracts entered into under this paragraph, except that the period of each such contract shall not exceed 10 years.

"(C) STATUS REPORT.—Beginning with the assessment period under paragraph (1) for the fiscal year 2003, the Secretary shall include in the annual assessment under paragraph (1) a status report of the stewardship end result contracts entered into under this paragraph.

"(D) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as are necessary for each of fiscal years 2002 through 2006.

"(E) COOPERATIVE MANAGEMENT RELATING TO WILDFIRE THREATS.—Notwithstanding section 7 of the Federal Fire Prevention and Control Act of 1974 (16 U.S.C. 2104 note; Public Law 93–277), the Secretary may cooperate with State foresters and equivalent State officials to—

"(1) assist in the prevention, control, suppression, and prescribed use of fires (including through the provision of financial, technical, and related assistance);

"(2) protect communities from wildfire threats;

"(3) enhance the growth and maintenance of trees and forests in a manner that promotes overall forest health; and

"(4) develop a watershed management program that through the provision of technical, financial, and related assistance to forest landowners and communities that relate to the protection of watersheds and improvement of water quality, are necessary to realize the expectations of the general public for clean water and healthy aquatic systems.

"(B) ENHANCED COMMUNITY FIRE PROTECTION.—The Cooperative Forest Fire Assistance Act of 1978 is amended by inserting after section 10 (16 U.S.C. 2110) the following:

"SEC. 10A. ENHANCED COMMUNITY FIRE PROTECTION.

"(a) COOPERATIVE MANAGEMENT RELATING TO WILDFIRE THREATS.—Notwithstanding section 7 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2206), the Secretary may cooperate with State foresters and equivalent State officials to—

"(1) assist in the prevention, control, suppression, and prescribed use of fires (including through the provision of financial, technical, and related assistance);

"(2) protect communities from wildfire threats;

"(3) enhance the growth and maintenance of trees and forests in a manner that promotes overall forest health; and

"(4) develop a watershed management program that through the provision of technical, financial, and related assistance to forest landowners and communities that relate to the protection of watersheds and improvement of water quality, are necessary to realize the expectations of the general public for clean water and healthy aquatic systems.

"(b) COMMUNITY AND PRIVATE LAND FIRE ASSISTANCE PROGRAM.—The Cooperative Forest Fire Assistance Act of 1978 is amended by inserting after section 6A (16 U.S.C. 2104 note; Public Law 105–277), the following:

"SEC. 6B. COMMUNITY AND PRIVATE LAND FIRE ASSISTANCE PROGRAM.

"(a) ESTABLISHMENT.—Subject to the availability of appropriations, the Secretary shall establish a watershed assistance program (referred to in this section as the 'Program') to provide financial, technical, and related assistance through contracts with States to promote and encourage the ability of States and private forest landowners to sustain the delivery of clean, abundant water from forest land;

"(b) PURPOSES.—The purposes of this section are—

"(1) improve the understanding of landowners and the public with respect to the relationship between water quality and forest management;

"(2) encourage landowners to maintain tree cover and use tree plantings and vegetative treatments as creative solutions to water quality and quantity problems associated with urban and rural land uses;

"(3) enhance and complement source water protection in watersheds that provide drinking water for municipalities;

"(4) establish new partnerships and collaborative watershed approaches to forest management, stewardship, and protection; and

"(5) provide technical and financial assistance to States to deliver a coordinated program that through the provision of technical, financial, and educational assistance to specified individual and entities—

"(A) enhances State forest best management practices programs; and

"(B) protects and improves water quality on forest land.

"(c) PROGRAM.—The Cooperative Forest Fire Assistance Act of 1978 is amended by inserting after section 5A (as added by section 806) the following:

"SEC. 5B. WATERSHED FORESTRY ASSISTANCE PROGRAM.

"(a) ESTABLISHMENT.—Subject to the availability of appropriations, the Secretary shall establish a watershed assistance program (referred to in this section as the 'Program') to provide to States, through
State foresters (as defined in section 4), technical, financial, and related assistance to—

(1) expand forest stewardship capacities and activities through State forestry best management practices and other means at the State level; and

(2) prevent water quality degradation, and address watershed issues, on non-Federal forest lands.

(b) WATERSHED FORESTRY EDUCATION, TECHNICAL ASSISTANCE, AND PLANNING.—

(1) PLAN.—(A) IN GENERAL.—In carrying out the program, the Secretary shall cooperate with State foresters to develop a plan, to be administered by the Secretary and implemented by State foresters, to provide technical assistance to assist States in preventing and mitigating water quality degradation.

(B) PARTICIPATION.—In developing the plan under subparagraph (A), the Secretary shall encourage participation of interested members of the public (including nonprofit private organizations and local watershed councils).

(2) COMPONENTS.—The plan described in paragraph (1) shall include provisions to—

(A) build and strengthen watershed partnerships focusing on forest land at the national, regional, and local levels;

(B) provide State forestry best management practices and water quality technical assistance directly to private landowners;

(C) guide efforts relating to water quality management through forest management in degraded watersheds to land managers and policymakers;

(D) complement State nonpoint source assessment and management plans established under section 319 of the Federal Water Pollution Control Act (33 U.S.C. 1329); and

(E) provide enhanced forest resource data and support for improved implementation of State forestry best management practices, including—

(i) designing and conducting effectiveness and implementation studies; and

(ii) meeting in-State water quality assessment and management planning, and guiding the development of water quality models that correlate the management of forest land to water quality measures and standards.

(c) WATERSHED FORESTRY COST-SHARE PROGRAM.—

(1) ESTABLISHMENT.—In carrying out the program, the Secretary shall establish a watershed forestry cost-share program, to be administered by the Secretary and implemented by State foresters, to provide grants and contracts for eligible programs and projects described in paragraph (2).

(2) ELIGIBLE PROGRAMS AND PROJECTS.—A community, nonprofit group, or landowner may receive cost-share assistance under this subsection to carry out a State forestry best management practices program or a watershed forestry project if the program or project, as determined by the Secretary—

(A) is consistent with—

(i) State nonpoint source assessment and management, and other objectives established under section 319 of the Federal Water Pollution Control Act (33 U.S.C. 1329); and

(ii) the cost-share requirements of this section.

(B) is designed to address critical forest stewardship, watershed protection, and restoration needs of a State through—

(i) implementation of best management practices as solutions to water quality problems in urban and agricultural areas;

(ii) community-based planning, involvement, and action through State, local, and nonprofit partnerships;

(iii) the application of and dissemination of information on forestry best management practices relating to water quality;

(iv) watershed-scale forest management activities and conservation planning; and

(v) the protection of wetlands and stream side forests and establishment of riparian vegetative buffers.

(D) AWARD.—On approval by the Secretary of an application under paragraph (4), the amounts made available to carry out this subsection.

(B) CRITERIA.—The criteria referred to in subparagraph (A) are—

(i) the number of acres of forest land, and land that could be converted to forest land, in each State;

(ii) the number of eligible programs and projects that are identified by the Secretary for a reasonable range of the purposes of the program and, as a result, contribute to the water-related goals of the United States.

(C) AWARD OF GRANTS AND ASSISTANCE.—

(A) IN GENERAL.—In implementing the program under this subsection, the Secretary shall establish a grant program, the Secretary shall cooperate with the State Coordinating Committee established under section 319, shall provide annual grants and cost-share assistance to communities, nonprofit groups, and landowners to carry out eligible programs and projects described in paragraph (2).

(B) APPLICATION.—A community, nonprofit group, or landowner that seeks to receive cost-share assistance under this subsection shall submit to the State forester an application, in such form and containing such information as the State forester may prescribe, for the assistance.

(C) PRIORITIZATION.—In awarding cost-share assistance under this subsection, the Secretary shall give priority to eligible programs and projects that are identified by the Secretary and the State Stewardship Committees as having a greater need for assistance.

(D) AWARD.—On approval by the Secretary of an application under subparagraph (B), the State forester shall award to the applicant, from funds allocated to the State under this program, an amount of cost-share assistance as is requested in the application.

(G) COST SHARING.—

(A) FEDERAL SHARE.—The Federal share of the cost of carrying out any eligible program or project under this subsection shall not exceed 75 percent, of which not more than 50 percent may be in the form of assistance provided under this subsection.

(B) NON-FEDERAL SHARE.—The non-Federal share of the cost of carrying out any eligible program or project under this subsection may be provided in the form of cash, services, or in-kind contributions.

(D) WATERSHED FORESTER.—A State may use a portion of the funds available to the State under subsection (e) to establish and fill a position of ‘Watershed Forester’ to lead State, institutional, and coordinate watershed-level projects.

(E) FUNDING.—

(1) IN GENERAL.—There are authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2002 through 2006.

(2) ALLOCATION.—Of the funds made available under paragraph (1)—

(A) 75 percent shall be used to carry out subsection (c); and

(B) 25 percent shall be used to carry out provisions of this section other than subsection (c).

SECTION 812. GENERAL PROVISIONS.

The Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2109) is amended by striking subsection (f) and inserting the following:

(1) GRANTS, CONTRACTS, AND OTHER AGREEMENTS.—

(A) IN GENERAL.—In accordance with paragraph (2), the Secretary may make such grants and enter into such contracts, agreements, or other arrangements as the Secretary determines are necessary to carry out this Act.

(B) ASSISTANCE.—Notwithstanding any other provision of this Act, the Secretary, with the concurrence of the applicable State forester or equivalent State official, may provide assistance specifically to any public or private entity, organization, or individual—

(1) through a grant; or

(2) by entering into a contract or cooperative agreement.

SECTION 813. STATE FOREST STEWARDSHIP COORDINATION COMMITTEE.

Section 19(b) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2113(b)) is amended—

in paragraph (1)(B)(i), by inserting ‘‘United States Fish and Wildlife Service,’’ before ‘‘Forest Service’’; and

in paragraph (2)—

(A) in subparagraph (C), by striking ‘‘and’’ at the end;

(B) in subparagraph (D), by striking the period at the end and inserting ‘‘; and’’; and

(C) by adding at the end the following:

‘‘(E) submit to the Secretary, the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, an annual report that provides—

(i) the list of members on the Committee described in paragraph (1); and

(ii) for those members that may be included on the Committee, but are not included because a determination that it is not practicable to include the members has been made, an explanation of the reasons for that determination.’’.

TITLE IX—ENERGY

SECTION 901. FINDINGS.

Congress finds that—

(1) there are many opportunities for the agricultural sector and rural areas to produce renewable energy and increase energy efficiency;

(2) investments in renewable energy and energy efficiency—

(A) enhance the energy security and independence of the United States;

(B) increase farmer and rancher income;

(C) promote rural economic development;

(D) provide environmental and public health benefits such as cleaner air and water; and

(E) improve electricity grid reliability, thereby reducing the likelihood of blackouts and brownouts, particularly during peak usage periods.

(3) the public strongly supports renewable energy generation and energy efficiency improvements as an important component of a national energy strategy;

(4) the Federal Government is the country’s largest consumer of a vast array of
products, spending in excess of $200,000,000,000 per year.

(B) purchases and use of products by the Federal Government have a significant effect on the environment; and

(C) accordingly, the Federal Government should lead the way in purchasing biobased products so as to minimize environmental impacts while supporting domestic producers of biobased products.

(5) the agricultural sector is a leading producer of biobased products to meet domestic and international needs;

(6) agriculture can play a significant role in the development of fuel cell and hydrogen-based energy technologies, which are critical technologies for a clean energy future; and

(7) there are tremendous economic development and environmental quality benefits to be achieved by developing both large-scale and small-scale wind power projects on farms and in rural communities;

(8) farm-based renewable energy generation can become one of the major cash crops of the United States, improving the livelihoods of hundreds of thousands of family farmers, ranchers, and others and revitalizing communities;

(9) evidence continues to mount that increases in atmospheric concentrations of greenhouse gases are contributing to global climate change; and

(10) agriculture can help in climate change mitigation by—

(i) storing carbon in soils, plants, and forests;

(ii) producing biofuels, chemicals, and power to replace fossil fuels and petroleum-based products; and

(iii) reducing emissions by capturing gases from agricultural, postharvest, and food processing operations, changing agricultural land practices, and becoming more energy efficient;

(11) because agricultural production is energy-intensive, it is incumbent on the Federal Government to aid the agricultural sector in reducing energy consumption and energy costs;

(i) one way to help farmers, ranchers, and others reduce energy use is through professional energy audits;

(ii) energy audits provide recommendations of energy efficiency that, when acted on, offer an effective means of reducing overall energy use and saving money; and

(iii) energy savings of 10 to 30 percent can typically be achieved, and greater savings are often realized;

(12) rural electric utilities are often geographically well situated to develop renewable and distributed energy supplies, enabling the utilities to diversify their energy portfolios and afford their members or customers alternative energy sources, which many rural and suburban customers desire;

(13) fuel cells are a highly efficient, clean, and flexible technology for generating electricity from hydrogen that promises to improve the reliability and electricity reliability, and energy security;

(14) because fuel cells can be made in any size, fuel cells can be used for a wide variety of farm applications, including powering farm vehicles, equipment, houses, and other operations; and

(15) hydrogen is a clean and flexible fuel that can play a critical role in storing and transporting energy, is being used on farms from renewable sources (including biomass, wind, and solar energy).

SEC. 902. CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.

The Consolidated Farm and Rural Development Act (section 607A of the Consolidated Farm and Rural Development Act of 1972) of the Consolidated Farm and Rural Development Act is amended by adding at the end the following:

"Subtitle I.—Clean Energy"

"SEC. 387A. DEFINITIONS. In this subtitle:

(1) BIOMASS.—The term ‘biomass’ means any organic material that is available on a renewable or recurring basis.

(B) INCLUSIONS.—The term ‘biomass’ includes—

(i) dedicated energy crops;

(ii) trees grown for energy production;

(iii) wood waste;

(iv) plants (including aquatic plants, grasses, and agricultural crops);

(v) residues;

(vi) animals;

(vii) animal wastes and other waste materials; and

(viii) fats and oils (including recycled fats and oils).

(C) EXCLUSIONS.—The term ‘biomass’ does not include—

(i) old-growth timber (as determined by the Secretary);

(ii) paper that is commonly recycled; or

(iii) unsegregated garbage.

(2) RENEWABLE ENERGY.—The term ‘renewable energy’ means energy derived from a wind, solar, biomass, geothermal, or hydro resource.

(3) RURAL SMALL BUSINESS.—The term ‘rural small business’ has the meaning that the Secretary shall prescribe by regulation.

CHAPTER I.—BIOBASED PRODUCT DEVELOPMENT

"SEC. 387B. BIODEBASED PRODUCT PURCHASING REQUIREMENTS.

(A) DEFINITIONS.—In this section:

(1) ADMINISTRATOR.—The term ‘Administrator’ means the Administrator of the Environmental Protection Agency.

(2) BIOPRODUCT.—The term ‘bioproduct’ means a commercial or industrial product, as determined by the Secretary.

(3) ENVIRONMENTALLY PREFERABLE.—The term ‘environmentally preferable’, when used in connection with a bioproduct, refers to a bioproduct that has a lesser or reduced effect on human health and the environment when compared with competing nonbiobased products that serve the same purpose.

(B) BIOPRODUCT PURCHASING.—

(1) MANDATORY PURCHASING REQUIREMENT FOR LISTED BIOMATERIALS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), not later than 180 days after the date of enactment of this subtitle, the head of each Federal agency shall ensure that, in purchasing any product, the Federal agency purchases a biobased product, rather than a comparable nonbiobased product, if the biobased product is listed on the list of biobased products published under subsection (c)(1).

(B) BIOPRODUCT NOT REASONABLY COMPARABLE.—A Federal agency shall not be required to purchase a biobased product under subparagraph (A) if the purchasing employee submits to the Secretary and the Administrator of the Office of Federal Procurement Policy a written determination that the biobased product is not reasonably comparable to nonbiobased products in price, performance, or availability.

(C) TRANSPORTATION REQUIREMENTS.—The Secretary and the Administrator shall jointly promulgate regulations with which Federal agencies shall comply in cases of a conflict between the biobased product purchasing requirement under subparagraph (A) and a purchasing requirement under any other provision of law.

(2) PURCHASING OF NONLISTED BIOMATERIALS.—The head of each Federal agency is encouraged to purchase, to the maximum extent practicable, any biobased product that is not listed on the list of biobased products published under subsection (c)(1) when the Federal agency is not required to purchase a biobased product that is on the list.

(C) ADMINISTRATIVE ACTION.—

(1) LIST OF BIOMATERIALS.—

(A) IN GENERAL.—Not later than 180 days after the date of enactment of this subtitle, and annually thereafter, the Secretary, in consultation with the Administrator and the Director of the National Institute of Standards and Technology, shall publish a list of biobased products.

(B) ENVIRONMENTALLY PREFERABLE BIOMATERIALS.—The Secretary shall not include on the list under paragraph (1) biobased products that are not environmentally preferable, as determined by the Secretary.

(C) GRANTS.—The Secretary may award grants to, or enter into contracts or cooperative agreements with, eligible persons, businesses, or institutions (as determined by the Secretary) to assist in collecting data concerning the evaluation of and lifecycle analyses of biobased products for use in making the determinations necessary to carry out this paragraph.

(2) GUIDANCE.—Not later than 240 days after the date of enactment of this subtitle, the Office of Federal Procurement Policy and Federal Acquisition Regulation Council shall make the Federal Acquisition Regulation consistent with subsection (b).

(3) EDUCATION AND INSTRUCTION PROGRAM.—The Secretary, in cooperation with the Defense Acquisition University and the Federal Acquisition Institute, shall conduct education programs for all Federal procurement officers regarding biobased products and the requirements of subsection (b).

(E) LABELING.—

(1) IN GENERAL.—The Secretary shall develop a program, similar to the Energy Star Program of the Department of Energy and the Environmental Protection Agency, under which the Secretary requires manufacturers of environmentally preferable biobased products to use a label that identifies the products as environmentally preferable biobased products.

(2) ENVIRONMENTALLY PREFERABLE BIOMATERIALS.—The Secretary shall monitor and take appropriate action regarding the use of labels under paragraph (1) to ensure that the biobased products using the labels do not include biobased products that are not environmentally preferable, as determined by the Secretary.

(3) CONTRACTING.—In carrying out paragraph (1), the Secretary may contract with appropriate entities with expertise in product labeling and standard setting.

(4) GOAL.—It shall be the goal of each Federal agency for each fiscal year to purchase biobased products of an aggregate value that is not less than 5 percent of the aggregate value of all products purchased by the Federal agency during the preceding fiscal year.

(5) REPORTS.—As soon as practicable after the close of each fiscal year, the Secretary and the Office of Federal Procurement Policy shall jointly submit to Congress an annual report that, for the fiscal year, describes the extent to which—

(i) compliance by each Federal agency with subsection (b); and
‘(iii) the level of financial participation by the applicants;

(iv) the availability of adequate funding from other sources;

(v) the beneficial impact on resource conservation and the environment;

(vi) the participation of producer associations as defined in subparagraph (A);

(vii) the timeframe in which the project will be operational;

‘(viii) the potential for rural energy development; and

(ix) the participation of multiple eligible entities.

‘(f) COST SHARING.—

‘(1) IN GENERAL.—Except as provided in paragraph (2), the amount of a grant for a project awarded under subsection (c) to shall not exceed 30 percent of the cost of the project.

‘(2) INCREASED GRANT AMOUNT.—The Secretary may increase the amount of a grant for a project under subsection (c) to not more than 50 percent in the case of a project that the Secretary finds particularly meritorious.

‘(g) FORM OF GRANTEE SHARE.—

‘(A) IN GENERAL.—The grantee share of the cost of a project may be made in the form of cash or the provision of services, material, or other in-kind contributions.

‘(B) LIMITATION.—The amount of the grantee share of the cost of a project that is made in the form of the provision of services, materials, or other in-kind contributions shall not exceed 25 percent of the amount of the grantee share determined under paragraph (1).

‘(h) AUTHORIZATION OF APPROPRIATIONS.—

There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2002 through 2006.

‘SEC. 387D. BIODIESEL FUEL EDUCATION PROGRAM.

‘(a) FINDINGS.—Congress finds that—

‘(1) biodiesel fuel use can help reduce greenhouse gas emissions and public health risks associated with air pollution;

‘(2) biodiesel fuel use enhances energy security by reducing petroleum consumption;

‘(3) biodiesel fuel is nearing the transition from the research and development phase to commercialization;

‘(4) biodiesel fuel is still relatively unknown to the public and even to diesel fuel users; and

‘(5) education of, and provision of technical support to, current and future biodiesel fuel users will be critical to the widespread use of biodiesel fuel.

‘(b) ESTABLISHMENT.—The Secretary shall, under such terms and conditions as are appropriate, offer 1 or more competitive grants to eligible entities to educate Federal, State, and local government, and non-governmental organizations, and the public about the benefits associated with biodiesel fuel.

‘(c) ELIGIBLE ENTITIES.—

‘(1) IN GENERAL.—The Secretary shall award grants under subsection (b) on a competitive basis in consultation with the Board and Advisory Committee.

‘(2) SELECTION CRITERIA.—

‘(A) IN GENERAL.—The Secretary shall select projects to receive grants under subsection (b) based on—

‘(i) the likelihood that the projects will demonstrate the commercial viability of a process for converting biomass to fuels or chemicals;

‘(ii) the likelihood that the projects will produce electricity;

‘(B) FACTORS.—The factors to be considered under subparagraph (A) shall include—

‘(i) the potential market for the product or products;

‘(ii) the quantity of petroleum the product will displace;

‘(iii) the level of financial participation by the applicants;

‘(iv) the availability of adequate funding from other sources;

‘(v) the beneficial impact on resource conservation and the environment;

‘(vi) the participation of producer associations as defined in subparagraph (A);

‘(vii) the timeframe in which the project will be operational;

‘(viii) the potential for rural energy development; and

‘(ix) the participation of multiple eligible entities.

‘(f) COST SHARING.—

‘(1) IN GENERAL.—Except as provided in paragraph (2), the amount of a grant for a project awarded under subsection (c) to shall not exceed 30 percent of the cost of the project.

‘(2) INCREASED GRANT AMOUNT.—The Secretary may increase the amount of a grant for a project under subsection (c) to not more than 50 percent in the case of a project that the Secretary finds particularly meritorious.

‘(g) FORM OF GRANTEE SHARE.—

‘(A) IN GENERAL.—The grantee share of the cost of a project may be made in the form of cash or the provision of services, material, or other in-kind contributions.

‘(B) LIMITATION.—The amount of the grantee share of the cost of a project that is made in the form of the provision of services, materials, or other in-kind contributions shall not exceed 25 percent of the amount of the grantee share determined under paragraph (1).

‘(h) AUTHORIZATION OF APPROPRIATIONS.—

There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2002 through 2006.

‘SEC. 387E. ENERGY AUDIT AND RENEWABLE ENERGY DEVELOPMENT PROGRAM.

‘(a) IN GENERAL.—The Secretary, acting through the Rural Business Cooperative Service, shall make competitive grants to eligible entities to enable the eligible entities to carry out a program to assist farmers and ranchers, and rural small businesses (as determined by the Secretary) in becoming more energy efficient and in using renewable energy technology.

‘(b) ELIGIBLE ENTITIES.—Entities eligible to carry out a program under subsection (a) include—

‘(1) a State energy or agricultural office;

‘(2) a regional or State-based energy organization or energy organization of an Indian tribe (as determined by the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b));
"(3) a land-grant college or university (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)); or other entities as appropriate.

"(d) the geographic scope of the program proposed by the eligible entity;

"(e) an established and demonstrated capacity to perform research or technology transfer;

"(A) the ability of the eligible entity to provide professional energy audits and renewable energy assessments;

"(B) the potential for energy savings and environmental and public health benefits resulting from the program;

"(C) the number of farmers, ranchers, and rural small businesses that are served by the program;

"(D) the extent to which the renewable energy system will be replicable; and

"(E) the share of the Secretary's award to be carried out through competitive grants, contracts, or cooperative agreements.

"(7) as appropriate, studies of the technical, environmental, and economic viability of technologies and, as appropriate, the development of innovative hydrogen and fuel cell technologies not ready for demonstration.

"(8) a private research organization with an established and demonstrated capacity to perform research or technology transfer.

"(9) a State agricultural experiment station.

"(a) A Federal research agency;

"(b) a natural laboratory;

"(c) a college or university or a research foundation maintained by a college or university;

"(d) an individual.

"(2) SELECTION CRITERIA.—In selecting projects for grants, contracts, and cooperative agreements under subsection (a), the Secretary shall give preference to projects that demonstrate technologies that—

"(1) are likely to be economically competitive; and

"(2) have potential for commercialization as mass-produced, farm- or ranch-sized systems.

"The amount of an energy audit or renewable energy development project shall not exceed $1,000,000 in market value of agricultural produce, livestock, or forest products during the preceding fiscal year, as determined by the Secretary.

"(d) INTEREST RATE.—A loan made or guaranteed under subsection (a) shall bear interest at a rate not exceeding 4 percent.

"(e) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—In addition to exercising authority to make loans and loan guarantees under this chapter, the Secretary may make loans, loan guarantees, and grants to farmers, ranchers, and rural small businesses to—

"(i) purchase renewable energy systems; and

"(ii) make energy efficiency improvements.

"(f) REPORTS.—The Secretary shall submit to the Congres—

"(1) RENEWABLE ENERGY SYSTEMS.—

"(A) IN GENERAL.—

"(1) basic research; or

"(2) ADMINISTRATIVE EXPENSES.—The Secretary shall give preference to projects that demonstrate technologies that—

"(3) as appropriate, the development and marketing of renewable energy resources.
carry out research to promote understanding of—

(A) the net sequestration of organic carbon in soils and plants (including trees); and

(B) net emissions of other greenhouse gases from agriculture.

(2) AGRICULTURAL RESEARCH SERVICE.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, shall collaborate with other Federal agencies in developing data and carrying out research addressing carbon losses and gains in soils and plants (including trees) and net emissions of methane and nitrous oxide from cultivation and animal management activities.

(3) COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE.—

(A) IN GENERAL.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, shall establish a competitive grant program to carry out research on the matters described in paragraph (1) by eligible entities.

(B) ELIGIBLE ENTITIES.—Under subparagraph (A), the Secretary may make a grant to—

(i) a Federal research agency;

(ii) a national laboratory;

(iii) a college or university or a research foundation maintained by a college or university;

(iv) a private research organization with an established and demonstrated capacity to perform research or technology transfer;

(v) a State agricultural experiment station; or

(vi) an individual.

(C) CONSULTATION ON RESEARCH TOPICS.—Before issuing a request for proposals for basic research under paragraph (1), the Cooperative State Research, Education, and Extension Service shall consult with the Agricultural Research Service and the Forest Service to ensure that proposed research areas are complementary with and do not duplicate other research projects funded by the Department or other Federal agencies.

(D) ADMINISTRATIVE EXPENSES.—The Secretary may retain up to 4 percent of the amounts made available for each fiscal year to carry out this subsection to pay administrative expenses incurred in carrying out this subsection.

(A) PROMOTED RESEARCH.—

(1) IN GENERAL.—The Secretary shall carry out applied research in the areas of soil science, agronomy, agricultural economics, forestry, and other agricultural sciences to—

(A) promote understanding of—

(i) how agricultural and forestry practices affect the sequestration of organic and inorganic carbon in soils and plants (including trees) and net emissions of other greenhouse gases;

(ii) how changes in soil carbon pools in soils and plants (including trees) are cost-effectively measured, monitored, and verified; and

(iii) how public programs and private market approaches can be devised to incorporate carbon sequestration in a broader societal greenhouse gas emission reduction effort;

(B) develop methods for establishing baseline data for measuring the quantities of carbon and other greenhouse gases sequestered; and

(C) evaluate leakage and performance issues.

(2) REQUIREMENTS.—To the maximum extent practicable, applied research under paragraph (1) shall—

(A) use existing technologies and methods; and

(B) provide methodologies that are accessible to users and to the scientific audience;

(C) MINIMIZATION OF ADVERSE ENVIRONMENTAL IMPACTS.—All applied research under paragraph (1) shall be conducted with an emphasis on minimizing adverse environmental impacts.

(D) NATURAL RESOURCES AND THE ENVIRONMENT.—The Secretary, acting through the Natural Resources Conservation Service and the Forest Service, shall collaborate with other Federal agencies in developing new measurement techniques and equipment or adapting existing techniques and equipment to enable cost-effective and accurate monitoring and verification, for a wide range of agricultural and forestry practices, of—

(A) changes in carbon content in soils and plants (including trees); and

(B) net emissions of other greenhouse gases.

(5) COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE.—

(A) CONSULTATION.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, shall establish a competitive grant program to encourage research on the matters described in paragraph (1) by eligible entities.

(B) ELIGIBLE ENTITIES.—Under subparagraph (A), the Secretary may make a grant to—

(i) a Federal research agency;

(ii) a national laboratory;

(iii) a college or university or a research foundation maintained by a college or university;

(iv) a private research organization with an established and demonstrated capacity to perform research or technology transfer;

(v) a State agricultural experiment station; or

(vi) an individual.

(C) CONSULTATION ON RESEARCH TOPICS.—Before issuing a request for proposals for applied research under paragraph (1), the Cooperative State Research, Education, and Extension Service shall consult with the Natural Resources Conservation Service and the Agricultural Research Service to ensure that proposed research areas are complementary with and do not duplicate other research projects funded by the Department of Agriculture or other Federal agencies.

(D) ADMINISTRATIVE EXPENSES.—The Secretary shall, with notice and comment, and an opportunity for public hearings, establish user-friendly programs for measuring the carbon content of soils and plants (including trees) and net emissions of other greenhouse gases.

(E) an agency of the Department of Energy, or any other Federal agency;

(G) an agricultural business or organization with demonstrated expertise in areas covered by this section; and

(H) a representative of the private sector with demonstrated expertise in the areas.

(4) RESERVATION OF FUNDING.—If the Secretary designates 1 or 2 consortia, the Secretary shall reserve for research projects carried out by the consortium or consortia not more than 25 percent of the amounts made available for each fiscal year to carry out this section for a fiscal year.

(4) STANDARDS FOR MEASURING CARBON AND OTHER GREENHOUSE GAS CONTENT.—

(A) CONFERENCE.—Not later than 3 years after the date of enactment of this title, the Secretary shall convene a conference of key scientific experts on carbon sequestration from various sectors (including the government, academic, and private sectors) to—

(A) discuss benchmark standards for measuring the carbon content of soils and plants (including trees) and net emissions of other greenhouse gases;

(B) propose techniques and modeling approaches for measuring carbon content with a level of precision that is discussed by the participants in the conference; and

(C) develop a standard method for benchmarking.

(2) DEVELOPMENT OF BENCHMARK STANDARDS.—The Secretary shall, with notice and an opportunity for comment, develop benchmark standards for measuring the carbon content of soils and plants (including trees) held on by—

(A) information from the conference held under paragraph (1);

(B) research performed under this section; and

(C) other information available to the Secretary.

(B) REPORT.—The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the results of the conference and the designation of benchmark standards.

(C) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to carry out subsection (a) $25,000,000 for each of fiscal years 2002 through 2006.

(2) ADMINISTRATIVE EXPENSES.—The Secretary may retain up to 4 percent of the amounts made available for each fiscal year to carry out this section to pay administrative expenses incurred in carrying out this section.

SEC. 387K. DEMONSTRATION PROJECTS AND OUTREACH.

(A) DEMONSTRATION PROJECTS.—

(1) DEVELOPMENT OF MONITORING PROGRAMS.—

(A) IN GENERAL.—The Secretary, in cooperation with local extension agents, experts from land grant universities, and other local agricultural or conservation organizations, shall develop user-friendly programs that combine measurement tools and modeling techniques into integrated packages to monitor the carbon sequestering benefits of conservation practices and net changes in greenhouse gas emissions.

(B) BENCHMARK LEVELS OF PRECISION.—The Secretary shall administer programs described under subparagraph (A) in a manner that achieves, to the maximum extent practicable, benchmark levels of precision in the measurement, in a cost-effective manner, of net changes described in subparagraph (A).

(2) PROJECTS.—
"(A) IN GENERAL.—The Secretary shall establish a program under which the monitoring programs developed under paragraph (1) are used in projects to demonstrate the feasibility of methods of measuring, verifying, and monitoring—

(i) changes in organic carbon content and other carbon pools in soils and plants (including trees); and

(ii) net changes in emissions of other greenhouse gases.

"(B) EVALUATION OF IMPLICATIONS.—The project results of the program (A) shall include evaluation of the implications for reseathed baselines, carbon or other greenhouse gas leakage, and the permanence of sequestration.

"(C) SUBMISSION OF PROPOSALS.—Proposals for projects under subparagraph (A) shall be submitted by the appropriate agency of each State in consultation with interested local jurisdictions and State agricultural and conservation organizations.

"(b) OUTREACH.—

(1) IN GENERAL.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, shall widely disseminate information about the economic and environmental benefits that can be derived from conservation practices that increase sequestration of carbon and reduce emission of other greenhouse gases.

(2) PROJECT RESULTS.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, shall provide for the dissemination to farmers, ranchers, private forest landowners, and appropriate State agencies in each State of information concerning—

(A) the results of demonstration projects under subsection (a)(2); and

(B) the manner in which the methods demonstrated in the projects might be applicable to the operations of the farmers and ranchers.

(3) POLICY OUTREACH.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, shall disseminate information on the connection between global climate change mitigation strategies and agriculture and forestry, so that farmers and ranchers may better understand the global implications of the activities of farmers and ranchers.

"(c) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated in each fiscal year beginning after 2002 $15,000,000 for each of fiscal years 2003 through 2005.

(2) ALLOCATION.—Of the amounts made available to carry out this section for a fiscal year, at least 50 percent shall be allocated for demonstration projects under subsection (a)(2).


(a) IN GENERAL.—The Biomass Research and Development Act of 2000 (7 U.S.C. 7624 note; Public Law 106–224) is amended—

(1) in section 307, by striking subsection (f);

(2) by redesignating section 310 as section 311; and

(3) by inserting after section 309 the following:

"SEC. 310. AUTHORIZATION OF APPROPRIATIONS.

"There is authorized to be appropriated to carry out the provisions of the Biomass Research and Development Act of 2000 $10,000,000 for each of fiscal years 2002 through 2006.

"(b) TERMINATION OF AUTHORITY.—Section 311 of the Biomass Research and Development Act of 2000 (7 U.S.C. 7624 note; Public Law 106–224) is redesignated by subsection (a) is amended by striking "December 31, 2005" and inserting "September 30, 2006".
The Department of Agriculture promote the production of fuels from renewable fuel sources.

SEC. 907. SENSE OF CONGRESS CONCERNING THE BIOENERGY PROGRAM OF THE DEPARTMENT OF AGRICULTURE.

It is the sense of Congress that—

(1) ethanol and bi燃料 production capacity will be needed to phase out the use of methyl tert-butyl ether in gasoline and the dependence of the United States on foreign oil; and

(2) the bioenergy program of the Department of Agriculture under part 1242 of title 7, Code of Federal Regulations, should be continued and expanded.

TITLE X—MISCELLANEOUS

Subtitle A—Country of Origin and Quality Grade Labeling

SEC. 1001. COUNTRY OF ORIGIN LABELING.

The Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.) is amended by adding at the end the following:

"Subtitle C—Country of Origin Labeling

"SEC. 271. DEFINITIONS.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There shall be appropriated to carry out this section $20,000,000 for each of fiscal years 2002 through 2006.''

"(1) REQUIREMENTS.—Except as provided in subsection (b), a retailer of a covered commodity shall inform consumers, of the country of origin of the covered commodity.

"(2) EXEMPTION FOR FOOD SERVICE ESTABLISHMENTS.—Subsection (a) shall not apply to a covered commodity if the covered commodity is—

"(i) prepared or served in a food service establishment; and

"(ii) offered for sale or sold at the food service establishment in normal retail quantities;

"(B) the voluntary country of origin beef labeling system carried out under this Act; and

"(C) voluntary programs established to certify certain premium beef cuts.

"(D) the origin verification system established to carry out the child and adult care food program established under section 17 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766); or

"(E) the origin verification system established to carry out the market access program under section 239 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623).

"SEC. 272. NOTICE OF COUNTRY OF ORIGIN.

"(a) IN GENERAL.—Except as provided in subsection (b), section 253 shall apply to a covered commodity beginning on the date on which the retailer may take necessary steps to comply with section 272.

"(b) WARNINGS.—If the Secretary determines that a retailer is in violation of section 272, the Secretary shall—

"(1) notify the retailer of the determination of the Secretary; and

"(2) provide the retailer a 30-day period, beginning on the date on which the retailer receives the notice under paragraph (1) from the Secretary, during which the retailer may take necessary steps to comply with section 272.
of nonambulatory livestock facilities to carry out this regulation, the Secretary shall promulgate such regulations consistent with the amendment, relating to the handling, treatment, and disposal of nonambulatory livestock in stock marketing facilities or by dealers.

SEC. 3012. PROTECTION FOR PURCHASERS OF FARM PRODUCTS.

Section 3234 of the Food Security Act of 1985 (7 U.S.C. 1631b) is amended—

SEC. 26. EFFICACY DATE.

The Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.) is amended by adding at the end the following:


title.''.

SEC. 274. REGULATIONS.

‘‘(a) DEFINITIONS.—In this section:

(b) UNLAWFUL PRACTICES.—The Secretary shall promulgate such regulations as are necessary to ensure compliance with, and otherwise carry out, this subtitle.’’

Subtitle D—Commodity-Specific Grading Standards

SEC. 321. DEFINITION OF SECRETARY.

‘‘In this subtitle, the term ‘Secretary’ means the Secretary of Agriculture.’’

SEC. 328. QUALITY GRADE LABELING OF IMPORTED MEAT AND MEAT PRODUCTS.

‘‘An imported carcass, part thereof, meat, or meat food product (as defined by the Secretary) shall not bear a label that indicates a quality grade issued by the Secretary.’’

SEC. 331. UNLAWFUL STOCKYARD PRACTICES INVOLVING NONAMBULATORY LIVE-STOCK.

(a) DEFINITIONS.—In this section:

(b) UNLAWFUL PRACTICES.—

(1) IN GENERAL.—The term ‘‘humanely euthanized’’ means to kill an animal by mechanical, chemical, or other means that immediately render the animal unconscious, with this state remaining until the animal’s death.

(2) NONAMBULATORY LIVE-STOCK.—The term ‘‘nonambulatory livestock’’ means any livestock that is unable to stand and walk unassisted.

(3) EXCEPTIONS.—(A) NON-HIPRA FARMS.—Paragraph (1) shall not apply in a case in which nonambulatory livestock receive veterinary care intended to render the livestock ambulatory.

(b) EFFECTIVE DATE.—

SEC. 1014. PENALTIES AND FOREIGN COMMERCE PROVISIONS OF THE ANIMAL WELFARE ACT.

(a) PENALTIES AND FOREIGN COMMERCE PROVISIONS OF THE ANIMAL WELFARE ACT.—Section 12 of the Animal Welfare Act (7 U.S.C. 1921) is amended—

(b) EFFECTIVE DATE.—The amendments made by this section take effect 30 days after the date of the enactment of this Act.

SEC. 1015. OUTREACH AND ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.

Section 2501 of the Food, Agriculture, Conservation, and Trade Act of 2002 (7 U.S.C. 2279) is amended by striking subsection (a) and inserting the following:

SEC. 1002. QUALITY GRADE LABELING OF IMPORTED MEAT AND MEAT PRODUCTS.

Section 3234 of the Food Security Act of 1985 (7 U.S.C. 1631b) is amended—

(a) DEFINITIONS.—In this section:

(b) EFFECTIVE DATE.—The amendments made by this section take effect 1 year after the date of the enactment of this Act.

(c) EFFECTIVE DATE.—

SEC. 3013. UNLAWFUL PRACTICES INVOLVING NONAMBULATORY MEAT AND MEAT FOOD PRODUCTS.

Section 26 of the Animal Welfare Act (7 U.S.C. 1921) is amended—

(b) EFFECTIVE DATE.—The amendments made by this section take effect 30 days after the date of the enactment of this Act.

SEC. 1015. OUTREACH AND ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.

Section 2501 of the Food, Agriculture, Conservation, and Trade Act of 2002 (7 U.S.C. 2279) is amended by striking subsection (a) and inserting the following:

(a) PENALTIES AND FOREIGN COMMERCE PROVISIONS OF THE ANIMAL WELFARE ACT.—Section 12 of the Animal Welfare Act (7 U.S.C. 1921) is amended—

(b) EFFECTIVE DATE.—The amendments made by this section take effect 1 year after the date of the enactment of this Act.

SEC. 322. REGULATIONS.

(a) IN GENERAL.—The Secretary may promulgate such regulations as are necessary to ensure compliance with, and otherwise carry out, this subtitle.’’

Subtitle D—Commodity-Specific Grading Standards

SEC. 321. DEFINITION OF SECRETARY.

‘‘In this subtitle, the term ‘Secretary’ means the Secretary of Agriculture.’’

SEC. 328. QUALITY GRADE LABELING OF IMPORTED MEAT AND MEAT PRODUCTS.

‘‘An imported carcass, part thereof, meat, or meat food product (as defined by the Secretary) shall not bear a label that indicates a quality grade issued by the Secretary.’’

SEC. 331. UNLAWFUL STOCKYARD PRACTICES INVOLVING NONAMBULATORY LIVE-STOCK.

(a) DEFINITIONS.—In this section:

(b) UNLAWFUL PRACTICES.—

(1) IN GENERAL.—The term ‘‘humanely euthanized’’ means to kill an animal by mechanical, chemical, or other means that immediately render the animal unconscious, with this state remaining until the animal’s death.

(2) NONAMBULATORY LIVE-STOCK.—The term ‘‘nonambulatory livestock’’ means any livestock that is unable to stand and walk unassisted.

(3) EXCEPTIONS.—(A) NON-HIPRA FARMS.—Paragraph (1) shall not apply in a case in which nonambulatory livestock receive veterinary care intended to render the livestock ambulatory.

(b) EFFECTIVE DATE.—

SEC. 1014. PENALTIES AND FOREIGN COMMERCE PROVISIONS OF THE ANIMAL WELFARE ACT.

(a) PENALTIES AND FOREIGN COMMERCE PROVISIONS OF THE ANIMAL WELFARE ACT.—Section 12 of the Animal Welfare Act (7 U.S.C. 1921) is amended—

(b) EFFECTIVE DATE.—The amendments made by this section take effect 30 days after the date of the enactment of this Act.

SEC. 1015. OUTREACH AND ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.

Section 2501 of the Food, Agriculture, Conservation, and Trade Act of 2002 (7 U.S.C. 2279) is amended by striking subsection (a) and inserting the following:

(a) PENALTIES AND FOREIGN COMMERCE PROVISIONS OF THE ANIMAL WELFARE ACT.—Section 12 of the Animal Welfare Act (7 U.S.C. 1921) is amended—

(b) EFFECTIVE DATE.—The amendments made by this section take effect 30 days after the date of the enactment of this Act.

SEC. 1015. OUTREACH AND ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.

Section 2501 of the Food, Agriculture, Conservation, and Trade Act of 2002 (7 U.S.C. 2279) is amended by striking subsection (a) and inserting the following:

(a) PENALTIES AND FOREIGN COMMERCE PROVISIONS OF THE ANIMAL WELFARE ACT.—Section 12 of the Animal Welfare Act (7 U.S.C. 1921) is amended—

(b) EFFECTIVE DATE.—The amendments made by this section take effect 30 days after the date of the enactment of this Act.

SEC. 1015. OUTREACH AND ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.

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(b) EFFECTIVE DATE.—The amendments made by this section take effect 30 days after the date of the enactment of this Act.

SEC. 1015. OUTREACH AND ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.

Section 2501 of the Food, Agriculture, Conservation, and Trade Act of 2002 (7 U.S.C. 2279) is amended by striking subsection (a) and inserting the following:

(a) PENALTIES AND FOREIGN COMMERCE PROVISIONS OF THE ANIMAL WELFARE ACT.—Section 12 of the Animal Welfare Act (7 U.S.C. 1921) is amended—

(b) EFFECTIVE DATE.—The amendments made by this section take effect 30 days after the date of the enactment of this Act.
“(A) IN GENERAL.—The Secretary may make grants to, and enter into contracts and other agreements with, an eligible entity to provide information and technical assistance under this section and section 1014(c) of the Agricultural Improvement and Reform Act of 1996 (Public Law 104–127; 110 Stat. 945) is amended by striking subparagraph (B) and inserting the following:”

“(ii) the term ‘eligible orchardist’ means a person who—

(A) is engaged in the business of growing trees; and

(B) is located within the area covered by the county, area, or local committee;”

“(B) RELATIONSHIP TO OTHER LAW.—The authority to carry out this section shall be in addition to any other authority provided in this Act or any other Act.”

“(5) FUNDING.—

“(A) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $25,000,000 for each of fiscal years 2002 through 2006.

“(B) INTRAGENCY FUNDING.—In addition to funds appropriated under subparagraph (A), any agency of the Department may participate in any grant, contract, or agreement entered into under this section by contributing funds, if the agency determines that the objectives of the grant, contract, or agreement will further the authorized programs of the contributing agency.”

“SEC. 1016. PROJECT AND CUSTODIAL REQUIREMENTS FOR COUNTY COMMITTEE ELECTIONS.

Section 8(b)(5) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590b(b)(5)) is amended by striking subparagraph (A) and inserting the following:

“(i) IN GENERAL.—In each county or area in which a county, area, or local committee is established under subsection (e), the Secretary shall establish a county or area committee.

“(II) LOCAL ADMINISTRATIVE AREAS.—The Secretary may designate local administrative areas within a county or a larger area under the jurisdiction of a county committee established under subsection (e).

“(III) COMPOSITION OF COUNTY, AREA, OR LOCAL COMMITTEES.—A committee established under clause (i) shall consist of not fewer than 5 members and shall include—

“(AA) members of the county, area, or local committee; and

“(BB) members to a county, area, or local committee;”

““(III) ELECTIONS.—

“(I) IN GENERAL.—Subject to subsections (II) through (V), the Secretary shall establish procedures for nominations and elections to county, area, or local committees.

“(II) NONDISCRIMINATION STATEMENT.—Each solicitation of nominations for, and notice of elections to, a county, area, or local committee shall include the nondiscrimination statement used by the Secretary.

“(III) NOMINATIONS.—

“(aa) IN GENERAL.—To be eligible for nomination and election to the applicable county, area, or local committee, as determined by the Secretary, an agricultural producer shall be located within the jurisdiction of a county, area, or local committee, and participate or cooperate in programs administered within that area.

“(bb) OUTREACH.—In addition to such nominating procedures as the Secretary may prescribe, the Secretary shall solicit and accept nominations from organizations representing the interests of socially disadvantaged groups (as defined in section 353(e)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)(1))).

“(aa) PUBLIC NOTICE.—At least 10 days before the date on which ballots are to be opened and counted, a county, area, or local committee shall announce the date, time, and place at which election ballots will be opened and counted.

“(bb) OPENING OF BALLOTS.—Election ballots shall not be opened until the date and time announced under item (aa).

“(cc) OBSERVATION.—Any person may observe the opening and counting of the election ballots.

“(v) REPORT OF ELECTION.—Not later than 90 days after the date on which the first election of a county, area, or local committee that occurs after the date of enactment of the Agriculture, Conservation, and Rural Enhancement Act of 2001 is held, the Secretary shall complete a report that consolidates all the election data reported to the Secretary under subclause (V).

“(VI) ELECTION REFORM.—

“(aa) ANALYSIS.—If determined necessary by the Secretary after analyzing the data contained in the report under subclause (VI), the Secretary shall promulgate and publish in the Federal Register proposed uniform guidelines for conducting elections for members and alternate members of county, area, and local committees not later than 1 year after the date of completion of the report.

“(bb) INCLUSION.—The procedures promulgated by the Secretary under item (aa) shall ensure fair representation of socially disadvantaged groups described in subsection (e), including women, persons with disabilities, and persons with limited English proficiency.

“(cc) METHODS OF INCLUSION.—Notwithstanding clause (ii), the Secretary may ensure inclusion of socially disadvantaged farmers and ranchers through provisions allowing for appointment of additional voting members to a county, area, or local committee or through other methods.

“(dd) TERM OF OFFICE.—The term of office for a member of a county, area, or local committee shall not exceed 3 years.”

“SEC. 1017. STORM ERADICATION PROGRAM.

Section 2506(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (21 U.S.C. 1141(d)) is amended by striking “2002” and inserting “2006”.

“SEC. 1018. TREE ASSISTANCE PROGRAM.

(a) IN GENERAL.—Section 194 of the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127; 110 Stat. 945) is amended to read as follows:

“SEC. 194. TREE ASSISTANCE PROGRAM.

“(a) DEFINITIONS.—In this section:

“(1) ELIGIBLE ORCHARDIST.—The term ‘eligible orchardist’ means a person that—

(A) defines the term ‘person’ for the purposes of this section (which definition shall conform, to the extent practicable, to the regulations defining the term ‘person’ promulgated under section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308)); and

(B) in an equivalent manner in state laws.

“(2) LIMITATION.—An eligible orchardist shall qualify for assistance under subsection (c) only if the tree mortality rate of the orchard, as determined by the Secretary, exceeds 15 percent (adjusted for normal mortality), as determined by the Secretary.

“(2) RELATIONSHIP TO OTHER LAW.—The application of this section (which definition shall conform, to the extent practicable, to the regulations defining the term ‘person’ promulgated under section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308); and

“(ii) in an equivalent manner in state laws.

“(B) REGULATIONS.—The Secretary shall promulgate regulations that define the term ‘person’ for the purposes of this section (which definition shall conform, to the extent practicable, to the regulations defining the term ‘person’ promulgated under section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308)); and

“(i) in an equivalent manner in state laws.

“(B) APPROPRIATIONS.—Notwithstanding section 1014(c) of the Agricultural Improvement and Reform Act of 1996 (7 U.S.C. 2003(e)(1)), the terms ‘person’ and ‘agricultural producer’ shall be defined to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2002 through 2006.”

“SEC. 1019. HUMANE METHODS OF ANIMAL Slaughter.

It is the sense of Congress that—

“(1) the Secretary of Agriculture should—

(A) resume tracking the number of violations of Public Law 85-755 (7 U.S.C. 1901 et seq.) and report the results and relevant trends annually to Congress; and

(B) fully enforce Public Law 85-755 by ensuring that humane methods in the slaughtering of livestock—

(i) prevent needless suffering;

(ii) result in safer and better working conditions for persons engaged in the slaughtering of livestock;

(iii) bring about improvement of products and economies in slaughtering operations; and

(iv) produce other benefits for producers, processors, and consumers that tend to expedite an orderly flow of livestock and livestock products in interstate and foreign commerce; and

(B) be the policy of the United States that the slaughtering of livestock and the handling of livestock in connection with
slaughter shall be carried out only by humane methods.

**Subtitle C—Administration**

**SEC. 101. REGULATIONS.**

(a) In General.—The Secretary of Agriculture, in administering such regulations as it deems necessary to implement this Act and the amendments made by this Act.

(b) Procedure.—The promulgation of the regulations required by subsection (a) shall be published in the Federal Register prior to their effective date.

**SEC. 102. EFFECT OF AMENDMENTS.**

(a) In General.—Except as otherwise specified in this Act, any provision of this Act or the amendments made by this Act that is not in effect on the date of enactment of this Act shall not become effective until the implementing regulations are published in the Federal Register.

(b) Liability.—A provision of this Act or the amendments made by this Act shall not affect the liability of any person under any provision of law as it affects the administrative regulations prior to the date of enactment of this Act.

SA 2672. Mr. HOLLINGS submitted an amendment intended to be proposed by him to the bill H.R. 3210, to ensure the improved financial capacity of insurers to provide coverage for risks from terrorism, which was ordered to lie on the table; as follows:

Strike out all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) Short Title.—This Act may be cited as the “National Terrorism Reinsurance Loan and Grant Act.”

(b) Table of Contents.—The table of contents for this Act is as follows:

**Sec. 1. Short title; table of contents.**

**TITLE I—GENERAL PROVISIONS**

Sec. 101. Loan and grant programs.

Sec. 102. Repayment of loans.

Sec. 103. Coverage provided.

Sec. 104. Authorization of appropriations.

**TITLE IV—Litigation**

Sec. 401. Consolidation and venue.

Sec. 402. Punitive damages.

**TITLE I—GENERAL PROVISIONS**

**SEC. 101. LOAN AND GRANT PROGRAMS.**

(a) In General.—If the Secretary determines that the aggregate amount of such losses does not exceed $20,000,000,000, and (b) make grants under title III, to the extent that the aggregate amount of such losses exceeds $20,000,000,000.

(b) Determination.

(1) Initial Determination.—The Secretary shall make an initial determination as to whether the losses were caused by an act of terrorism.

(2) Notice and Hearing.—The Secretary shall give public notice of the initial determination and afford all interested parties an opportunity to be heard on the question of whether the losses were caused by an act of terrorism.

(c) Final Determination.—Within 30 days after the Secretary's initial determination, the Secretary shall make a final determination as to whether the losses were caused by an act of terrorism.

(d) Standard of Review.—The Secretary's determination shall be upheld upon judicial review if based upon substantial evidence.

**SEC. 102. CREDIT FOR REINSURANCE.**

Each State shall afford an insurer credit on the same basis and to the same extent that credit for reinsurance would be available to that insurer under applicable State law when reinsurance is obtained from an assuming insurer licensed or accredited in that State that is economically equivalent to that insurer’s losses under title II and grants under title III.

**SEC. 103. MANDATORY COVERAGE BY PROPERTY AND CASUALTY INSURERS FOR ACTS OF TERRORISM.**

(a) In General.—An insurer that provides lines of coverage described in section 107(a)(1) or (2) may not:

(1) exclude or limit coverage in those lines for losses from acts of terrorism in the United States, its territories, and possessions in property and casualty insurance policy forms; or

(2) deny or cancel coverage solely due to the risk of losses from acts of terrorism in the United States.

(b) Terms and Conditions.—Insurance against losses from acts of terrorism in the United States shall be covered with the same deductibles, limits, terms, and conditions as the standard provisions of the policy for non-catastrophic perils.

**SEC. 104. MONITORING AND ENFORCEMENT.**

(a) FTC Analysis and Enforcement.—The Federal Trade Commission shall review reports submitted by insureds under title II or III treating any proprietary data, privileged data, or trade or business secret information contained in the reports as privileged and confidential, for the purpose of determining whether any insurer is engaged in unfair methods of competition or unfair or deceptive acts in the insurance business (within the meaning of section 5 of the Federal Trade Commission Act (15 U.S.C. 45)).

(b) GAO Review of Reports and State Regulators.—The Comptroller General shall:

(1) provide for review and analysis of the reports submitted under title II and III; and

(2) review the efforts of State insurance regulatory authorities to keep premium rates for insurance against losses from acts of terrorism on covered lines reasonable;

(3) if the Secretary makes any loans under this title, provide for the audit of loan claims filed by insurers as requested by the Secretary; and

(4) on a timely basis, make any recommendations the Comptroller General may deem appropriate to the Congress for improvements in the programs established by this title before its termination.

(c) Application of Certain Laws.—Notwithstanding any limitation in the McCarran-Ferguson Act (15 U.S.C. 1011 et seq.), or section 6 of the Federal Trade Commission Act (15 U.S.C. 46), the Federal Trade Commission Act (15 U.S.C. 41 et seq.), shall apply to insurers receiving a loan or grant under this Act. In determining whether any such insurer has been, or is, using any unfair method of competition, or unfair or deceptive act or practice, in violation of section 5 of that Act (15 U.S.C. 45), the Federal Trade Commission shall consider relevant information provided in reports submitted under this Act.

**SEC. 105. ADMINISTRATIVE PROVISIONS.**

In carrying out this Act, the Secretary may:

(a) issue such rules and regulations as may be necessary to administer this Act;

(b) make loans and grants and carry out the activities necessary to implement this Act;

(c) take appropriate action to collect premiums or assessments under this Act; and

(d) audit the reports, claims, books, and records of insurers to which the Secretary has made loans or grants under this Act.

**SEC. 106. TERMINATION OF PROGRAMS.**

(a) Loan Program.

(1) In General.—The authority of the Secretary to make loans under title II terminates on December 31, 2002, except to the extent necessary:

(A) to provide loans for losses from acts of terrorism occurring during calendar year 2002; and

(B) to recover the amount of any loans made under this title.

(2) Assessment and Collection of Loan Repayments.—The Secretary shall continue assessment and collection of loans under title II as long as loans from the Secretary under that title are outstanding.

(b) Grant Program.—The authority of the Secretary to make grants under title III terminates on December 31, 2002.

**SEC. 107. DEFINITIONS.**

(1) Covered Line.—The term “covered line” means any one or a combination of the following, written on a direct basis, as reported by property and casualty insurers in required financial reports on Statutory Page 14 of the NAIC Annual Statement Blank:

(i) Fire.

(ii) Allied Lines.

(iii) Commercial Multiple Peril.

(iv) Ocean Marine.

(v) Inland Marine.

(vi) Workers Compensation.

(vii) Products Liability.

(viii) Commercial auto no-fault (personal injury protection), other commercial auto liability, or commercial auto physical damage.

(ix) Aircraft (all peril).

(x) Fidelity and surety.

(xi) Burglary and theft.

(xii) Boiler and machinery.

(xiii) Any other line of insurance that is reported by property and casualty insurers...
in required financial reports on Statutory Page 14 of the NAIC Annual Statement Blank which is voluntarily elected by an insurer to be included in its terrorism coverage.

(B) OTHER LINES.—For purposes of clause (xiii), the lines of business that may be voluntarily selected for the following:

(i) Homeowners multiple peril.
(ii) Mortgage guaranty.
(iv) Financial guaranty.

Private passenger automobile insurance.

(C) ELECTION.—The election to voluntarily include another line of insurance, if made, must be made by associated insurers that are members of an insurer group. Any voluntary election is on a one-time basis and is irrevocable.

(2) INSURER.

(A) IN GENERAL.—The term ‘‘insurer’’ means an entity writing covered lines on a direct basis and licensed as a property and casualty insurer, risk retention group, or other entity authorized by law as a residual market mechanism providing property or casualty insurance coverage for at least one jurisdiction of the United States, its territories, or possessions and includes residual market insurers.

(B) VOLUNTARY PARTICIPATION.—A State workers’ compensation, auto, or property insurance fund may voluntarily participate as an insurer.

(C) GROUP LIFE INSURERS.—The Secretary shall provide, by rule, for—

(i) the term ‘‘insurer’’ to include entities writing group life insurance on a direct basis and licensed as a group life insurer; and,
(ii) the term ‘‘covered line’’ to include group life insurance written on a direct basis, as reported by group life insurers in required reports on the appropriate NAIC Annual Statement Blank.

(3) LOSSES.—The term ‘‘losses’’ means direct incurred losses from an act of terrorism for covered lines, plus defense and cost containment expenses.

(4) NAIC.—The term ‘‘NAIC’’ means the National Association of Insurance Commissioners.

(5) SECRETARY.—Except where otherwise specifically provided, the term ‘‘Secretary’’ means the Secretary of Commerce.

(6) UNITED STATES.—United States means the United States of America.

(A) IN GENERAL.—The terms ‘‘terrorism’’ and ‘‘act of terrorism’’ mean any act, certified by the Secretary in concurrence with the Attorney General, as a violent act or act dangerous to international relations or to the territorial integrity of the United States or to influence the policy of the United States or to affect the conduct of the United States or to influence the policy of a foreign nation.

(B) ACTS OF WAR .—No act shall be certified as an act of terrorism if the act is committed in the course of a war declared by the Congress of the United States or by a foreign government.

(C) FINALITY OF CERTIFICATION.—Any certification, or determination not to certify, by the Secretary under subparagraph (A) is final and not subject to judicial review.

TITLE II—LOAN PROGRAM

SEC. 201. NATIONAL TERRORISM REINSURANCE LOAN PROGRAM.

(a) IN GENERAL.—The Secretary of Commerce shall administer a program to provide loans to insurers for claims for losses due to acts of terrorism.

(b) 80 PERCENT COVERAGE.—If the Secretary makes the determination described in section 101(a), then the Secretary shall provide a loan to any insurer for losses on covered lines from acts of terrorism occurring in calendar year 2002 equal to 80 percent of the aggregate amount of claims on covered lines.

(c) $800 MILLION LIMIT.—Notwithstanding the purpose of this title, the total amount of loans outstanding at any time to insurers from the Secretary under this title may not exceed $800,000,000.

(d) 7 PERCENT PREMIUM MUST BE PAID BEFORE LOAN RECEIVED.—The Secretary may not make a loan under subsection (b) to an insurer until that insurer has paid claims on covered lines from acts of terrorism occurring in calendar year 2002 equal to at least 7.5 percent of that insurer’s aggregate liability for such losses.

(e) TERM AND INTEREST RATE.—The Secretary, after consultation with the Secretary of the Treasury and after taking into account market rates of interest, credit ratings of the borrowers, risk factors, and the purpose of this title, shall establish the term, repayment schedule, and the rate of interest for any loan made under subsection (a).

SEC. 202. REPAYMENT OF LOANS.

If the Secretary makes loans to insurers under section 201, the Secretary shall assess insurers a premium to compensate for the costs of terrorism occurring in calendar year 2002.

SEC. 203. REPORTS BY INSURERS.

(a) COVERAGE AND CAPACITY.

(A) REPORTING TERRORISM COVERAGE.—An insurer shall—

(i) report the amount of its terrorism insurance coverage to the insurance regulatory authority for each State in which it does business; and,

(ii) obtain a certification from the State that it is not providing terrorism insurance coverage in excess of its capacity under State solvency requirements.

(B) REPORTS TO SECRETARY.—The State regulatory authority for each State in which it does business shall file a report under paragraph (1) to the Secretary.

(C) CERTIFICATION.—The State regulatory authority for each State in which it does business shall file with the Federal Trade Commission and the General Accounting Office a certification that sets forth the methodology used by the authority to analyze the report and the methodology on which the authority based its certification.

(d) SPECIAL RULE FOR INITIAL PERIOD.—(1) SEPARATE STATEMENT OF PREMIUM.—An insurer offering insurance against claims for losses from acts of terrorism in the United States on covered lines after the date of enactment of this Act and before March 15, 2002 shall notify each policyholder in writing as soon as possible, but no later than March 1, 2002, of the premium, or portion of the premium, attributable to that insurance.

(2) BASELINE DATA REPORT.—As soon as possible after the date of enactment of this Act, but no later than March 1, 2002, each such insurer shall submit to the State insurance regulatory authority for the State in which that insurance was provided, the Federal Trade Commission and the General Accounting Office a report that sets forth the methodology used by the authority to analyze the report and the methodology on which the authority based its certification.

(e) REPORTS BY STATE REGULATORS.—Within 15 days after a State insurance regulatory authority receives a report from an insurer required by paragraph (1), the authority—

(A) shall submit a report to the Secretary of Commerce, the Federal Trade Commission, and the General Accounting Office.

(B) shall include in that report a determination with respect to whether an insurer has met the requirements of paragraphs (1)(B) and (C).

SEC. 204. RATES; RATE-MAKING METHODOLOGY AND DATA.

(a) PREMIUM MUST BE SEPARATELY STATUTORY.—Each insurer offering insurance against claims for losses from acts of terrorism in the United States on covered lines during calendar year 2002 shall state the premium for that insurance separately in any invoice, proposal, or other written communication to policyholders and prospective policyholders.

(b) RATE-MAKING METHODS AND DATA MUST BE PUBLICLY AVAILABLE.

(1) 45-DAY NOTICE.—Not less than 45 days before the date on which an insurer establishes or increases the premium rate for any terrorism coverage, the insurer shall—

(i) notify the State insurance regulatory authority for each State in which the insurer conducts business in its most recent premium rate filing a report under paragraph (1) to the Secretary;

(ii) file a copy of each such policyholder information disclosure notice with the State insurance regulatory authority for the State in which the premium is effective.

(c) REPORTS OF PREMIUM; BASELINE DATA.—As soon as possible after the date of enactment of this Act, but no later than March 1, 2002, each such insurer shall submit to the Secretary a copy of each policyholder information disclosure notice with the State insurance regulatory authority for the State in which the premium is effective.

SEC. 301. NATIONAL TERRORISM INSURANCE LOSS GRANT PROGRAM.

TITIE III—GRANT PROGRAM
lines in calendar year 2002 exceed $10,000,000,000 in the aggregate, then the Secretary shall establish and administer a program under this title to provide grants to insureds in excess of the aggregate amount of such losses exceeds $10,000,000,000.

SEC. 302. GRANT AMOUNTS.
(a) IN GENERAL.—The Secretary shall make grants in the aggregate amount of 90 percent of losses in excess, in the aggregate, of $10,000,000,000 in calendar year 2002;
(b) $50,000,000 LIMIT.—Except as provided in subsection (c), the Secretary may not make grants in excess of a total amount for all grants of $50,000,000.
(c) REPORTS TO STATE REGULATOR; CERTIFICATION.-(1) REPORTING TERRORISM COVERAGE.—An insurer shall—
(A) report the amount of its terrorism insurance coverage to the insurance regulatory authority for each State in which it does business; and
(B) obtain a certification from the State that it is not providing terrorism insurance coverage in excess of its capacity under State solvency requirements.
(2) REPORTS TO SECRETARY.—The State regulator shall—
(A) report the amount of its terrorism insurance coverage to the insurance regulatory authority for each State in which it does business; and
(B) obtain a certification from the State that it is not providing terrorism insurance coverage in excess of its capacity under State solvency requirements.

SEC. 303. AUTHORIZATION OF APPROPRIATIONS.
There are authorized to be appropriated to the Secretary such sums as may be necessary to carry out this title.

TITLE IV—LITIGATION

SEC. 401. FEDERAL CAUSE OF ACTION; CONSOLIDATION.
(a) IN GENERAL.—If the Secretary of Commerce makes the determination required by section 107(1) of this Act, then the act is to be copyrighted in this Act.
(b) JURISDICTION.—The Judicial Panel on Multidistrict Litigation shall designate one or more district courts of the United States that shall have exclusive jurisdiction to determine any actions brought pursuant to subsection (a).

SEC. 402. PUNITIVE DAMAGES.
(a) IN GENERAL.—No punitive damages may be awarded in an action described in section 401(a).
(b) EXCEPTION.—The preceding sentence does not apply to a defendant who committed the act of terrorism or knowingly conspired to commit that act.

SA 2673. Mr. SMITH of New Hampshire (for himself and Mr. CRAPO) submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. 301. SHORT TITLE; TABLE OF CONTENTS.
(a) Short Title.—This Act may be cited as the “Farm Security Act of 2001”.
(b) Table of Contents.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—COMMODITY PROGRAMS

Sec. 101. Definitions.

Subtitle A—Fixed Decoupled Payments and Counter-Cyclical Payments

Sec. 102. Establishment of payment yield.
Sec. 103. Establishment of base acres and payment acres for a farm.
Sec. 104. Availability of fixed, decoupled payments.
Sec. 105. Availability of counter-cyclical payments.
Sec. 106. Producer agreement required as condition on provision of fixed, decoupled payments and counter-cyclical payments.

Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

Sec. 121. Availability of nonrecourse marketing assistance loans for covered commodities.
Sec. 122. Loan rates for nonrecourse marketing assistance loans.
Sec. 123. Term of loan.
Sec. 124. Repayment of loans.
Sec. 125. Loan deficiency payments.
Sec. 126. Payments in lieu of loan deficiency payments for special acreage.
Sec. 127. Special marketing loan provisions for upland cotton.
Sec. 128. Special marketing loan provisions for extra long staple cotton.
Sec. 129. Availability of recourse loans for high moisture feed grains and seed cotton and other fibers.
Sec. 130. Availability of nonrecourse marketing assistance loans for wool and mohair.
Sec. 131. Availability of nonrecourse marketing assistance loans for honey.
Sec. 132. Producer retention of erroneously paid loan deficiency payments and marketing loan gains.
Sec. 133. Reserve stock adjustment.

Subtitle C—Other Commodities

CHAPTER 1—DAIRY

Sec. 141. Milk price support program.
Sec. 142. Repeal of recourse loan program for processors.
Sec. 143. Extension of dairy export incentive and dairy indemnity programs.
Sec. 144. Fluid milk promotion.
Sec. 145. Dairy product mandatory reporting.
Sec. 146. Study of national dairy policy.

CHAPTER 2—SUGAR

Sec. 151. Sugar program.
Sec. 152. Reauthorize provisions of Agricultural Adjustment Act of 1938 regarding sugar.
Sec. 153. Storage facility loans.

CHAPTER 3—PEANUTS

Sec. 161. Definitions.
Sec. 162. Establishment of payment yield, peanut acres, and payment acres for a farm.
Sec. 163. Availability of fixed, decoupled payments.
Sec. 164. Availability of counter-cyclical payments for peanuts.
Sec. 165. Producer agreement required as condition on provision of fixed, decoupled payments and counter-cyclical payments.
Sec. 621. Delta regional authority.
Sec. 625. Predevelopment and small capitalization loan fund.
Sec. 626. Rural economic development loan and grant program.

TITLE VII—RESEARCH AND RELATED MATTERS

Subtitle A—Extensions

Sec. 700. Market expansion research.
Sec. 701. National Agricultural Information Center Clearinghouse.
Sec. 702. Grants and fellowships for food and agricultural sciences education.
Sec. 703. Policy research centers.
Sec. 704. Human nutrition intervention and health promotion research program.
Sec. 705. Pilot research program to combine medical and agricultural research.
Sec. 706. Nutrition education program.
Sec. 707. Continuing animal health and disease research programs.
Sec. 708. Appropriations for research on national or regional problems.
Sec. 709. Grants to upgrade agricultural and food sciences facilities at 1890 land-grant colleges, including Tuskegee University.
Sec. 710. National research and training centennial centers at 1890 land-grant institutions.
Sec. 711. Hispanic-serving institutions.
Sec. 712. Competitive grants for international agricultural science and education programs.
Sec. 713. University research.
Sec. 714. Extension service.
Sec. 715. Supplemental and alternative crops.
Sec. 716. Aquaculture research facilities.
Sec. 717. Rangeland research.
Sec. 718. National genomics resources program.
Sec. 719. High-priority research and extension initiatives.
Sec. 720. Nutrient management research and extension initiative.
Sec. 721. Agricultural telecommunications program.
Sec. 722. Alternative agricultural research and commercialization revolving fund.
Sec. 723. Assistive technology program for farmers with disabilities.
Sec. 724. Partnerships for high-value agricultural product quality research.
Sec. 725. Biobased products.
Sec. 726. Integrated research, education, and extension competitive grants program.
Sec. 727. Institutional capacity building grants.
Sec. 728. 1994 Institution research grants.
Sec. 730. Precision agriculture.
Sec. 731. Thomas Jefferson initiative for crop diversification.
Sec. 732. Support for research regarding diseases of wheat, triticale, and barley caused by Fusarium Graminearum or by Tilletia Indica.
Sec. 733. Office of Pest Management Policy.
Sec. 734. National Agricultural Research, Extension, Education, and Economics Advisory Board.
Sec. 735. Grants for research on production and greenhouseing of alcohol and industrial hydrocarbons from agricultural commodities and forestry products.
Sec. 736. Biomass research and development.
Sec. 737. Agricultural experiment stations research facilities.
Sec. 738. Competitive, special, and facilities research grants national research initiative.
Sec. 739. Federal agricultural research facilities authorization of appropriations.
Sec. 740. Cotton classification services.
Sec. 740A. National Agricultural materials research.
Sec. 740B. Private nonindustrial hardwood research program.

Subtitle B—Modifications

Sec. 746. Biomass research and development.
Sec. 747. Biotechnology risk assessment research.
Sec. 748. Competitive, special, and facilities research grants.
Sec. 749. Matching funds requirement for research and extension activities of 1890 institutions.
Sec. 749A. Matching funds requirement for research and extension activities for the United States territories.
Sec. 750. Initiative for future agriculture and food systems.
Sec. 751. Carbon cycle research.
Sec. 752. Definition of food and agricultural sciences.
Sec. 753. Federal extension service.
Sec. 754. Policy research centers.
Sec. 755. Animals used in research.

Subtitle C—Related Matters

Sec. 761. Resident instruction at land-grant colleges in United States territories.
Sec. 762. Declaration of extraordinary emergency and resulting authorities.
Sec. 763. Agricultural biotechnology research and development for the developing world.

Subtitle D—Repeal of Certain Activities and Authorizations

Sec. 771. Food Safety Research Information Office and National Conference.
Sec. 772. Reimbursement of expenses under Sheep Extensive Promotion, Research, and Information Act of 1994.
Sec. 773. National genetic resources program.
Sec. 774. National Advisory Board on Agricultural Weather.
Sec. 775. Agricultural information exchange with Ireland.
Sec. 776. Pesticide resistance study.
Sec. 777. Expansion of education study.
Sec. 778. Support for advisory board.
Sec. 779. Task force on 10-year strategic plan for agricultural research facilities.

Subtitle E—Agriculture Facility Protection

Sec. 790. Additional protections for animal or agricultural enterprises, research facilities, and other entities.

TITLE VIII—FORESTRY INITIATIVES

Sec. 801. Repeal of forestry incentives program and Stewardship Incentive Program.
Sec. 802. Establishment of Forest Land Enhancement Program.
Sec. 803. Renewable resources extension activities.
Sec. 804. Enhanced community fire protection.

Sec. 805. International forestry program.
Sec. 806. Wildfire prevention and hazardous fuel purchase program.
Sec. 807. McIntire-Stennis cooperative forestry research program.

TITLE IX—MISCELLANEOUS PROVISIONS

Subtitle A—Tree Assistance Program

Sec. 901. Eligibility.
Sec. 902. Assistance.
Sec. 903. Limitation on assistance.
Sec. 904. Definitions.

Subtitle B—Other Matters

Sec. 921. Bioenergy program.
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Sec. 923. Senior farmers’ market nutrition program.
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Sec. 943. Unlawful stockyard practices involving nonambulatory livestock.
Sec. 944. Annual report on imports of beef and pork.

SEC. 100. DEFINITIONS.

In this title (other than chapter 3 of subtitle C):
(2) Base acres.—The term “base acre” or with respect to a covered commodity on a farm, means the number of acres established under section 103 with respect to the commodity upon the election made by the producers on the farm under subsection (a) of such section.
(3) Counter-cyclical payment.—The term ‘‘counter-cyclical payment’’ means a payment made to producers under section 105.

(4) Covered commodity.—The term ‘‘covered commodity’’ means wheat, corn, sorghum, barley, oats, upland cotton, rice, soybeans, and other oilseeds.

(5) Effective price.—The term ‘‘effective price’’ means the price calculated by the Secretary under section 105 to determine whether counter-cyclical payments are required to be made for that crop year.

(6) Eligible producer.—The term ‘‘eligible producer’’ means a producer described in section 101(a).

(7) Fixed, decoupled payment.—The term ‘‘fixed, decoupled payment’’ means a payment made to producers under section 104.

(8) Other oilseed.—The term ‘‘other oilseed’’ means a crop of sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or, if designated by the Secretary, another oilseed.

(9) Payment acres.—The term ‘‘payment acres’’ means 85 percent of the base acres of a covered commodity on a farm, as established under section 103, upon which fixed, decoupled payments and counter-cyclical payments are to be made.

(10) Payment yield.—The term ‘‘payment yield’’ means the yield established under section 102 for a farm for a covered commodity.

(11) Producer.—The term ‘‘producer’’ means a producer described in section 101(a).

(12) Single election; time for election.—(a) The four-year average of acreage actually planted to each of the crops enumerated in paragraph (2) does equal to 85 percent of the base acres for the commodity.

(13) State.—The term ‘‘State’’ means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.

(14) Target price.—The term ‘‘target price’’ means the price per bushel (or other appropriate unit of measurement in the case of upland cotton, rice, and other oilseeds) of a covered commodity used to determine the payment rate for counter-cyclical payments.

(15) United States.—The term ‘‘United States’’ is used in a geographical sense, means all of the States.

Subtitle A—Fixed Decoupled Payments and Counter-Cyclical Payments

SEC. 101. PAYMENTS TO ELIGIBLE PRODUCERS.

(a) Payments Required.—Beginning with the 2002 crop of covered commodities, the Secretary shall make fixed decoupled payments and counter-cyclical payments under this subtitle—

(1) to producers on a farm that were parties to a production flexibility contract under section 111 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7202); and

(2) to other producers on farms in the United States as described in section 103(a).

(b) Tenants and Sharecroppers.—In carrying out this title, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

(c) Sharing of Payments.—The Secretary shall provide for the sharing of fixed, decoupled and counter-cyclical payments among the eligible producers on a farm on a fair and equitable basis.

SEC. 102. ESTABLISHMENT OF PAYMENT YIELD.

(a) Establishment and Purpose.—For the purpose of making fixed decoupled payments and counter-cyclical payments under this title, the yield for the establishment of a payment yield for each farm for each covered commodity in accordance with this title shall be determined.

(b) Use of Farm Program Payment Yield.—Except as otherwise provided in this section, the payment yield for each of the covered commodities shall be the payment yield for a farm program payment yield in effect for the 2002 crop of the covered commodity under section 105 of the Agriculture Act of 1949 (7 U.S.C. 1465).

(c) Farms Without Farm Program Payment Yield.—In the case of a farm for which a farm program payment yield is unavailable because a covered commodity is a covered commodity on a farm taking in consideration the farm program payment yields applicable to the commodity under subsection (b) for similar farms in the area.

(d) Payment Yields for Oilseeds.—(1) Determination of Average Yield.—In the case of soybeans and each other oilseed, the Secretary shall determine the yield for the 1998 through 2001 crop years, excluding any crop year in which the acreage planted to the oilseed was zero. If, for any of these four crop years in which the acreage planted, the farm would have satisfied the eligibility criteria established to carry out section 1102 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (Public Law 105-277; 7 U.S.C. 1421 note), the Secretary shall assign a yield for that year equal to 65 percent of the average yield for the. "

(2) Adjustment for Payment Yield.—The payment yield for a farm for an oilseed shall be equal to the product of the following:

(1) The average yield for the oilseed determined under paragraph (1).

(2) The ratio resulting from dividing the national average yield for the oilseed for the 1981 through 1985 crops by the national average yield for the 1998 through 2001 crops.

SEC. 103. ESTABLISHMENT OF BASE ACRES AND PAYMENT ACRES FOR A FARM.

(a) Election by Producers of Base Acre Calculation Method.—For the purpose of making fixed decoupled payments and counter-cyclical payments with respect to a farm, the Secretary shall give producers on the farm an opportunity to elect one of the following as the method by which the base acres of all covered commodities on the farm are to be determined:

(1) The four-year average of acreage actually planted or permanent seeded to covered commodity for harvest, grazing, hayage, silage, or other similar purposes during crop years 1996, 1999, 2000, and 2001 and any acreage on the farm that were prevented from planting during such crop years to the covered commodity because of drought, flood, or other natural disaster, or other condition beyond the control of the producer, as determined by the Secretary.

(2) The sum of contract acreage (as defined in section 102 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7202); used by the Secretary to calculate the fiscal year 2002 payment that, subject to section 109, would have been made under section 114 of such Act for the 2002 crop of the covered commodity on the farm and the four-year average determined under paragraph (1) for soybeans and each other oilseed produced on the farm.

(b) Single Election; Timet for Election.—The opportunity to make the election described in subsection (a) shall be available to producers on a farm only once. The producers shall notify the Secretary of the election made by the producers under such subsection not later than 180 days after the date of the enactment of this Act.

(c) Effect of Failure to Make Election.—In the case of a farm for which the producers fail to make the election under subsection (a), or fail to timely notify the Secretary of the selected option as required by subsection (b), the election described in subsection (a)(2) to determine base acres for all covered commodities on the farm.

(d) Application of Election to All Covered Commodities.—The election made under subsection (a) or deemed to be made under subsection (b) shall apply to all of the covered commodities on the farm. Producers may not make the election described in subsection (a)(1) for one covered commodity and the election described in subsection (a)(2) for other covered commodities on the farm.

(e) Department of Conservation Reserve Contract Acreage.—

(1) In General.—In the case of producers on a farm that make the election described in subsection (a)(2), the Secretary shall provide for an adjustment in the base acres for the farm whenever either of the following circumstances occur:

(A) The conservation reserve contract entered into under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) with respect to the farm expires or is voluntarily terminated.

(B) Cropland is released from coverage under a conservation reserve contract by the Secretary.

(2) Special Payment Rules.—For the fiscal year and crop year in which a base acre adjustment under paragraph (1) is first made, the Secretary shall provide to producers on the farm an opportunity to elect one of the following as the method by which the base acres of the covered commodity on the farm are to be determined:

(a) The four-year average of acreage actually planted or permanent seeded to each of the covered commodities on the farm.

(b) Any other acreage on the farm enrolled in the conservation reserve program or wetlands reserve program under chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.).

(c) Any other acreage on the farm enrolled in a conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage.

(d) Exception for double-cropped acreage.—In applying paragraph (1), the Secretary shall make an adjustment in the case of double cropping, as determined by the Secretary.

SEC. 104. PAYMENT ACRES.—The payment acres for a covered commodity on a farm shall be equal to 85 percent of the base acres for the commodity.

SEC. 105. PREVENTION OF EXCESS BASE ACRES.—The Secretary shall adjust the base acres of the farm for one or more covered commodities for the farm or peanut acres for the farm as necessary so that the sum of the base acres and acreage described in paragraph (2) does not exceed the actual cropland acreage of the farm. The Secretary shall give the producers on the farm the opportunity to select the base acres or peanut acres against which the reduction will be made.

(2) Other Acreage.—For purposes of paragraph (1), the Secretary shall include the following:

(A) Any peanut acres for the farm under chapter 3 of subtitle C.

(B) Any acres for the farm enrolled in the conservation reserve program or wetlands reserve program under chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.).

(C) Any other acreage on the farm enrolled in a conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage.
SEC. 104. AVAILABILITY OF FIXED, DECOUPLED PAYMENTS.

(a) PAYMENT REQUIRED.—For each of the 2002 through 2011 crop years of each covered commodity, the Secretary shall make fixed, decoupled payments to eligible producers.

(b) PAYMENT RATE.—The payment rates used for the fixed, decoupled payments with respect to covered commodities for a crop year are as follows:

(1) Wheat, $0.53 per bushel.
(2) Corn, $0.25 per bushel.
(3) Grainsorghum, $0.36 per bushel.
(4) Barley, $0.25 per bushel.
(5) Oats, $0.025 per bushel.
(6) Upland cotton, $0.9676 per pound.
(7) Rice, $0.25 per hundredweight.
(8) Soybeans, $0.42 per bushel.
(9) Other oilseeds, $0.00714 per pound.

(c) PAYMENT AMOUNT.—The amount of the fixed, decoupled payment to be paid to the eligible producers on a farm for a covered commodity for a crop year shall be equal to the product of the following:

(1) The payment rate specified in subsection (b).
(2) The payment acres of the covered commodity on the farm.
(3) The payment yield for the covered commodity for the farm.

SEC. 105. AVAILABILITY OF COUNTER-CYCLICAL PAYMENTS.

(a) PAYMENT REQUIRED.—The Secretary shall make counter-cyclical payments with respect to a covered commodity whenever the Secretary determines that the effective price for the commodity is less than the target price for the commodity.

(b) EFFECTIVE PRICE.—For purposes of subsection (a), the effective price for a covered commodity is determined by the Secretary.

(c) SPECIAL RULE FOR CURRENTLY UNDESIGNATED OILSEEDS.—If the Secretary determines that oilseed on a farm is an oilseed as defined in section 1211(4), the Secretary shall make counter-cyclical payments to eligible producers with respect to the covered commodity.

SEC. 106. PRODUCER AGREEMENT REQUIRED AS CONDITION ON PROVISION OF FIXED, DECOUPLED PAYMENTS AND COUNTER-CYCLICAL PAYMENTS.

(a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

(1) REQUIREMENTS.—Before the producers on a farm may receive fixed, decoupled payments or counter-cyclical payments with respect to the farm, the producers shall agree, in exchange for the payments—

(A) to comply with applicable conservation requirements under subsection (b), the Secretary shall use the loan rate in effect under section 122(b)(3), except, in the case of producers who received the higher loan rate provided under section 1211, for barley used only for feed purposes, the Secretary shall use that higher loan rate.

(b) COMPLIANCE.—For purposes of calculating the effective price for barley under subsection (b), the Secretary shall make the payment, in accordance with regulations prescribed by the Secretary.

(c) Transfer or Change of Interest in Farm.—

(1) TERMINATION.—Except as provided in paragraph (4), a transfer of (or change in) the interest of a producer in a farm or of facilities used by a producer to produce a covered commodity, unless the transferee or the Secretary of the Secretary determines that forgiving the repayments shall result in the termination of the payments with respect to the base acres, unless the transferee or of the Secretary agrees to assume all obligations under subsection (a). The termination shall be effective on the date of the transfer or change.

(2) PAYMENT BASIS.—There is no restriction on the transfer of a farm's base acres or payment as part of a change in the producers on the farm.

(3) MORTGAGE.—If the mortgage or other encumbrances of the transferee or owner, the Secretary may modify the requirements of subsection (a) if the modifications are consistent with the objectives of such subsection, as determined by the Secretary.

(d) ACREAGE REPORTS.—

(1) IN GENERAL.—As a condition on the receipt of any benefits under this subtitle or title, any producer shall submit to the Secretary acreage reports.

(2) CONFORMING AMENDMENT.—Section 15 of the Agricultural Marketing Act (12 U.S.C. 1141j) is amended by striking subsection (d), (e) REVIEW.—A determination of the Secretary under this section shall be considered to be an adverse decision for purposes of the availability of administrative review of the determination.

SEC. 107. PLANTING FLEXIBILITY.

(a) PERMITTED CROPS.—Subject to subsection (b), any commodity or crop may be planted on base acres on a farm.

(b) LIMITATIONS AND EXCEPTIONS REGARDING CERTAIN COMMODITIES.—

(1) LIMITATIONS.—The planting of the following agricultural commodities shall be prohibited on base acres:

(A) Fruits.
(B) Vegetables (other than lentils, mung beans, and dry peas).
(C) Wild rice.

(2) EXCEPTIONS.—Paragraph (1) shall not limit the planting of an agricultural commodity specified in such paragraph—

(A) in any region in which there is a history of double-cropping of covered commodities with agricultural commodities specified in paragraph (1), as determined by the Secretary, in which case the double-cropping shall be permitted;

(B) on a farm that the Secretary determines has a history of planting agricultural commodities specified in paragraph (1) on base acres, except that fixed, decoupled payments and counter-cyclical payments shall
be reduced by an acre for each acre planted to such an agricultural commodity; or

(C) by a producer who the Secretary determines has an established planting history of a specified agricultural commodity in the 1991 through 1995 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

(ii) the quantity planted may not exceed the producer's average annual planting history of the specified agricultural commodity in the 1991 through 1995 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary.

SEC. 108. RELATION TO REMAINING PAYMENT AUTHORITY UNDER PRODUCTION FLEXIBILITY CONTRACTS.

(a) TERMINATION OF SUPERSEDED PAYMENT AUTHORITY.—Notwithstanding section 113(a)(7) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7213(a)(7)) or any other provision of law, the Secretary shall not make payments for fiscal year 2002 after the date of the enactment of this Act under production flexibility contracts entered into after section 111 of such Act (7 U.S.C. 7213).

(b) CONTRACT PAYMENTS MADE BEFORE ENACTMENT.—If, on or before the date of the enactment of this Act, a producer receives all or any portion of payment authorized for fiscal year 2002 under a production flexibility contract, the Secretary shall reduce the amount of the fixed, decoupled payment otherwise due the producer for that same fiscal year by the amount of the fiscal year 2002 payment previously received by the producer.

SEC. 109. PAYMENT LIMITATIONS.

Sections 1001 through 1001C of the Food Security Act of 1985 (7 U.S.C. 1308 through 1308-3) shall apply to fixed, decoupled payments and counter-cyclical payments.

SEC. 110. FARM COUNTER-CYCLICAL SAVINGS ACCOUNTS.

Subtitle B of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7211 et seq.) is amended by adding at the end the following:

'SEC. 110. FARM COUNTER-CYCLICAL SAVINGS ACCOUNTS.

'(a) DEFINITIONS.—In this section:

'(1) ADJUSTED GROSS RECEIPT.—The term 'adjusted gross receipt' means the adjusted gross income for all agricultural enterprises of a producer in a year, excluding revenue earned from nonagricultural sources, as determined by the Secretary.

'(2) INTEREST.—(A) In general.—Interest charges with respect to the account shall be at the rate established under section 122 for the applicable year.

'(B) Cancellation.—The Secretary shall provide the matching contributions required for a producer under paragraph (1) as of the date that the Sec-

(c) CONTENT OF ACCOUNT.—A farm counter-cyclical savings account shall consist of—

'(1) contributions of the producer; and

'(2) matching contributions of the Secretary.

(d) PRODUCER CONTRIBUTIONS.—

'(1) IN GENERAL.—Subject to subparagraph (B), a producer may deposit such amounts in the account of the producer as the producer considers appropriate.

'(2) MAXIMUM ACCOUNT BALANCE.—The balance of an account of a producer may not exceed 150 percent of the average adjusted gross revenue of the producer for the previous 5 years.

'(e) MATCHING CONTRIBUTIONS.—

'(1) IN GENERAL.—Subject to paragraph (2) through (5), the Secretary shall provide a matching contribution on the amount deposited by the producer or on the account.

'(2) FORMULA.—The Secretary shall establish a formula to determine the amount of matching contributions that will be provided by the Secretary.

'(3) MAXIMUM CONTRIBUTIONS FOR INDIVIDUAL PRODUCER.—The amount of matching contributions that may be provided by the Secretary shall not exceed $10,000 under this subsection.

'(4) MAXIMUM CONTRIBUTIONS FOR ALL PRODUCERS.—The total amount of matching contributions that may be provided by the Secretary for all producers under this subsection shall not exceed—

'(A) $800,000,000 for fiscal year 2002;

'(B) $900,000,000 for fiscal year 2003;

'(C) $1,000,000,000 for fiscal year 2004;

'(D) $1,100,000,000 for fiscal year 2005; and

'(E) $1,200,000,000 for fiscal year 2006.

'(5) DATE FOR MATCHING CONTRIBUTIONS.—The Secretary shall provide the matching contributions required for a producer under paragraph (1) as of the date that the producer obtains the covered commodity grown by the producer.

'(f) INTEREST.—Funds deposited into the account shall earn interest at the commercial rates provided by the bank or financial institution in which the Account is estab-

'(g) USE.—Funds credited to the account—

'(1) shall be available for withdrawal by a producer, in accordance with subsection (b); and

'(2) may be used for purposes determined by the producer.

'(b) WITHDRAWAL.—

'(1) IN GENERAL.—Subject to subparagraph (B), a producer who ceases to be actively engaged in farming, as determined by the Secretary, may withdraw the full balance from, and close, the account.

'(2) LIMITATIONS.—(A) In general.—A producer that does not have adjusted gross revenue for each of the preceding 5 taxable years; or

'(B) EXCLUSION.—A producer that does not have adjusted gross revenue for each of the preceding 5 taxable years; or

'(B) WAIVERS.—The Secretary shall pro-

'(C) ADMINISTRATION.—The Secretary shall admin-

'(d) ELIGIBLE PRODUCTION.—Any production covered commodity.

'(e) ELIGIBLE PRODUCTION.—Any production covered commodity.

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(d) COMPLIANCE WITH CONSERVATION AND WETLANDS REQUIREMENTS.—As a condition of the receipt of the marketing assistance loan under subsection (a), the producer shall comply with applicable conservation requirements under subchapter B of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) and applicable wetland protection requirements under subchapter C of title XII of the Act (16 U.S.C. 3821 et seq.) during the term of the loan.

(e) DEFINITION OF EXTRA LONG STAPLE COTTON.—In this subtitle, the term “extra long staple cotton” means cotton that—

(1) is produced from pure strain varieties of the Barbadensis species or any hybrid thereof, or other similar types of extra long staple cotton, designated by the Secretary, having characteristics needed for various end uses for which United States upland cotton is not suitable and grown in irrigated cotton-growing regions of the United States designated by the Secretary or other areas designated by the Secretary as suitable for the production of the varieties or types; and

(2) is ginned on a roller-type gin or, if authorized by the Secretary, ginned on another type gin for experimental purposes.

(f) TERMINATION OF SUPERSEDED LOAN AUTHORITY.—Notwithstanding section 121 of the Federal Crop Improvement and Reform Act of 1996 (7 U.S.C. 7231), nonrecourse marketing assistance loans shall not be made for the 2002 crop of covered commodities under subchapter B of title I of such Act.

SEC. 122. LOAN RATES FOR NONRECOURSE MARKETING ASSISTANCE LOANS.

(a) WHEAT.—

(1) LOAN RATE.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 121 for wheat shall be—

(A) not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding five crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

(B) not more than $1.70 per bushel.

(2) LOAN RATE ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of corn or grain sorghum to total use for the marketing year will be—

(A) equal to or greater than 25 percent, the Secretary may reduce the loan rate for the corresponding crop by an amount not to exceed 10 percent in any year;

(B) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for the covered commodity for the corresponding crop by an amount not to exceed 5 percent in any year; or

(C) less than 12.5 percent, the Secretary may not reduce the loan rate for the covered commodity for the corresponding crop.

(b) FEED GRAINS.—

(1) LOAN RATE.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 121 for feed grains shall be—

(A) established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn; but

(B) not more than—

(i) $1.65 per bushel for barley, except not more than $1.70 per bushel for barley used only for feed purposes, as determined by the Secretary; and

(ii) $1.21 per bushel for oats.

(c) UPLAND COTTON.—

(1) LOAN RATE.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 121 for upland cotton shall be established by the Secretary at such loan rate, per pound, for the base quality of upland cotton, as determined by the Secretary, at average locations in the United States a rate that is not less than the smaller of—

(A) 85 percent of the average price (weighted by market and month) of the base quality of cotton as quoted in the designated United States spot markets for the base quality of upland cotton, as determined by the Secretary; or

(B) $1.21 per pound, as determined by the Secretary.

(2) RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

(A) not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding five crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

(B) not more than $2.58 per bushel.

(3) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan under section 121 for feed grains other than corn or grain sorghum shall be at the loan rate established for the commodity (adjusted to United States quality and location), as determined by the Secretary.

(4) UPLAND COTTON.—The loan rate for a marketing assistance loan for extra long staple cotton shall have a term of nine months beginning on the first day of the month in which the loan is made.

(b) FEED GRAINS.—

(1) LOAN RATE.—The loan rate for a marketing assistance loan under section 121 for feed grains shall be—

(A) established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn; but

(B) not more than—

(i) $1.65 per bushel for barley, except not more than $1.70 per bushel for barley used only for feed purposes, as determined by the Secretary; and

(ii) $1.21 per bushel for oats.

(c) UPLAND COTTON.—

(1) LOAN RATE.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 121 for upland cotton shall be established by the Secretary at such loan rate, per pound, for the base quality of upland cotton, as determined by the Secretary, at average locations in the United States a rate that is not less than the smaller of—

(A) 85 percent of the average price (weighted by market and month) of the base quality of cotton as quoted in the designated United States spot markets for the base quality of upland cotton, as determined by the Secretary; or

(B) $1.21 per pound, as determined by the Secretary.

(2) RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

(A) not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding five crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

(B) not more than $2.58 per bushel.

(3) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan under section 121 for feed grains other than corn or grain sorghum shall be at the loan rate established for the commodity (adjusted to United States quality and location), as determined by the Secretary.

(4) UPLAND COTTON.—The loan rate for a marketing assistance loan for extra long staple cotton shall have a term of nine months beginning on the first day of the month in which the loan is made.

SEC. 124. REPAYMENT OF LOANS.

(a) REPAYMENT RATES FOR WHEAT, FEED GRAINS, AND OILSEEDS.—The Secretary shall permit a producer to repay a marketing assistance loan under section 121 for wheat, corn, grain sorghum, barley, oats, and oilseeds at a rate that is the lesser of—

(1) the loan rate established for the commodity under section 122, plus interest (as determined by the Secretary); or

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

(B) minimize the accumulation of stocks of the commodity by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing the commodity; and

(D) allow the commodity produced in the United States to be marketed freely and competitively, both domestically and internationally.

(b) REPAYMENT RATES FOR UPLAND COTTON AND RICE.—The Secretary shall permit producers to repay a marketing assistance loan under section 121 for upland cotton and rice at a rate that is the lesser of—

(1) the loan rate established for the commodity under section 122, plus interest (as determined by the Secretary); or

(2) the prevailing world market price for the commodity (adjusted to United States quality and location), as determined by the Secretary.

(c) REPAYMENT RATES FOR EXTRA LONG STAPLE COTTON.—Repayment of a marketing assistance loan for extra long staple cotton shall be at the loan rate established for the commodity under section 122, plus interest (as determined by the Secretary).

(d) PREVAILING WORLD MARKET PRICE.—For purposes of this section and section 127, the Secretary shall prescribe by regulation—

(1) a formula to determine the prevailing world market price for each covered commodity, adjusted to United States quality and location; and

(2) a mechanism by which the Secretary shall announce periodically the prevailing world market price for each covered commodity.

(e) ADJUSTMENT OF PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON.—
market price for upland cotton (adjusted to United States quality and location) established under subsection (d) shall be further adjusted if—
(1) the adjusted prevailing world market price is less than 115 percent of the loan rate for upland cotton established under section 122, as determined by the Secretary; and
(2) the adjusted prevailing world market price for upland cotton shall be further adjusted on the basis of some or all of the following data, as available:
(A) The United States share of world exports;
(B) The current level of cotton export sales and cotton export shipments;
(C) Other data determined by the Secretary.
(3) the loan rate established under section 122 with respect to a covered commodity as of the earlier of the following:
(A) The United States share of world exports;
(B) The current level of cotton export sales and cotton export shipments;
(C) Other data determined by the Secretary.

SEC. 126. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.
(a) ELIGIBLE PRODUCERS.—Effective for the 2002 through 2011 crop years, in the case of a producer that would be eligible for a loan deficiency payment under subsection (a) for a crop year, the Secretary shall permit the producer to repay the loan for the commodity in return for payments under this section.

(b) AMOUNT AND MANNER OF PAYMENT.—The amount of a loan deficiency payment that is in lieu of a loan deficiency payment under subsection (a) shall be equal to the amount determined by multiplying—
(1) the loan deficiency payment rate determined under section 122(c) in effect, as of the date of the enactment of this Act, for the county in which the farm is located; by
(2) the quantity of the grazed acreage on the farm with respect to which the producer elects to forgo harvesting of wheat, barley, or oats; and
(3) the payment yield for that covered commodity on the farm.

(c) TIME, MANNER, AND AVAILABILITY OF PAYMENT.—
(1) TIME AND MANNER.—A payment under this section shall be made at the same time and in the same manner as loan deficiency payments are made under section 122.
(2) AVAILABILITY.—The Secretary shall establish an availability period for the payment authorized by this section that is consistent with the availability period for wheat, barley, and oats established by the Secretary for marketing assistance loans authorized by this section.

SEC. 125. LOAN DEFICIENCY PAYMENTS.
SEC. 127. SPECIAL MARKETING LOAN PROVIDIONS FOR UPLAND COTTON.
(a) COTTON USER MARKETING CERTIFICATES.
(1) ISSUANCE.—During the period beginning on the date of enactment of this Act and ending July 31, 2021, the Secretary shall issue marketing certificates or cash payments to cotton users and sales for export by exporters made in the week following a consecutive four-week period in which—
(A) the Friday through Thursday average price for the lowest-priced United States growth, as quoted for Middling (M) 13/32-inch cotton, delivered C.I.F. Northern Europe exceeds the Northern Europe price; and
(B) the prevailing world market price for upland cotton (adjusted to United States quality and location) does not exceed 134 percent of the loan rate for upland cotton established under section 122.
(2) VALUE OF CERTIFICATES OR PAYMENTS.—The value of the marketing certificates or cash payments shall be based on the amount of the difference in the prices during the fourth week of the consecutive four-week period in which the prevailing world market price for upland cotton included in the documented sales.

(b) ADMINISTRATION OF MARKETING CERTIFICATES.
(1) REDUCTION, MARKETING, OR EXCHANGE.—The Secretary shall establish procedures for redeeming marketing certificates for cash or marketing the certificates for agricultural commodities owned by the Commodity Credit Corporation and pledged to the Commodity Credit Corporation (including collateral for the certificates) 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.

(c) TRANSFERS.—Marketing certificates issued to domestic users and exporters of upland cotton may be transferred to other persons in accordance with regulations issued by the Secretary.

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 paragraph (C), the Secretary shall, on a monthly basis, estimate and report the season-ending United States upland cotton stocks-to-use ratio, excluding project sales of cotton imports but including the quantity of raw cotton that has been imported into the United States during the marketing year.

(2) QUANTITY.—The quota shall be equal to one week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the most recent three months for which data are available.

(3) APPLICATION.—The quota shall apply to upland cotton purchased not later than 90 days after the date of the Secretary's announcement under paragraph (1) and entered into the United States not later than 180 days after the date.

(4) OVERLAP.—A special quota period may be established that overlaps any existing quota period if required by paragraph (1), except that a special quota period may not be established under this subsection if a quota period has been established under subsection (c).

(5) PREFERENTIAL TARIFF TREATMENT.—The quantity under a special import quota shall be considered to be an in-quota quantity for purposes of—

(A) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2603(d));

(B) section 384 of the Andean Trade Preference Act (19 U.S.C. 2623);

(C) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(D) section 3a(4) of the Harmonized Tariff Schedule.

(6) DEFINITION.—In this subsection, the term "special import quota" means a quantity of cotton that may not be established under this subsection if a quota period has been established under subsection (c).

SEC. 129. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA LONG STAPLE COTTON

(a) COMPETITIVENESS PROGRAM.—Notwithstanding any other provision of law, during the period beginning on the date of the enactment of this Act and ending on July 31, 2012, the Secretary shall carry out a program to maintain the domestic use of extra long staple cotton produced in the United States, to increase exports of extra long staple cotton produced in the United States, and to maintain the competitiveness of the United States cotton in world markets.

(b) PAYMENTS UNDER PROGRAM.—Under the program, the Secretary shall make payments available under this section whenever—

(1) for a consecutive four-week period, the world market price for the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location for cost of converting the cot to a similar state of such cotton), as determined by the Secretary, is less than 134 percent of the loan rate for extra long staple cotton; and

(2) the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location for cost of converting the cot to a similar state of such cotton), as determined by the Secretary, is less than 134 percent of the loan rate for extra long staple cotton.

(c) ELIGIBILITY AND SELECTION RULES.—The Secretary shall make payments available under this section to domestic users of extra long staple cotton who entered into an agreement with the Commodity Credit Corporation to participate in the program under this section.

(d) PAYMENT AMOUNT.—Payments under this subsection shall be based on the amount of the difference in the prices referred to in subsection (b)(1) during the fourth week of the consecutive four-week period multiplied by the loan rate of cotton that is produced by domestic users and sales for export by exporters made in the week following such a consecutive four-week period.

SEC. 130. AVAILABILITY OF RECOURSE LOANS FOR HIGH MOISTURE FEED GRAINS AND SEED COTTON AND OTHER FIBERS

(a) HIGH MOISTURE FEED GRAINS.—

(1) RECOURSE LOANS AVAILABLE.—For each of the 2012 through 2011 crops of corn and grain sorghum, the Secretary shall make available recourse loans, as determined by the Secretary, to producers on a farm who—

(A) normally harvest all or a portion of their crop of corn or grain sorghum in a high moisture state; or

(B) present—

(i) certified scale tickets from an inspection, inspected and certified, containing a licensed warehouse, feedlot, feed mill, distillery, or other similar entity approved by the Secretary, pursuant to regulations issued by the Secretary; or

(ii) field or other physical measurements of the standing or stored crop in regions of the United States, as determined by the Secretary, that do not have certified commercial scales from which certified scale tickets may be obtained within reasonable proximity of harvest operation;

(c) CERTIFICATION.—The Secretary shall make loans under this subsection through the Commodity Credit Corporation standards for marketing assistance loans made by the Secretary under section 121.

(b) RECOURSE LOANS AVAILABLE FOR SEED COTTON.—For each of the 2012 through 2011 crops of upland cotton and extra long staple cotton, the Secretary shall make available recourse seed cotton loans, as determined by the Secretary, to producers on a farm who—

(c) REPAYMENT RATES.—Repayment of a recourse loan made under this section shall be
at the loan rate established for the commodity by the Secretary, plus interest (as determined by the Secretary). (d) TERMINATION OF SUPERSEDED LOAN AUTHORITY.—Notwithstanding section 197 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7237), recourse loans shall not be made for the 2002 crop of corn, cotton, peanuts, and soybeans, and marketing loan gains erroneously paid or determined to have been earned by the Commodity Credit Corporation for certain 1998 and 1999 crops under subtitle C of title 1 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7231 et seq.). In the case of a producer who has already made the repayment on or before the date of the enactment of this Act, the Commodity Credit Corporation shall reimburse the producer for the full amount of the repayment.

SEC. 132. PRODUCER RETENTION OF ERRONEOUSLY PAID LOAN DEFICIENCY PAYMENTS AND MARKETING LOAN GAINS.

Notwithstanding any other provision of law, the Secretary of Agriculture and the Secretary of Commerce shall not require producers in Erie County, Pennsylvania, to repay loan deficiency payments and marketing loan gains erroneously paid or determined to have been earned by the Commodity Credit Corporation for certain 1998 and 1999 crops under subtitle C of title 1 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7231 et seq.). In the case of a producer who has already made the repayment on or before the date of the enactment of this Act, the Commodity Credit Corporation shall reimburse the producer for the full amount of the repayment.

SEC. 133. RESERVE STOCK ADJUSTMENT.

Section 301(h)(4)(C) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1930(b)(4)(C)) is amended—

(1) in clause (i), by striking “100,000,000” and inserting “75,000,000”;

(2) in clause (ii), by striking “15 percent” and inserting “10 percent”.

Subtitle C—Other Commodities

CHAPTER 1—DAIRY

SEC. 141. MILK PRICE SUPPORT PROGRAM.

(a) SUPPORT ACTIVITIES.—During the period beginning on January 1, 2002, and ending on December 31, 2011, the Secretary of Agriculture shall support the lowest of the following prices paid to persons offering to sell the product to the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. Not later than January 1 of each year, the Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation. Section 553 of title 5, United States Code, shall not apply with respect to the implementation of this section.

(b) DETERMINATION OF PURCHASE PRICE.—The Secretary shall determine the rate of price support applicable to the purchase price of milk for nonfat dry milk and butter in a manner that will result in the lowest possible price paid by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. No later than 10 days after making or changing an allocation, the Secretary shall notify the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. No later than 10 days after making or changing an allocation, the Secretary shall notify the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate.

(c) DETERMINATION OF PURCHASE PRICE.—The Secretary shall determine the rate of price support applicable to the purchase price of milk for nonfat dry milk and butter in a manner that will result in the lowest possible price paid by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

SEC. 142. REPEAL OF RECOUPMENT PROGRAM.

Section 142 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7252) is repealed.

SEC. 143. EXTENSION OF DAIRY EXPORT INCENTIVE AND DAIRY INDEMNITY PROGRAM.

(a) DAIRY EXPORT INCENTIVE PROGRAM.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–1(a)) is amended by striking “2002” and inserting “2011”.

(b) DAIRY INDEMNITY PROGRAM.—Section 3 of Public Law 90–494 (7 U.S.C. 480) is amended by striking “1995” and inserting “2011”.

December 18, 2001
CONGRESSIONAL RECORD—SENATE
S13601
SEC. 144. FLUID MILK PROMOTION.  
(a) DEFINITION OF FLUID MILK PRODUCT.—Section 199C of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6402) is amended by striking subsection (a); and inserting the following new paragraph: 

(1) FLUID MILK PRODUCT.—The term ‘‘fluid milk product’’ has the meaning given such term— 

(A) in section 1000.15 of title 7, Code of Federal Regulations, subject to such amendments as may be made from time to time; or 

(B) the successor regulation providing a definition of such term that is promulgated pursuant to the Agricultural Adjustment Act of 1938 (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.’’; and 

(b) DEFINITION OF FLUID MILK PROMOTION.—Section 199D of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6402(f)) is amended by striking ‘‘$500,000’’ and inserting ‘‘$3,000,000’’.

(c) ELIMINATION OF ORDER TERMINATION DATES.—Section 1990F of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6414) is amended— 

(1) by striking subsection (a); and 

(2) by redesigning subsections (b) and (c) as subsections (a) and (b), respectively.

SEC. 145. DAIRY PRODUCT MANDATORY REPORTING. 
Section 23(b)(1)(B) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1637b(b)(1)(B)) is amended— 

(1) by inserting ‘‘and substantially identical products designated by the Secretary’’ after ‘‘dairy products’’ the first place it appears; and 

(2) by inserting ‘‘and such substantially identical products designated by the Secretary’’ after ‘‘dairy products’’ the second place it appears.

SEC. 146. STUDY OF NATIONAL DAIRY POLICY. 
(a) STUDY REQUIRED.—Not later than April 30, 2002, the Secretary of Agriculture shall submit to Congress a comprehensive economic evaluation of the potential direct and indirect effects of the various elements of the national dairy policy, including an examination of the effect of the national dairy policy on— 

(1) farm price stability, farm profitability and viability, and local rural economies in the United States; 

(2) child, senior, and low-income nutrition programs, including impacts on schools and institutions that provide meals to children and adults, and on the programs, on program recipients, and other factors; and 

(3) the wholesale and retail cost of fluid milk, dairy farms, and milk utilization. 

(b) POLICY DEFINITION.—In this section, the term ‘‘national dairy policy’’ means the dairy policy of the United States as evidenced by the following policies and programs: 

(1) Federal Milk Marketing Orders. 

(2) Interstate dairy compacts (including proposed compacts designated in H.R. 1627 and S. 159, respectively passed in the 107th Congress). 

(3) Over-order premiums and State pricing programs. 

(4) Direct payments to milk producers. 

(5) Federal milk price support programs. 

(6) Export programs regarding milk and dairy products, such as the Dairy Export Incentive Program.

CHAPTER 2—SUGAR 
SEC. 151. SUGAR PROGRAM. 
(a) CONTINUATION OF PROGRAM.—Subsection (1) of section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 1359aa) is amended— 

(1) by striking ‘‘other than subsection (f)’’; and 

(2) by striking ‘‘2002 crops’’ and inserting ‘‘2011 crops’’.

(b) TERMINATION OF MARKETING ASSESSMENT AND FORFEITURE PENALTY.—Effective as of October 1, 2001, subsections (f) and (g) of such section are repealed. 

SEC. 152. REAUTHORIZE PROVISIONS OF AGRICULTURAL ADJUSTMENT ACT OF 1938 REGARDING SUGAR. 
(a) INFORMATION REPORTING.—Section 359a of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa) is repealed. 

(b) ESTIMATES.—Section 359b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359bb) is amended— 

(1) in the section heading— 

(A) by inserting ‘‘FLEXIBLE’’ before ‘‘MARKETING’’; and 

(B) by striking ‘‘AND CRYSTALLINE FRUCITOSATE’’; 

(2) in subsection (a)— 

(A) in paragraph (1)— 

(i) by striking ‘‘Before’’ and inserting ‘‘Not later than August 1 before’’; 

(ii) by striking ‘‘1992 through 1998’’ and inserting ‘‘2002 through 2011’’; 

(iii) in subparagraph (A), by striking ‘‘other than sugar’’ and all that follows through ‘‘stocks’’; 

(iv) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (E), respectively; 

(v) by inserting after subparagraph (A) the following: 

(B) the quantity of sugar that would provide for reasonable carryover stocks; 

and (vi) in subparagraph (C), as so redesignated—
(I) by striking “or” and all that follows through “beets”; and
(II) by striking the “and” following the semicolon;
(vii) by inserting after subparagraph (C), as so redesignated, the following:
“(D) the quantity of sugar that will be available from the domestic processing of sugar beets for the fiscal year at a quantity equal to the product of multiplying the overall allotment quantity for the fiscal year by the percentage of 54.35; and
(2) sugar derived from sugarcane by establishing the Secretary for a fiscal year at a quantity equal to the product of multiplying the overall allotment quantity for the fiscal year by the percentage of 45.65;”;
(5) by amending subsection (d) to read as follows:
“(d) FILLING CANE SUGAR AND BEET SUGAR ALLOTMENTS.—Each marketing allotment for cane sugar established under this section may be adjusted upward or downward marketing allotments in a fair and equitable manner; (B) by redesignating paragraph (2) as paragraph (3);
(6) in subsection (e), as so redesignated, the following:
“(C) redesignated, the following:
“(i) by striking “the 5” and inserting “the’’;
(ii) by inserting “(1) IN GENERAL.—” before “the allotment’’ and indenting such paragraph appropriately;
(B) in such paragraph (1), by striking “the Secretary’’ and “the”,
(ii) by inserting after “sugarcane is produced,” the following: “after a hearing if requested by the affected sugar cane processors and growers, and on such notice as the Secretary by regulation may prescribe,”;
(iii) by striking “on the basis of past marketings and all that follows through “allotments,” and inserting ‘’as provided in this subsection and section 359a(2)(A)(iv)”;
(C) by inserting after paragraph (1) the following new paragraph:
“(2) OFFSHORE ALLOTMENT. —
(A) COLLECTIVELY.—Prior to the allotment of sugar derived from sugarcane to any other State, 325,000 short tons, raw value shall be allotted to the offshore States.
(B) INDIVIDUALLY.—The collective offshore State allotment provided for under paragraph (1) shall be further allotted among the offshore States in which sugarcane is produced, after a hearing if requested by the affected sugar cane processors and growers, and on such notice as the Secretary by regulation may prescribe, in a fair and equitable manner on the basis of—
(1) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from the 1996 through 2000 crops; (ii) the ability of processors to market the sugar covered under the allotments for the crop year; and
(III) past processings of sugar from sugarcane based on the 3 year average of the crop years 1996 through 2000; (B) IN GENERAL.—” before “the allotment’’ and indenting such paragraph appropriately;
(8) in subsection (e), as so redesignated—
(i) by striking “interested parties” and inserting “the affected sugar cane processors and growers’;
(ii) by striking “by taking” and all that follows through “allotments,’’ and inserting “with this subparagraph.’’;
(iii) by inserting at the end the following new sentence: “Each such allocation shall be subject to adjustment under section 359b(g).’’;
(C) by inserting after clause (i) the following new clauses:
“(II) the ability of processors to market sugar covered by that portion of the allotment allocated for the crop year;
“(III) past processings of sugar from sugarcane, based on the average of the 3 highest years from among crop years 1996 through 2000; and
(II) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from among the 1996 through 2000 crops; (ii) the ability of processors to market sugar covered by that portion of the allotment allocated for the crop year;
“(III) past processings of sugar from sugarcane, based on the average of the 3 highest years from among crop years 1996 through 2000; and
(II) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from among the 1996 through 2000 crops; (ii) the ability of processors to market sugar covered by that portion of the allotment allocated for the crop year;
“(III) past processings of sugar from sugarcane, based on the average of the 3 highest years from among crop years 1996 through 2000; and
(II) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from among the 1996 through 2000 crops; (ii) the ability of processors to market sugar covered by that portion of the allotment allocated for the crop year;
“(III) past processings of sugar from sugarcane, based on the average of the 3 highest years from among crop years 1996 through 2000; and
(II) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from among the 1996 through 2000 crops; (ii) the ability of processors to market sugar covered by that portion of the allotment allocated for the crop year;
“(III) past processings of sugar from sugarcane, based on the average of the 3 highest years from among crop years 1996 through 2000; and
(II) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from among the 1996 through 2000 crops; (ii) the ability of processors to market sugar covered by that portion of the allotment allocated for the crop year;
“(III) past processings of sugar from sugarcane, based on the average of the 3 highest years from among crop years 1996 through 2000; and
(II) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from among the 1996 through 2000 crops; (ii) the ability of processors to market sugar covered by that portion of the allotment allocated for the crop year;
“(III) past processings of sugar from sugarcane, based on the average of the 3 highest years from among crop years 1996 through 2000; and
(II) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from among the 1996 through 2000 crops; (ii) the ability of processors to market sugar covered by that portion of the allotment allocated for the crop year;
“(III) past processings of sugar from sugarcane, based on the average of the 3 highest years from among crop years 1996 through 2000; and
(II) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from among the 1996 through 2000 crops; (ii) the ability of processors to market sugar covered by that portion of the allotment allocated for the crop year;
“(III) past processings of sugar from sugarcane, based on the average of the 3 highest years from among crop years 1996 through 2000; and
(II) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from among the 1996 through 2000 crops; (ii) the ability of processors to market sugar covered by that portion of the allotment allocated for the crop year;
“(III) past processings of sugar from sugarcane, based on the average of the 3 highest years from among crop years 1996 through 2000; and
(II) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from among the 1996 through 2000 crops; (ii) the ability of processors to market sugar covered by that portion of the allotment allocated for the crop year;
“(III) past processings of sugar from sugarcane, based on the average of the 3 highest years from among crop years 1996 through 2000; and
(II) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from among the 1996 through 2000 crops; (ii) the ability of processors to market sugar covered by that portion of the allotment allocated for the crop year;
“(III) past processings of sugar from sugarcane, based on the average of the 3 highest years from among crop years 1996 through 2000; and
(II) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from among the 1996 through 2000 crops; (ii) the ability of processors to market sugar covered by that portion of the allotment allocated for the crop year;
“(IV) however, only with respect to allotments under subclauses (I), (II), and (III) attributable to the former operations of the Talisman processing facility, shall be allocated to affected growers in the State in accordance with the provisions of the agreements of March 25 and March 26, 1999, between the affected processors and the Department of the Interior.

“(III) PROPORTIONATE SHARE STATES.—In the case of States subject to section 359f(c), the Secretary shall allocate the allotment for cane sugar produced from sugar beets after January 1, 1996, in an amount sufficient to produce sugar beets after January 1, 1996, in an amount sufficient to produce sugar cane, based on the average of the two highest years of production of raw cane sugar from among the 1997 through 2001 crop years; and

“(II) the ability of processors to market sugar cane, as provided by the allotments allocated for the crop year; and

“(III) past processing of sugar from sugar cane, based on the average of the two highest crop years from the five crop years 1997 through 2001.

“(IV) NEW ENTRANTS.—Notwithstanding clauses (I) and (III), the Secretary, on application of the processor that begins processing sugarcane on or after the date of enactment of this clause, and after a hearing requested by the affected sugarcane processors, may provide such processor with an allocation which takes into account the fair, efficient and equitable distribution of the allocations from the allotment for the State in which the processor is located and, in the case of proportionate share States, shall establish proportionate shares in an amount sufficient to produce the sugarcane required to satisfy such allocations. However, the allotment for a new processor shall not exceed 50,000 short tons, raw value.

“(V) TRANSFER OF OWNERSHIP.—Except as otherwise provided in section 359f(c), in the event that a sugar beet processor is sold or otherwise transferred to another owner, or closed as part of an affiliated corporate group processing consolidation, the Secretary shall transfer the allotment allocation for the processor to the purchaser, new owner, or successor in interest, as applicable, of the processor; and

“(2) in paragraph (B)—

(A) by striking “interested parties” and inserting “the affected sugar beet processors and growers”; and

(B) by striking “processing capacity” and all that follows through “allotment allocated” and inserting the following: “the marketings of sugar processed from sugar beets of any or all of the 1996 through 2000 crops, and such other factors as the Secretary may deem appropriate after consultation with the affected sugar beet processors and growers. However, in the case of any processor which has started processing sugar beets after January 1, 1996, the Secretary shall provide such processor with an allocation with respect to the period for which the processor demonstrates an ability to repay the loan.”

(c) REASIGNMENT.—Section 359e(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ee(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B) by striking the “and” after the semicolon;

(B) by redesigning subparagraph (C) as subparagraph (D); and

(C) by inserting after subparagraph (B) the following paragraph:

“(D) in subparagraph (D), as so redesignated, by inserting “and sales” after “re- assignments”; and

(2) in paragraph (2)—

(A) in subparagraph (A) by striking the “and” after the semicolon;

(B) in subparagraph (B), by striking “reassign the remainder to imports,” and inserting “use the deficiency for the sale of any inventories of sugar held by the Commodity Credit Corporation;” and

(C) by inserting after subparagraph (B) the following new subparagraph:

“(C) if after such reassignments and sales, the deficit cannot be completely eliminated, the Secretary shall reassign the remainder to imports.”;

(f) PRODUCER PROVISIONS.—Section 359f of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359f) is amended—

(1) in subsection (a)—

(A) by striking “processor’s allocation” in the second sentence and inserting “allocation to the processor”; and

(B) by inserting after “request of either party” the following: “,” and such arbitration should be completed within 45 days, but not more than 60 days”; and

(2) by redesigning subsection (b) as subsection (c);

(3) by inserting after subsection (a) the following new subsection:

“(b) SUGAR BEET PROCESSING FACILITY CLOSURES.—In the event that a sugar beet processing facility is closed and the sugar beet growers who previously delivered their sugar beets to such facility desire to deliver their beets to another processing company:

“(1) Such growers may petition the Secretary to modify existing allocations to accommodate their sugar beets;

“(2) The Secretary may increase the allocation to the processing company to which the growers agree to deliver their sugar beets, and which the processing company agrees to accept, not to exceed its processing capacity, to accommodate the change in deliveries;

“(3) Such increased allocation shall be deducted from the allocation to the company that owned the processing facility that has been closed and the remaining allocation will be unaffected; and

“(D) the Secretary’s determination on the issues raised by the petition shall be made within 45 days of the filing of the petition.”

(g) CONFORMING AMENDMENTS.—(1) The heading of part VII of subtitle B of Title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa et seq.) is amended to read as follows:

“PART VII—FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR.”

(2) Section 359e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359e) is amended—

(A) by striking “359f” each place it appears and inserting “359e”;

(B) by redesigning subsection (b) as subsection (c); and

(C) by inserting after paragraph (1) the following paragraph:

“(1) COUNTER-CYCLICAL PAYMENT.—The term “counter-cyclical payment” means a payment made to peanut processors under section 1507(d);”

(3) Section 432(b) of the Federal Crop Insurance Act of 1948 (7 U.S.C. 1132b) is amended—

(A) by inserting “and the Secretary will not reassign the remaining allotment to the company which owned the processing facility that has been closed” after “the company to which the sugarbeet growers desire to deliver the sugarcane,” and

(B) by inserting “and the Secretary will not reassign the remaining allotment to the company which owned the processing facility that has been closed” after “the company to which the sugarbeet growers desire to deliver the sugarcane,” and

(4) The deferred allotment must be the amount which the Secretary determines a need for increased storage capacity, taking into account the effects of marketing allotments, and demonstrates an ability to repay the loan.

(h) TIPPING OF SUGAR.—Section 171a(1)(E) of the Federal Crop Insurance Act of 1948 (7 U.S.C. 7301(a)(1)(E)) is amended by inserting before the period at the end the following: “and shall be unaffected; and

(i) SEC. 153. STORAGE FACILITY LOANS.

(a) STORAGE FACILITY LOAN PROGRAM.—Notwithstanding any other provision of law and as soon as practicable after the date of the enactment of this section, the Commodity Credit Corporation shall amend part 153 of title 7, Code of Federal Regulations, to establish a sugar storage facility loan program to provide financing for processors of domestically-produced sugarcane and sugar beets to build or upgrade storage and handling facilities for raw sugars and refined sugars.

(b) ELIGIBLE PROCCESSORS.—Storage facility loans shall be made available to any processor of domestically-produced sugarcane or sugar beets that has a satisfactory credit history, determines a need for increased storage capacity (taking into account the effects of marketing allotments), and demonstrates an ability to repay the loan.

(c) TERM OF LOANS.—Storage facility loans shall be for a minimum of seven years, and shall be in such amounts and on such terms and conditions (including down payment, security requirements, and eligible equipment and facilities) as the Secretary deems appropriate for the size and commercial nature of the borrower.

(d) ADMINISTRATION.—The sugar storage facility loan program shall be administered using the services, facilities, funds, and authorities of the Commodity Credit Corporation.

CHAPTER 5—PEANUTS

SEC. 161. DEFINITIONS.

In this chapter—

(1) COUNTER-CYCLICAL PAYMENT.—The term “counter-cyclical payment” means a payment made to peanut processors under section 1507(d);

(2) EFFECTIVE PRICE.—The term “effective price” means the price calculated by the
Section 162. Establishment of payment yield, peanut acres, and payment acres for a farm.

(a) Establishment of payment yield and payment acres.

(1) Determination of average yield.—

(A) In general.—The Secretary shall determine, for each historic peanut producer, the average yield of peanuts on a farm as determined under section 162, upon which fixed, decoupled payments and counter-cyclical payments are to be made.

(B) Target price.—The term ‘target price’ means the price per ton of peanuts, determined by the Secretary.

(C) Payment yield.—The term ‘payment yield’ means the yield assigned to a particular farm by historic peanut producers pursuant to section 162(b).

(2) Payment acres.—The term ‘payment acres’ means the number of acres assigned to a particular farm by historic peanut producers pursuant to section 162(b).

(b) Prior production.

The term ‘prior production’ means an owner, operator, landlord, tenant, or sharecropper who shares in the risk of producing a crop of peanuts on the United States, Puerto Rico, or any territory or possession of the United States.

(c) Target price.—The term ‘target price’ means the price per ton of peanuts used to determine the payment rate for counter-cyclical payments.

(d) United States.—The term ‘United States’, when used in a geographical sense, means all of the States.

Section 163. Direct payments for peanuts.

(a) In general.—For each of the 2002 through 2006 fiscal years, the Secretary shall make direct payments to peanut producers on a farm with peanut acres under section 158B and a payment yield for peanuts under section 161.

(b) Payment rate.—The payment rate used to make direct payments with respect to peanuts for a fiscal year shall be equal to $8.018 per pound.

(c) Payment amount.—The amount of the direct payment to be paid to the peanut producers on a farm for peanuts for a fiscal year shall be equal to the product obtained by multiplying—

(1) the payment rate specified in subsection (b);

(2) the payment acres on the farm; and

(3) the payment yield for the farm.

(d) Time for payment.—

(1) In general.—The Secretary shall make direct payments—

(A) in the case of the 2002 fiscal year, during the period beginning December 1, 2001, and ending September 30, 2002; and

(B) in the case of each of the 2003 through 2006 fiscal years, not later than September 30 of the fiscal year.

(e) Advance payments.—

(A) In general.—The Secretary shall make advance payments for a fiscal year on or after December 1 of the preceding calendar year.

(B) Selecting date.—The selected date for a fiscal year shall be on or after December 1 of the fiscal year.

(c) Subsequent fiscal years.—The payment producers on a farm may change the selected date for a subsequent fiscal year by providing advance notice to the Secretary.

(d) Repayment of advance payments.—If any peanut producer on a farm that receives an advance direct payment for a fiscal year ceases to be eligible for a direct payment before the date the direct payment would have been made by the Secretary under paragraph (1), the peanut producer shall be responsible for repaying the Secretary the full amount of the advance payment.

Section 164. Counter-cyclical payments for peanuts.

(a) In general.—For each of the 2002 through 2006 crops of peanuts, the Secretary shall make counter-cyclical payments with respect to peanuts if the Secretary determines that the effective price for peanuts is less than the income protection price for peanuts.
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(b) Effective Price.—For the purposes of subsection (a), the effective price for peanuts is equal to the total of—

(1) the greater of—

(i) the average price paid by peanut processors for peanuts during the marketing season for peanuts, as determined by the Secretary; or

(ii) an amount equal to the peanut average market price received by peanut processors during the marketing season for peanuts, as determined by the Secretary; or

(2) an amount equivalent to the federal loan rate for peanuts under section 167 in effect for peanuts under this chapter; and

(c) Definition of Loans.—The Secretary may, under regulations prescribed by the Secretary, make nonrecourse loans to peanut processors in a form designated as the effective price for peanuts under section 167 of the Agricultural Credit Act of 1987, as determined by the Secretary, or $500 per ton.

(d) Payment Amount.—The amount of the direct-cyclical payment to be paid to the peanut processors on a farm for a crop year shall be equal to the product obtained by multiplying—

(1) the payment rate specified in subsection (e);

(2) the payment acres on the farm; by

(3) the payment yield for the farm.

(e) Payment Rate.—The payment rate used to make counter-cyclical payments with respect to peanuts for a crop year shall equal the difference between—

(1) the income price for peanuts; and

(2) the effective price determined under subsection (b) for peanuts.

(f) Time for Payments.—In general.—The Secretary shall make counter-cyclical payments to peanut processors on a farm under this section for a crop of peanuts as soon as practicable after the end of the crop year.

(g) Transfer and Change of Interest in Farm.—(1) Termination.—Except as provided in this section, the Termination of payments shall be effective when the Secretary declares that—

(i) the quantity planted may not exceed the payment rate in effect for peanuts; or

(ii) the payment rate in effect for peanuts is approved by the Secretary.

(2) Effective Date.—The effective date of the termination is the date the Secretary declares that—

(i) the quantity planted may not exceed the payment rate in effect for peanuts; or

(ii) the payment rate in effect for peanuts is approved by the Secretary.

(h) Manner of Payment.—The Secretary shall make payments under this section—

(1) to the peanut processors on the farm; and

(2) to the Secretary, for the purpose of carrying out this section.

(i) Appeal.—The Secretary shall provide an opportunity for an appeal by a peanut processor for a determination made by the Secretary under this section.

(j) Payment Requirement.—In the case of a marketing assistance loan, interest on the loan shall be paid in accordance with regulations prescribed by the Secretary.

(k) Limitation on Interest.—The Secretary shall not require the payment of interest on a marketing assistance loan for peanuts under subsection (a) at a rate that is the effective price determined under this section for peanuts for a crop year.

(l) Payment.—The Secretary shall—

(1) make payments under this section as soon as practicable after the end of the crop year; and

(2) provide for the sharing of direct payments with peanut processors on a farm.

(m) Payment Requirement.—The Secretary shall make payments under this section as soon as practicable after the end of the crop year.

(n) Limitation on Payment.—The Secretary shall not require the payment of interest on a marketing assistance loan for peanuts under subsection (a) at a rate that is the effective price determined under this section for peanuts for a crop year.

(o) Payment.—The Secretary shall—

(1) make payments under this section as soon as practicable after the end of the crop year; and

(2) provide for the sharing of direct payments with peanut processors on a farm.

(p) Manner of Payment.—The Secretary shall make payments under this section—

(1) to the peanut processors on the farm; and

(2) to the Secretary, for the purpose of carrying out this section.

(q) Appeal.—The Secretary shall provide an opportunity for an appeal by a peanut processor for a determination made by the Secretary under this section.

(r) Payment Requirement.—In the case of a marketing assistance loan, interest on the loan shall be paid in accordance with regulations prescribed by the Secretary.

(s) Limitation on Interest.—The Secretary shall not require the payment of interest on a marketing assistance loan for peanuts under subsection (a) at a rate that is the effective price determined under this section for peanuts for a crop year.

(t) Payment.—The Secretary shall—

(1) make payments under this section as soon as practicable after the end of the crop year; and

(2) provide for the sharing of direct payments with peanut processors on a farm.

(u) Manner of Payment.—The Secretary shall make payments under this section—

(1) to the peanut processors on the farm; and

(2) to the Secretary, for the purpose of carrying out this section.

(v) Appeal.—The Secretary shall provide an opportunity for an appeal by a peanut processor for a determination made by the Secretary under this section.

(w) Payment Requirement.—In the case of a marketing assistance loan, interest on the loan shall be paid in accordance with regulations prescribed by the Secretary.

(x) Payment.—The Secretary shall—

(1) make payments under this section as soon as practicable after the end of the crop year; and

(2) provide for the sharing of direct payments with peanut processors on a farm.

(y) Manner of Payment.—The Secretary shall make payments under this section—

(1) to the peanut processors on the farm; and

(2) to the Secretary, for the purpose of carrying out this section.

(z) Appeal.—The Secretary shall provide an opportunity for an appeal by a peanut processor for a determination made by the Secretary under this section.

(aa) Payment Requirement.—In the case of a marketing assistance loan, interest on the loan shall be paid in accordance with regulations prescribed by the Secretary.

(bb) Payment.—The Secretary shall—

(1) make payments under this section as soon as practicable after the end of the crop year; and

(2) provide for the sharing of direct payments with peanut processors on a farm.

(cc) Manner of Payment.—The Secretary shall make payments under this section—

(1) to the peanut processors on the farm; and

(2) to the Secretary, for the purpose of carrying out this section.

(dd) Appeal.—The Secretary shall provide an opportunity for an appeal by a peanut processor for a determination made by the Secretary under this section.

(ee) Payment Requirement.—In the case of a marketing assistance loan, interest on the loan shall be paid in accordance with regulations prescribed by the Secretary.

(ff) Payment.—The Secretary shall—

(1) make payments under this section as soon as practicable after the end of the crop year; and

(2) provide for the sharing of direct payments with peanut processors on a farm.
SEC. 170. TERMINATION OF MARKETING QUOTA PROGRAMS FOR PEANUTS AND COMPLEMENTARY PEANUT QUOTA HOLDERS FOR LOSS OF QUOTA ASSET VALUE.

(a) REPEAL OF MARKETING QUOTA.—

(1) REPEAL.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357-1359a), relating to peanuts, is repealed.

(2) TREATMENT OF 2001 CROP.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357-1359a), as in effect on the date of the enactment of this Act, shall continue to apply with respect to the 2001 crop of peanuts notwithstanding the amendment made by paragraph (1).

(b) COMPENSATION CONTRACT REQUIRED.—

The Secretary shall offer to enter into a contract with eligible peanut quota holders for the purpose of providing compensation for the lost value of the quota on account of the repeal of the marketing quota program for peanuts under subsection (a). Under the contracts, the Secretary shall make payments to eligible peanut quota holders during fiscal years 2002 through 2006.

(c) TIME FOR PAYMENT.—The payments required under this subsection shall be provided in five equal installments not later than September 30 of each of fiscal years 2002 through 2006.

(d) PAYMENT AMOUNT.—The amount of the payment for a fiscal year to a peanut quota holder under a contract shall be equal to the product obtained by multiplying—

$0.10 per pound; by

(2) the actual farm poudnage quota (excluding seed and experimental peanuts) established for the holder's farm under section 358 (b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358-1358(b)) for the 2001 marketing year.

(e) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g(g)), relating to assignment of payments, shall apply to the payments made to peanut quota holders under the contracts. The peanut quota holder making the assignment, or the assignee, shall provide the Secretary with notice in such manner as the Secretary may require, of any assignment made under this subsection.

(f) PEANUT QUOTA HOLDER DEFINED.—In this section, the term "peanut quota holder" means a person or enterprise that owns a farm that—

(1) was eligible, immediately before the date of the enactment of this Act, to have a peanut quota established upon it; or

(2) is otherwise a farm that was eligible for such a quota in such a manner as the Secretary may determine.

(g) ADJUSTMENT AUTHORITY RELATED TO URUGUAY ROUND COMPLIANCE.—If the Secretary determines that expenditures under subtitles A, B, and C that are subject to the Uruguay Round Agreements (as defined in section 27 of the Uruguay Round Agreements Act (19 U.S.C. 3313 (7))), as in effect on the date of the enactment of this Act, will exceed such allowable levels for any applicable reporting period, the Secretary may make adjustments in the amount of such expenditures during that period to ensure that such expenditures do not exceed, but in no case are less than, such allowable levels.

SEC. 182. EXTENSION OF Suspension of Permanent Next Price Support Authority.

(a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—Section 171(a)(1) of the Federal Agricultural Improvement and Reform Act of 1996 (7 U.S.C. 7301(a)(1)) is amended by striking "2002" both places it appears and inserting "2011".

(b) AGRICULTURAL ACT OF 1949.—Section 171(b)(1) of the Federal Agricultural Improvement and Reform Act of 1996 (7 U.S.C. 7301(b)(1)) is amended by striking "2002" both places it appears and inserting "2011".

SEC. 183. LIMITATIONS.

(a) LIMITATION ON AMOUNTS RECEIVED.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308b) is amended—

(1) in paragraph (1)—

(A) by striking "PAYMENTS UNDER PRODUCTION FLEXIBILITY CONTRACTS" and inserting "FIXED, DECOUPLED PAYMENTS";

(B) by striking "contract payments made under the Agricultural Market Transition Act to a person under 1 or more production flexibility contracts, or decoupled payments made to a person"; and

(C) by striking "4" and inserting "5";

(2) in paragraphs (2) and (3)—

(A) by striking "payments specified" and all that follows through "and oilseeds" and inserting "payments that follow through "section 132" and inserting "section 121 of the Farm Security Act of 2001 for a crop of any covered commodity at a price that is equal to the estimated cost of production for such commodity at a price that is equal to"; and

(b) by striking "75" and inserting "150";

(C) by striking the period at the end of paragraph (2) and all that follows through "the following payments that a person shall be entitled to receive";

(d) by striking "75" and inserting "150";

(C) by striking the period at the end of paragraph (2) and all that follows through "the following" in paragraph (3); and

(e) by striking "section 121" and all that follows through "section 132" and inserting "section 121 of the Farm Security Act of 2001 for a crop of any covered commodity at a price that is equal to the estimated cost of production for such commodity at a price that is equal to";

(f) by striking "75" and inserting "150";

(C) by striking the period at the end of paragraph (2) and all that follows through "the following" in paragraph (3); and

(g) by striking "section 121" and all that follows through "section 132" and inserting "section 121 of the Farm Security Act of 2001 for a crop of any covered commodity at a price that is equal to the estimated cost of production for such commodity at a price that is equal to";

(h) by striking "75" and inserting "150";

(C) by striking the period at the end of paragraph (2) and all that follows through "the following" in paragraph (3); and

(g) by striking "section 121" and all that follows through "section 132" and inserting "section 121 of the Farm Security Act of 2001 for a crop of any covered commodity at a price that is equal to the estimated cost of production for such commodity at a price that is equal to";
(E) by striking “section 135” and inserting “section 125”; and
(3) by inserting after paragraph (2) the following new paragraph (3):
“(3) COUNTER-CYCLICAL PAYMENTS.—The total amount of counter-cyclical payments that a person may receive during any crop year shall not exceed the amount specified in paragraph (2), as in effect on the day before the date of the enactment of the Farm Security Act of 2001.”.

(b) DEFINITIONS.—Paragraph (4) of section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended to read as follows:
“(4) DEFINITIONS.—In this title, the terms ‘covered commodity’, ‘counter-cyclical payment’, and ‘fixed, decoupled payment’ have the meaning given those terms in section 101 of the Farm Security Act of 2001.”.

(c) TRANSITION.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308), as in effect on the day before the date of the enactment of this Act, shall continue to apply with respect to fiscal year 2001 and the 2001 crop of any covered commodity.

SEC. 184. ADJUSTMENTS OF LOANS.
Section 162(b) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283a) is amended by striking “this title” and inserting “this title and title I of the Farm Security Act of 2001”.

SEC. 185. PERSONAL LIABILITY OF PRODUCERS ON THE SECURITY.
Section 184 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7284) is amended by striking “this title” each place it appears and inserting “this title and title I of the Farm Security Act of 2001”.

SEC. 186. EXTENSION OF EXISTING ADMINISTRATIVE AUTHORITY REGARDING PROGRAMS.
Section 186 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7286) is amended—
(1) in section (a)—
(A) by striking “IN GENERAL.—” and inserting “SPECIFIC PAYMENTS.—”; and
(B) by striking “subintitle C” and inserting “subintitle C of this title and title I of the Farm Security Act of 2001”;
and
(2) in subsection (c)(1)—
(A) by striking “producer” the first two places it appears and inserting “person”;
and
(B) by striking “to producers under subintitle C” and inserting “by the Commodity Credit Corporation”.

SEC. 187. REDESIGNATION OF PAYMENTS.
The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g(g)), relating to assignment of payments, shall apply to payments made under the authority of this Act. The producer making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require, of any assignment made under this section.

SEC. 188. REPORT ON EFFECT OF CERTAIN FARM PROGRAM PAYMENTS ON ECONOMIC VIABILITY OF PRODUCERS AND FARMING INFRASTRUCTURE.
(a) REVIEW REQUIRED.—The Secretary of Agriculture shall conduct a review of the effects that payments under production flexibility contracts and market loss assistance payments have had, and that fixed, decoupled payments and counter-cyclical payments are likely to have, on the economic viability of producers and the farming infrastructure, particularly in areas where climate, soil, and other agronomic conditions severely limit the covered crops that producers can choose to successfully and profitably produce.

(b) REPORT RELATED TO RICE PRODUCTION.—The review shall include a case study of the effects that the payments described in subsection (a), and the forecast effects of increasing these or other decoupled payments, are likely to have on rice producers (including tenant rice producers), the rice milling industry, and the economies of rice-farming areas in Texas, where harvested rice acreage has fallen from 320,000 acres in 1995 to only 211,000 acres in 2001.

(c) REPORT AND RECOMMENDATIONS.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the information collected pursuant to this subsection and any findings made on the basis of such information. The report shall include recommendations for minimizing the adverse effects on producers, with a special focus on producers who are tenants, on the agricultural economies in farming areas generally, on those particular areas described in subsection (a), and on the area that is the subject of the case study in subsection (b).

TITLE II—CONSERVATION

SUBTITLE A—ENVIRONMENTAL CONSERVATION ACREEGE RESERVE PROGRAM
SEC. 201. GENERAL PROVISIONS.
(a) IN GENERAL.—Title XII of the Food Security Act of 1985 (16 U.S.C. 3831) is amended by striking “this title” in each place it appears and inserting “this title and title I of the Farm Security Act of 2001”.

(b) SCOPE OF PROGRAM.—Section 1231(a) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 3831(f)) is amended by adding at the end “(3) LIMITATION ON COUNTER-CYCLICAL PAYMENTS.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the information collected pursuant to this subsection and any findings made on the basis of such information. The report shall include recommendations for minimizing the adverse effects on producers, with a special focus on producers who are tenants, on the agricultural economies in farming areas generally, on those particular areas described in subsection (a), and on the area that is the subject of the case study in subsection (b).”

SUBTITLE B—CONSERVATION RESERVE PROGRAM
SEC. 211. REAUTHORIZATION.
(a) IN GENERAL.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended—
(1) in section 1231(a), by striking “1996 through 2002” and inserting “2002 through 2011”;
(2) by striking subsection (c) of section 1230; and
(3) in section 1230a (16 U.S.C. 3830a), by striking “chapter” each place it appears and inserting “title”.

(b) ELIGIBILITY.—Section 1231(b) of the Food Security Act of 1985 (16 U.S.C. 3831(b)) is amended—
(1) by striking paragraph (1) and inserting the following:
“(1) eligibility on contract expiration.—(A)(i) if permitted to remain untreated for 3 of the 6 years preceding the date of enactment of the Agriculture, Conservation, and Rural Enhancement Act of 2001 (except for land enrolled in the Conservation Reserve program as of that date); and
(B) by adding at the end the following:
“(5) the portion of a land in a field not enrolled in the conservation reserve in a case in which more than 50 percent of the land in the field is enrolled as a buffer under a program described in subsection (d)(1), if the land is enrolled as part of the buffer; and
“(6) land (including land that is not crop land) enrolled through continuous signup—
“(A) to establish conservation buffers as part of the program described in a notice issued on March 24, 1998 (63 Fed. Reg. 14109) or a successor program; or
“(B) into the conservation reserve enhancement program as of that date;”;
and
(b) by adding at the end the following:
“(4) LIMITATION ON COUNTER-CYCLICAL PAYMENT.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the information collected pursuant to this subsection and any findings made on the basis of such information. The report shall include recommendations for minimizing the adverse effects on producers, with a special focus on producers who are tenants, on the agricultural economies in farming areas generally, on those particular areas described in subsection (a), and on the area that is the subject of the case study in subsection (b).”

SEC. 212. ENROLLMENT.
(a) CONSERVATION PRIORITY AREAS.—
(1) ELIGIBILITY.—Section 1231(b) of the Food Security Act of 1985 (16 U.S.C. 3831(b)) is amended—
(1) by striking paragraph (1) and inserting the following:
“(1) eligibility on contract expiration.—(A)(i) if permitted to remain untreated for 3 of the 6 years preceding the date of enactment of the Agriculture, Conservation, and Rural Enhancement Act of 2001 (except for land enrolled in the Conservation Reserve program as of that date); and
(B) by adding at the end the following:
“(5) the portion of a land in a field not enrolled in the conservation reserve in a case in which more than 50 percent of the land in the field is enrolled as a buffer under a program described in subsection (d)(1), if the land is enrolled as part of the buffer; and
“(6) land (including land that is not crop land) enrolled through continuous signup—
“(A) to establish conservation buffers as part of the program described in a notice issued on March 24, 1998 (63 Fed. Reg. 14109) or a successor program; or
“(B) into the conservation reserve enhancement program as of that date;”;
and
(b) by adding at the end the following:
“(4) LIMITATION ON COUNTER-CYCLICAL PAYMENT.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the information collected pursuant to this subsection and any findings made on the basis of such information. The report shall include recommendations for minimizing the adverse effects on producers, with a special focus on producers who are tenants, on the agricultural economies in farming areas generally, on those particular areas described in subsection (a), and on the area that is the subject of the case study in subsection (b).”

SEC. 213. DUTIES OF OWNERS AND OPERATORS.
Section 1232 of the Food Security Act of 1985 (16 U.S.C. 3832) is amended—
(1) in subsection (a)—
(A) by striking “as described in section 1232(a)(7) or for other purposes” before “as permitted”;
(2) in paragraph (4), by inserting “where practicable, or maintain existing cover” before “on such land”; and
(C) in paragraph (7), by striking “Secretary—” and all that follows and inserting “Secretary may permit, consistent with the conservation purposes of soil, water quality, and wildlife habitat—
“(A) managed grazing and limited haying, in which case the Secretary shall reduce the conservation reserve payment otherwise payable under the contract by an amount commensurate with the economic value of the activity;”;
and
“(B) wind turbines for the provision of wind energy, whether or not commercial in nature; and
“(C) land subject to the contract to be harvested for recovery of biomass used in energy production, in which case the Secretary shall reduce the conservation reserve payment otherwise payable under the contract by an amount commensurate with the economic value of such activity;”;
and
(b) by striking subsections (c) and (d) and redesignating subsection (e) as subsection (c).

SEC. 214. REFERENCE TO CONSERVATION RESERVE PAYMENTS.
Subchapter B of chapter 3 of title XII of such Act (16 U.S.C. 3831–3836) is amended—
(1) by striking “rental payment” each place it appears and inserting “conservation reserve payment”;
(2) by striking “rental payments” each place it appears and inserting “conservation reserve payments”; and
(3) by striking “on such land” in the paragraph heading for section 1235(e)(4), by striking “Rental Payment” and inserting “Conservation Reserve Payment.”.
Section 215. EXPANSION OF PILOT PROGRAM TO ALL STATES.
Section 1231(h) of the Food Security Act of 1985 (16 U.S.C. 3837(b)) is amended—
(1) by striking "and 2002" and all that follows through "South Dakota" and inserting "and 2011, for" and all that follows through "through 2011 calendar years," respectively; and
(2) in paragraph (3)(C), by striking "and" and all that follows and inserting "more than 3000 acres of State- or Tract-vested land immediately before the foreclosure proceeds under the program a program in each State;"

SEC. 216. MORTGAGE HOSPITALITY PROVISION.
(1) by striking paragraph (2) and redesignating paragraph (3) through (5) as paragraphs (2) through (4), respectively;

Subtitle C—Wetlands Reserve Program

SEC. 221. ENROLLMENT.
(a) MAXIMUM.—Section 1237(b) of the Food Security Act of 1985 (16 U.S.C. 3837(b)) is amended by striking paragraph (1) and inserting the following:

SEC. 222. EASEMENTS AND AGREEMENTS.
(a) AMENDING PARAGRAPHS.—Section 1237 of the Food Security Act of 1985 (16 U.S.C. 3837(b)) is amended by striking paragraph (1) and inserting the following:

SEC. 223. ESTABLISHMENT AND ADMINISTRATION.
(a) AUTHORIZATION.—Section 1240A(a)(1) of the Food Security Act of 1985 (16 U.S.C. 3838aa–1) is amended—
(1) in paragraph (1), by striking paragraph (B) and redesignating subparagraph (C) as subparagraph (B) and redesignating subparagraph (C) as subparagraph (D);
(2) by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B);
(3) by inserting the following:

Subtitle D—Environmental Quality Incentives Program

SEC. 231. PURPOSES.
Section 1240 of the Food Security Act of 1985 (16 U.S.C. 3838aa) is amended—

SEC. 232. DEFINITIONS.
Section 1240A of the Food Security Act of 1985 (16 U.S.C. 3838aa–1) is amended—
(1) in paragraph (1), by striking paragraph (A) and redesignating paragraph (B) as paragraph (A);
(2) in paragraph (2), by striking paragraphs (3) through (5), respectively;
(3) by redesigning paragraphs (1) and (2) as paragraphs (3) and (4), respectively;

Under this subtitle—

Subtitle E—Funding and Administration

SEC. 241. REAUTHORIZATION.
Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended by striking "2002" and inserting "2011".

SEC. 242. FUNDING.
Section 1241(b)(1) of the Food Security Act of 1985 (16 U.S.C. 3841(b)(1)) is amended—
(1) by striking paragraphs (1) and (2) and inserting the following:

Subtitle F—Ground and Surface Water Conservation

SEC. 239. EASEMENTS AND AGREEMENTS.
(a) AMENDING PARAGRAPHS.—Section 1237 of the Food Security Act of 1985 (16 U.S.C. 3837) is amended by striking paragraph (b) and inserting the following:

SEC. 238. GROUND AND SURFACE WATER CONSERVATION.
Section 1240H of the Food Security Act of 1985 (16 U.S.C. 3838aa–4) is amended to read as follows:

SEC. 235. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.
Section 1240E(a) of the Food Security Act of 1985 (16 U.S.C. 3838aa–5(a)) is amended by striking "that incorporates such conservation practices" and all that follows and inserting "that provides or will continue to provide increased environmental benefits to air, soil, water, or related resources.";

Subtitle G—Commodity Credit Corporation

SEC. 243. EVALUATION OF OFFERS AND PAYMENTS.
Section 1240C of the Food Security Act of 1985 (16 U.S.C. 3838aa–5) is amended by striking paragraphs (1) through (3) and inserting the following:

Subtitle H—Land Bank Assistance

SEC. 244. LAND BANK ASSISTANCE.
Section 1245 of the Food Security Act of 1985 (16 U.S.C. 3845) is amended by striking paragraph (1) and inserting the following:

Subtitle I—Programmatics

SEC. 245. PROGRAMMATIC.
Section 1246 of the Food Security Act of 1985 (16 U.S.C. 3846) is amended by striking paragraph (1) and inserting the following:

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(1) by striking "and" and all that follows through "provides—" and inserting "to provide—";

(2) by striking "that face the most serious threat, including pesticides, diseases, invasive species, and air quality management.".

(3) by redesigning paragraphs (A) through (F) that follow the matter amended by paragraph (2) of this section as paragraphs (1) through (4), respectively;

(4) by moving each of such redesignated provisions 2 ems to the left; and

(5) by striking "farmers and ranchers" each place it appears and inserting "producers".

(2) in paragraph (d) by striking subsection (d).
SEC. 243. ALLOCATION FOR LIVESTOCK PRODUCTION.
Section 1214(h)(2) of the Food Security Act of 1985 (16 U.S.C. 3844(h)(2)) is amended by striking "350,000", and inserting "350,000--".

SEC. 244. ADMINISTRATION AND TECHNICAL ASSISTANCE.
(a) BROADENING OF EXCEPTION TO ACREAGE LIMITATION.—Section 1243(b)(2) of the Food Security Act of 1985 (16 U.S.C. 3843(b)(2)) is amended by striking "that"— and all that follows and inserting "that the action would not adversely affect the local economy of the county.",
(b) RULES GOVERNING PROVISION OF TECHNICAL ASSISTANCE.—Section 1243(d) of such Act (16 U.S.C. 3843(d)) is amended to read as follows:
``(c) DUTY OF SECRETARY.—The Secretary shall provide technical assistance under this title to eligible entities, by providing the assistance directly or, at the option of the producer, through an approved third party if available.
``(d) RULES GOVERNING TECHNICAL ASSISTANCE. —
``(1) IN GENERAL.—The Secretary shall provide technical assistance under this title to a producer eligible for such assistance, by providing the assistance directly or, at the option of the producer, through an approved third party if available.
``(2) REEVALUATION.—The Secretary shall reevaluate the provision of, and the amount of, technical assistance made available under subchapters B and C of chapter 1 and chapter 4 of subtitle D.
``(3) CERTIFICATION OF THIRD-PARTY PROVIDERS.—
``(A) IN GENERAL.—Not later than 6 months after the date of enactment of this Act, the Secretary of Agriculture shall, by regulation, establish a system for approving persons to provide technical assistance pursuant to chapter 4 of subtitle D. For purposes of this paragraph, a person shall be considered approved if they have a memorandum of understanding regarding the provision of technical assistance in place with the Secretary.
``(B) EXPERTISE REQUIRED.—In prescribing such regulations, the Secretary shall ensure that persons with expertise in the technical aspects of conservation planning, watershed planning, environmental engineering, including commercial entities, nonprofit entities, State or local governments or agencies, and other Federal agencies, are eligible to become approved providers of such technical assistance.
``(c) DUTY OF SECRETARY.—
``(1) IN GENERAL.—Section 1770(d) of such Act (7 U.S.C. 2276(d)) is amended—
``(A) by striking "or" at the end of paragraph (9);
``(B) by striking the period at the end of paragraph (9) and inserting "; and;
``(C) by adding at the end the following: "(12) title XII of this Act.",
``(2) CONFORMING AMENDMENTS.—Section 1770(e) of such Act (7 U.S.C. 2276(e)) is amended—
``(A) by striking the subsection heading and inserting "SUBTITLES"; and
``(B) by inserting ", or as necessary to carry out a program under title XII of this Act as determined by the Secretary" before the period.

Subtitle F—Other Programs

SEC. 251. PRIVATE GRAZING LAND CONSERVATION ASSISTANCE.
Section 386(d)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 2005b(d)(1)) is amended—
``(A) by striking "and" at the end of subparagraph (G); and
``(B) by striking the period at the end of subparagraph (H) and inserting "; and"; and
``(C) by adding at the end the following new subparagraph:
``("(1) encouraging the utilization of sustainable grazing systems, such as year-round, rotational, or managed grazing;"",
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(A) by striking "State, local unit of government, or local nonprofit organization" and inserting "RC&D council"; and
(B) by inserting "RC&D council" before "area plans"; and

(2) in subsection (a), by striking "States, local units of government, and local nonprofit organizations" and inserting "RC&D councils or affiliations of RC&D councils".

(4) TECHNICAL AND FINANCIAL ASSISTANCE.—
Section 1533 of such Act (16 U.S.C. 3456) is amended—

(1) by striking the section heading and all that follows through "Sec. 1533. Technical and financial assistance."); and

(2) in paragraph (1)—
(i) by striking "State, local unit of government, or local nonprofit organization" and inserting "RC&D council"; and
(ii) by striking "State, local unit of government, or local nonprofit organization" and inserting "RC&D council"; and

(3) in paragraph (2), by inserting "RC&D council" before "area plans"; and

(4) in paragraph (3), by striking "State, local unit of government, or local nonprofit organization" and inserting "RC&D council"; and

(5) in paragraph (4), by striking "States, local units of government, and local nonprofit organizations" and inserting "RC&D councils or affiliations of RC&D councils".

SEC. 1533. TECHNICAL AND FINANCIAL ASSISTANCE.

"(a) Technical.

"(b) in subsection (a)—

"(1) by striking "RC&D council", "RC&D councils", or "RC&D councils or affiliations of RC&D councils"; and

"(2) by inserting "RC&D council"; and

"(3) by inserting "RC&D council" before "area plans"; and

"(4) by inserting "RC&D council" before "area plans"; and

"(5) by striking "State, local unit of government, or local nonprofit organization" and inserting "RC&D council".

"(4) PERIODIC INSPECTIONS.—
The Secretary shall conduct periodic inspections of land subject to easements under this subchapter to ensure that the terms of the easement and restoration agreement are being met.
"(B) LIMITATION.—The Secretary may not prohibit the owner, or a representative of the owner, from being present during a periodic inspection.

SEC. 1236. DUTIES OF SECRETARY.

(a) IN GENERAL.—In return for the granting of an easement by an owner under this subchapter, the Secretary shall, in accordance with this section—

(1) make easement payments:

(2) pay the Federal share of the cost of restoration; and

(3) provide technical assistance to the owner.

(b) PAYMENT SCHEDULE.—

(1) EASEMENT PAYMENTS.—

(A) AMOUNT.—In return for the granting of an easement by an owner under this subchapter, the Secretary shall make easement payments to the owner in an amount equal to—

(1) in the case of a permanent easement, the fair market value of the land less the grazing value of the land encumbered by the easement; and

(2) in the case of a 30-year easement or an easement for the maximum duration allowed under applicable State law, 30 percent of the fair market value of the land less the grazing value of the land encumbered by the easement.

(B) SCHEDULE.—Easement payments may be made in not less than 1 payment nor more than 10 annual payments of equal or unequal amount, as agreed to by the Secretary and the owner.

(2) RENTAL AGREEMENT PAYMENTS.—

(A) AMOUNT.—If an owner enters into a 30-year rental agreement authorized under section 1236(b)(3)(C), the Secretary shall make 30 annual payments to the owner in an amount that equals, to the maximum extent practicable, the 30-year easement payment amount under paragraph (1)(A)(ii).

(B) SCHEDULE.—Rental payment amounts shall be made—

(i) not less than once every 5 years throughout the 30-year rental period, the Secretary shall assess whether the value of the rental payments under sub-paragraph (A) equals, to the maximum extent practicable, the 30-year easement payments as of the date of the assessment.

(C) ADJUSTMENT.—If on completion of the assessment described in paragraph (B), the Secretary determines that the rental payments do not equal, to the maximum extent practicable, the value of payments under a 30-year easement, the Secretary shall adjust the amount of the remaining payments to equal, to the maximum extent practicable, the value of a 30-year easement over the entire 30-year rental period.

(D) FEDERAL SHARE OF COST OF RESTORATION.—The Secretary shall make payments to the owner of not more than 75 percent of the cost of carrying out measures and practices necessary to restore grassland and shrubland functions and values.

(d) TECHNICAL ASSISTANCE.—

(1) IN GENERAL.—The Secretary shall provide assistance to the owner to carry out easement activities necessary to restore grassland and shrubland.

(2) REMUNERATION BY COMMODITY CREDIT CORPORATION.—The Commodity Credit Corporation shall reimburse the Secretary, acting through the Natural Resources Conservation Service, for not more than 10 percent of the cost of acquisition of the easement and the Federal share of the cost of restoration obligated for that fiscal year.

(e) REMUNERATION BY TRIBES.—If an owner that is entitled to a payment under this subchapter dies, becomes incompetent, is otherwise unable to receive the payment, or is succeeded by another person who does not complete the required performance, the Secretary shall make the payment, in ac-

conciliation with regulations promulgated by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable in light of the circumstances.

(f) OTHER PAYMENTS.—Easement payments received by an owner under this subchapter shall be in addition to, and not affect, the total amount of any other payment that the owner is otherwise eligible to receive under other Federal laws.

SEC. 1236C. ADMINISTRATION.

(a) DELEGATION TO PRIVATE ORGANIZATIONS.—

(1) IN GENERAL.—The Secretary shall permit a private conservation or land trust organization to make and enforce an easement under this subchapter, in lieu of the Secretary, if—

(A) the Secretary determines that granting such permission is likely to promote grassland and shrubland protection; and

(B) the owner authorizes the private conservation or land trust or a State agency to hold and enforce the easement.

(2) APPLICATION.—An organization that desires to hold an easement under this subchapter shall apply to the Secretary for approval.

(b) APPROVAL BY SECRETARY.—The Secretary shall approve an organization under this subchapter that is constituted for conservation; timberland or another similar type of land, that—

(A) contains wildlife habitat, wetland, or other natural resources; or

(B) provides or other benefits to the public, such as—

(i) conservation of soil, water, and related resources;

(ii) water quality protection or improvement;

(iii) control of invasive and exotic species;

(iv) wetland restoration, development, and protection;

(v) wildlife habitat development and protection;

(vi) survival and recovery of listed species or candidate species;

(vii) preservation of open spaces or prime, unique, or other productive farm land;

(viii) increased participation in Federal agricultural or forestry programs in an area or region that has traditional under-representation in those programs;

(ix) provision of a structure for interstate cooperation to address ecosystem challenges that affect an area involving 1 or more States;

(x) improvements in the ecological integrity of the area, region or corridor;

(xi) carbon sequestration;

(xii) phytoremediation;

(xiii) improvements in the economic viability of agriculture;

(xiv) production of biofuels and bioproducts;

(xv) establishment of experimental or innovative crops;

(xvi) production of existing crops or crop byproducts in experimental or innovative ways;

(xvii) installation of equipment to produce materials that may be used for biofuels or other bioproducts;

(xviii) maintenance of experimental or innovative crops until the earlier of the date on which—

(A) a viable market is established for those crops; or

(B) an agreement terminates; and

(xix) other similar conservation purposes identified by the Secretary.

(7) GERMPLASM.—The term ‘germplasm’ means the genetic material of a germ cell of any life form that is important for food or agricultural production.

(8) INDIAN TRIBE.—The term ‘Indian tribe’ has the meaning given the term in section 4

(9) PROGRAM.—The term ‘program’ means the farmland stewardship program established in this chapter.

(10) PYOREMEDIATION.—The term ‘pyoremediation’ means the use of green living plant material (including plants that may be harvested and used to produce biofuel or other bioproducts) to remove contaminants from water and soil.

(11) SECRETARY.—The term ‘Secretary’ means—

(1) any conservation program administered by the Secretary to the specific conservation district or tribe in operating the program, or may delegate responsibility to another state agency, the department of agriculture shall use the Natural Resources Conservation Service; and

(2) in cooperation with any applicable agricultural or other agencies of a State.

(12) SERVICE CONTRACT.—The term ‘service contract’ means a legally binding agreement entered into by parties under which—

(1) a party agrees to render 1 or more services in accordance with the terms of the contract; and

(2) a second party agrees to pay the first party for the each service rendered.

SEC. 1238A. ESTABLISHMENT AND PURPOSE OF PROGRAM.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary shall establish within the Department of Agriculture a program to be known as the ‘farmland stewardship program’.

(2) PURPOSE.—The purpose of the program shall be to modify and more effectively target conservation programs administered by the Secretary to the specific conservation needs of, and opportunities presented by, individual parcels of eligible agricultural land.

(b) PROGRAMS.—

(1) FEDERAL CONSERVATION PROGRAMS.—Under the program, the Secretary may implement, alone or in combination, the features of—

(I) any conservation program administered by the Secretary; or

(II) any conservation program administered by another Federal agency or a State or local government, if implementation by the Secretary—

(A) is feasible; and

(B) is carried out with the consent of the applicable administering agency or government.

(c) CONSERVATION ENHANCEMENT PROGRAM.—

(I) IN GENERAL.—States, local governments, Indian tribes, or any combination of those entities may submit, and the Secretary may carry out, a conservation enhancement program that integrates 1 or more Federal agriculture and forestry conservation programs and 1 or more State, local, or private efforts to address, in critical areas and corridors, in a manner that enhances the conservation benefits of the individual programs and modifies programs to more effectively address local and regional needs—

(i) water quality;

(ii) wildlife;

(iii) farm preservation; and

(iv) other conservation need.

(II) REQUIREMENT.—

(I) IN GENERAL.—A conservation enhancement program submitted under subparagraph (A) shall be designed to provide benefits greater than benefits that, by reason of any factor described in clause (ii), would be provided through the individual application of a conservation program administered by the Secretary.

(ii) FACTORS.—Factors referred to in clause (i) include—

(1) conservation commitments of greater duration;

(2) more intensive conservation benefits;

(3) integrated treatment of special natural resources (such as preservation and enhancement of natural resource corridors); and

(4) improved economic viability for agriculture.

(III) APPROVAL.—

(1) DEFINITION OF RESOURCES.—In this subparagraph, the term ‘resources’ means, with respect to any conservation program administered by the Secretary—

(A) through the Natural Resources Conservation Service; and

(2) DETERMINATION.—If the Secretary determines that a plan submitted under subparagraph (A) meets the requirements of clause (i), and such plan, in accordance with an agreement, may not use more than 20 percent of the resources of any conservation program administered by the Secretary to implement the plan.

(d) CRP ACREAGE.—Acreage enrolled under an approved conservation reserve enhancement program shall be considered acreage of conservation reserve enhancement program that is committed to conservation reserve enhancement program.

(e) FUNDING.—

(1) IN GENERAL.—The program and agreements shall be funded by the Secretary using—

(A) the funding authorities of the conservation programs that are implemented through the use of Farmland Stewardship Agreements for the conservation purposes listed in Sec. 1238(1) and (11) through (x); and

(B) technical assistance in accordance with Sec. 1243(d); and

(2) COST SHARING.—It shall be a requirement of the Farmland Stewardship Program that the parties to carry out the Program must come from existing conservation programs, which may be Federal, State, regional, local, or private, that are combined into and made a part of an agreement, with the balance made up from matching funding contributions made by State, regional, or local agencies and divisions of government or from private funding sources. Funds from existing programs may be used only to carry out the purposes and intents of those programs to the degree that those programs are a part of the Farmland Stewardship Agreement. Funding for other purposes or intents must come from the funds provided under paragraphs (1)(B) and (1)(C) of subsection (e)(1) and (B) of subsection (e)(2). Technical funding contributions made by State, regional, or local agencies and divisions of government or from private funding sources.

(f) PERSONNEL COSTS.—The cost of personnel and other expenses incurred in the administration of the Farmland Stewardship Program shall be the responsibility of the contracting agency for preparing and implementing the Program. Costs incurred in the administration of the Program shall be subject to audit by the Secretary and shall be considered to be administrative expenses and may not exceed such agency is the designated State agency.

(g) ANNUAL REPORTS.—The designated state agency shall annually submit to the Secretary and make publicly available a report that describes—

(1) The progress achieved, the funds expended, the purposes and intents of such funds, or to which these funds shall be added to the funds in the next paragraph; and

(h) TECHNICAL ASSISTANCE.—

(1) Of the funds used from other programs and of funds made available to carry out the Farmland Stewardship Program for a fiscal year, the Secretary shall reserve not more than twenty-five percent for the provision of technical assistance for the Program. Of the funds made available—

(A) not more than 1.5% shall be reserved for administration, coordination and oversight activities through the Natural Resources Conservation Service headquarters office;

(B) not more than 1.5% shall be reserved for the Farmland Stewardship Council to carry out its duties in cooperation with the State Technical Committees, as provided under section 1238B; and

(C) not more than 2.0% shall be reserved for administration and coordination through the designated state agency in the state where the property is located.

(2) Not more than 1.0% shall be reserved for administration, coordination and oversight activities through the Natural Resources Conservation Service state office, in the state where property is located.

(F) not less than 0.1% shall be reserved for administration and coordination through the state conservation district agency, unless such agency is the designated state agency, for administering this program, in which case these funds shall be added to the funds in the next paragraph; and

(F) not less than 18% shall be reserved for local technical assistance, carried out through a designated ‘contracting agency’ and subcontractors chosen by and working with the contracting agency for preparing and monitoring the evaluating and administering agreements for their full term.
‘(2) An owner or operator who is receiving a benefit under this chapter shall be eligible to receive technical assistance in accordance with section 1243(d) to assist the owner or operator in performing duties or tasks related to the contract entered into under this chapter.

‘(b) ENSURING AVAILABILITY OF FUNDS.—All amounts required for preparing, executing, carrying out, monitoring, evaluating and administering an agreement for its entire term shall be made available by the Federal, State, and local agencies and private sector entities involved in funding the agreement upon execution of the agreement.

‘SEC. 1238B. USE OF FARMLAND STEWARDSHIP AGREEMENTS.

‘(a) AGREEMENTS AUTHORIZED.—The Secretary shall carry out the Farmland Stewardship Program by entering into service contracts, or by administering other contracts as determined by the Secretary, to be known as farmland stewardship agreements, with the owners or operators of eligible agricultural land to maintain and protect the natural and agricultural resources on the land.

‘(b) LEGAL BASIS.—An agreement shall operate in all respects as a service contract and, as such, provides the Secretary with the opportunity to hire the owner or operator of eligible agricultural land as a vendor to perform specific services or to enter into service contracts with the owner or operator to maintain and protect the natural and agricultural resources on the land.

‘(c) BASIC PURPOSES.—An agreement with the owner or operator of eligible agricultural land shall be used—

‘(1) to negotiate a mutually agreeable set of goals and compensation rates or fees, as determined and set by the Secretary, to be used under which conservation practices will be provided by the owner or operator to protect, maintain, and, where possible, improve, the natural resources on the land covered by the agreement in return for annual payments to the owner or operator;

‘(2) to enable an owner or operator to participate in one or more of the conservation programs offered through agencies at all levels of government and the private sector and, where possible and feasible, comply with permit requirements and regulations, through a one-stop, one-application process.

‘(3) to implement a conservation program or programs of programs to implement conservation management activities where there is no such activity;

‘(4) to expand or maintain conservation practices and resource management activities to a property where it is not possible at the present time to negotiate or reach agreement on a public purchase of a fee-simple or less-than-fee interest in the property for conservation purposes; and

‘(5) to negotiate and develop agreements with state and local agencies or entities to maintain their participation in conservation activities and programs; to enable them to install or maintain best management practices (BMPs) and other recommended practices to improve the compatibility of agricultural, horticulture, silviculture, aquaculture and equine activities with the environment; in compliance with water quality, public health and environmental regulations.

‘(d) MODIFICATION OF OTHER CONSERVATION PROGRAMS.—If most, but not all, of the conditions, standards, regulations, and requirements of a program that is implemented in whole, or in part, through the Farmland Stewardship Program is consistent with a program entered into under this chapter with respect to a parcel of eligible agricultural land, and the purposes to be achieved by the agreement to be entered into for such land are consistent with the purposes of the conservation program, then the Secretary may waive any remaining limitations, conditions, standards, or regulations of the conservation program that would otherwise prohibit or limit the agreement. The Secretary may also grant, to the extent the parties to the agreement consider justified;

‘(1) establish different or automatic enrollment criteria by which the Program would otherwise be subject to the same criteria as those of the Program for wildlife, the protection of natural resources, economic effectiveness and sustaining the agricultural economy;

‘(2) establish different or automatic compensation rates to the extent the parties to the agreement consider justified;

‘(3) establish different conservation practice criteria in a manner so as to achieve greater beneficial environmental outcomes;

‘(4) provide for streamlined and integrated paperwork requirements; or

‘(5) provide for the transfer of conservation program funds to states with flexible incentive accounts; and

‘(6) provide funds for an adaptive management process for the effective implementation of the Program for wildlife, the protection of natural resources, economic effectiveness and sustaining the agricultural economy.

‘(e) PAYMENTS.—Payments to owners and operators shall be made as provided in the programs that are combined as part of a Farmland Stewardship Agreement. At the election of the owner or operator, payments may be collected and combined together by the designated state agency and issued to the owner or operator in equal annual payments over the term of the agreement. Payments for other services rendered by the owner or operator shall be made as follows—

‘(1) IN GENERAL.—Programs that contain term or permanent easements may be combined into a Farmland Stewardship Agreement. Except for portions of a property affected by easements, Farmland Stewardship Agreements shall provide no interest in property and shall be solely contracts for services. The fees shall be based on the services provided. Compensation shall include—

‘(A) ANNUAL BASE PAYMENT.—All owners or operators enrolled in a Farmland Stewardship Agreement shall receive an annual base payment, at a rate to be determined by the Secretary. The annual base payment shall be considered by the Secretary to be satisfied if the owner or operator receives annual payments from another conservation program that has been incorporated into the Farmland Stewardship Agreement. Except for portions of a property affected by easements, Farmland Stewardship Agreements shall provide no interest in property and shall be solely contracts for services. The fees shall be based on the services provided. Compensation shall include—

‘(B) DIRECT FEES FOR SERVICES.—These fees shall be based on the cost of providing specific services. Those fees should reflect the prevailing market prices for the performance of similar services. Alternatively—

‘(C) ANNUAL STEWARDSHIP FEES.—These fees shall be based on the services provided, or the quantity of benefits provided, with higher fees for greater benefits that can be quantified. Such values shall be determined and set by the Secretary. Or, alternatively—

‘(D) OTHER INCENTIVES.—Other forms of compensation acceptable to an owner or operator may also be considered. These other forms of compensation may include federal, state or local tax waivers, credits, and other forms of compensation acceptable to an owner or operator, and the organization or agency that will oversee the agreement, while baseline data is gathered.

‘(g) CONFIDENTIALITY OF DATA.—All information or data provided to, obtained by or
developed by the Secretary, or any contractor to the Secretary or the designated state agency, for the purpose of providing technical or financial assistance to owners or operators of eligible agricultural land, including a plan developed pursuant to the Farm Bill to carry out its responsibilities under paragraphs (3) and (4).

(1) To the maximum extent practicable, agreements shall address the conservation issues established by the State and locality in which the eligible agricultural land is located. The Secretary may adopt for this purpose a pre-existing state or local plan or strategy that maps economically and ecologically important land, including a plan developed pursuant to planning requirements under Title VIII of the 2002 Interior Appropriations Act and Title IX of the 2001 Commerce, Justice, State Appropriations Act.

(2) STATE AND LOCAL CONSERVATION PRIORITIES.—To the extent practicable, the Secretary shall encourage the participation of the State and local government agencies in the Farmland Stewardship Program applications on a watershed basis.

SEC. 1238C. PARTNERSHIP APPROACH TO PROGRAM.

(a) AUTHORITY OF SECRETARY EXERCISED THROUGH CONTRACTING AGENCIES.—The Secretary may delegate authority under this section to contracting agencies on behalf of an owner or operator. Any agreement with a contracting agency may only be entered into by an agency in accordance with paragraphs (2) through (4).

(b) USE OF CONTRACTING AGENCIES.—Subject to subsection (c), the Secretary may authorize a local conservation district, resource conservation and development council, extension service office, state-chartered stewardship entity, non-profit organization, local office of the Department of Agriculture or other public or private government agency to enter into and administer agreements under the Program as a contracting agency on behalf of the Secretary.

(c) CONDITIONS OF DESIGNATION.—The Secretary may designate an eligible district or office as a contracting agency under subsection (b) only if the district or office—

(1) submits a written request for such designation to the Secretary;

(2) affirms that it is willing to follow all guidelines for executing and administering an agreement, as promulgated by the Secretary; and

(3) demonstrates to the satisfaction of the Secretary that it has established working relationships with owners and operators of eligible agricultural land and, based on the history of these working relationships, demonstrates the ability to work with owners and operators of eligible agricultural land in a cooperative manner.

(4) affirms its responsibility for preparing all documentation for the agreement, negotiating its terms with an owner or operator, monitoring compliance, making annual reports to the Secretary concerning the agreement throughout its full term; and

(5) demonstrates to the satisfaction of the Secretary that it has or will have the necessary staff resources to carry out its responsibilities under paragraphs (3) and (4).

(b) DELEGATION OF RESPONSIBILITY.—The Secretary may delegate responsibility for reviewing and approving applications from local contracting agencies to the state department of agriculture or other designated state agency. If the property is located, provided that the designated agency follows the criteria for reviewing and approving applications as established by the Secretary and consults with the agencies with management authority and responsibility for the resources affected on properties on which Farmland Stewardship Agreements are negotiated and assessed.

SEC. 1238D. PARTICIPATION OF OWNERS AND OPERATORS OF ELIGIBLE AGRICULTURAL LAND.

(a) APPLICATION AND APPROVAL PROCESS.—To participate in the Farmland Stewardship Program, an owner or operator of eligible agricultural land—

(1) submit to the Secretary an application indicating interest in the Program and describing the owner’s or operator’s property, including any information related to the owner’s or operator’s ecological and agricultural values;

(2) submit to the Secretary the purpose and objectives of the proposed agreement and a list of services to be provided, or a management plan to be implemented, or both, under the proposed agreement;

(3) if the application and list are accepted by the Secretary, an agreement that details the purpose and objectives of the agreement and the services to be provided, or management plan to be implemented, or both, and requires compliance with the other terms of the agreement.

(b) APPLICATION ON BEHALF OF AN OWNER OR OPERATOR.—A designated contracting agency may submit the application required by subsection (a) on behalf of an owner or operator if the contracting agency has secured the consent of the designated owner or operator to enter into an agreement.

(c) DELEGATION OF RESPONSIBILITY.—The Secretary may delegate responsibility for reviewing and approving applications from, or on behalf of an owner or operator to the state department of agriculture or other designated state agency in the state in which the property is located, provided that the designated agency follows the criteria for reviewing and approving applications as established by the Secretary and consults with the agencies with management authority and responsibility for the resources affected on properties on which Farmland Stewardship Agreements are negotiated and assembled.

SEC. 1238E. CREATION OF A FARMLAND STEWARDSHIP COUNCIL REGARDING PROGRAM.

(a) APPOINTMENT.—The Secretary shall appoint an advisory committee to assist the Secretary in carrying out the Farmland Stewardship Program.

(b) IN GENERAL.—The Committee shall be known as the Farmland Stewardship Council and shall operate on the federal level in the same manner, with the same roles and responsibilities and the same membership requirements as provided in the policies and guidelines governing State Technical Committees under Part 501 of the United States Department of Agriculture’s directives to the Natural Resources Conservation Service regarding Conservation Program Delivery.

(c) DUTIES.—The Farmland Stewardship Council shall cooperate in all respects with the National Agricultural Statistics Service in carrying out its responsibilities under paragraphs (3) and (4).

(1) drafting such regulations as are necessary to carry out the Program;

(2) developing the documents necessary for executing farmland stewardship agreements;

(3) developing procedures and guidelines to coordinate partnerships with other levels of government and nonprofit organizations and assist contracting agencies in gathering data and negotiating agreements;

(4) designing criteria to consider applications submitted under sections 1238C and 1238D;

(5) providing assistance and training to designated state agencies, project partners and contracting agencies;

(6) assisting designated state agencies, project partners and contracting agencies in combining together other conservation programs into agreements;

(7) tailoring the agreements to each individual property;

(8) designing agreements that are highly flexible and can be used to respond to and fit in with the conservation needs and opportunities on any property in the United States;

(9) developing a methodology for determining a fair market price in each state for each service rendered by a private owner or operator under a Farmland Stewardship Agreement.

(10) developing guidelines for administering the Farmland Stewardship Program on a national basis that respond to the conservation needs and opportunities in each state and in each rural community in which Farmland Stewardship Agreements may be implemented;

(11) monitoring progress under the agreements; and

(12) reviewing and recommending possible modifications, additions, adaptations, improvements, enhancements, or other changes to the Program to improve the way in which the program operates.

(d) MEMBERSHIP.—The Farmland Stewardship Council shall have the following membership requirements as the State Technical Committees, except that C

(1) All participating members must have offices located in the Washington, D.C. metropolitan area;

(2) The list of members representing Federal Agencies and Other Groups Required by Law shall be expanded to include all federal agencies whose programs might be included in Farmland Stewardship Program;

(3) State agency representation shall be provided by the organizations located in the Washington, D.C. metropolitan area representing state agencies and shall include individuals from organizations representing wetland managers, environmental councils, fish and wildlife agencies, counties, resource and conservation development councils, state conservation agencies, state departments of agriculture, state foresters, and governors; and

(4) Private Interest Membership shall be comprised of 21 members representing the following: agricultural commodity groups, farm organizations, national forestry associations, woodland owners, conservation districts, rural stewardship organizations, and other organizations that are interested in or represent environment organizations, including organizations with an emphasis on wildlife,
rangeland management and soil and water conservation.

"5) The Secretary shall appoint one of the Private Interest Members to serve as chair. The other members shall appoint another member to serve as co-chair.

"6) The Secretary shall follow equal opportunity practices in making appointments to the Farmland Stewardship Council to ensure that recommendations of the Council take into account the needs of the diverse groups served by the United States Department of Agriculture, including women, minorities, and persons with disabilities.

"(e) Personnel Costs.—The technical assistance funds designated in Sec. 1238A(g)(1)(B) may be used to provide staff positions and support for the Farmland Stewardship Council to—

"(1) carry out its duties as provided in subsection (c);

"(2) ensure communication and coordination with all federal agencies, state organizations and Private Interest Members on the council, and the constituencies represented by these agencies, organizations and members;

"(3) ensure communication and coordination with the State Technical Committees and Resource Advisory Committees in each state;

"(4) solicit input from agricultural producers and owners and operators of private forestry operations and woodland through the organizations on the council and other organizations, as necessary; and

"(5) take into consideration the needs and interests of different agricultural commodities and forest products in different regions of the nation.

"(f) Strategic Plans.—The state department of agriculture may collaborate with a state department of agriculture, or other designated agency, including any conditions, limitations or restrictions. Payments may be made to the organizations serving as Private Interest Members for the purposes of providing staff and support to the program grant programs, in the amounts and duration of these payments and the number of staff positions to be created within Private Interest Members organizations to carry out these duties shall be determined by the Secretary.

"(g) Annual Reports.—The Farmland Stewardship Council shall annually submit to the Secretary and make publicly available a report that describes—

"(1) The progress achieved, the funds expended, the purposes for which funds were expended and results obtained by the council;

"(2) The plans and objectives for future activities;

"(h) Terminating.—The Farmland Stewardship Council shall remain in force for as long as the Secretary administers the Farm Bill, except that the council will terminate in 2011 unless renewed by Congress in the next Farm Bill.

"SEC. 1238F. STATE BLOCK GRANT PROGRAM.

"(a) In General.—The Secretary of Agriculture may provide agricultural stewardship block grants on an annual basis to state departments of agriculture as a means of providing assistance and support, cost-share payments, incentive payments, technical assistance or education to agricultural producers and owners and operators of agriculture, silviculture, aquaculture, horticulture and other organizations for environmental enhancements, best management practices, or air and water quality improve-ments addressing resource concerns. Under the block grant program, states shall have maximum flexibility to—

"(1) Address threats to soil, air, water and related natural resources including grazing land, wetland and wildlife habitats;

"(2) Comply with state and federal environmental laws;

"(3) Meet beneficial, cost-effective changes to cropping systems; grazing management; nutrient, pest, or irrigation management; land uses; or other measures needed to conserve soil, air, water, and related natural resources; and

"(4) Implement other practices or obtain other services to benefit the public through Farmland block grants.

"(b) Program Application.—A state department of agriculture, in collaboration with other state and federal agencies, conservation districts, tribes, partners or organizations, may submit an application to the Secretary requesting approval for an agricultural stewardship program. The Secretary shall approve the grant request if the program proposed by the state maintains or improves the state’s natural resources. The state must demonstrate that the program is consistent with and is meeting the needs and desired public benefits of other federal programs on a state-by-state basis.

"(1) Allocate funds to the state for administration of the program, and

"(2) Establish a minimum of understanding with the state department of agriculture specifying the state’s responsibilities in carrying out the program and the amount of the block grant to be provided to the state on an annual basis.

"(c) Participation.—A state department of agriculture may choose to operate the block grant program in collaboration with another local, state or federal agency, conservation district or tribe in operating the program, or may delegate responsibility for the program to another local, state or federal agency, such as the state office of the United States Department of Agriculture, Natural Resources Conservation Service, or the state conservation district agency.

"(d) Coordination.—A state department of agriculture may establish an agricultural stewardship planning committee or advisory body, or expand the authority of an existing body, to design, develop and implement the agricultural stewardship block grant program. Such planning committee or advisory committee shall cooperate fully with the Farmland Stewardship Council established in Sec. 1238E and the State Technical Committee and Resource Advisory Committee in the state.

"(e) Delivery.—The state department of agriculture, or other designated agency, shall administer the stewardship block grants through existing delivery systems, infrastructure or processes, including contracts, cooperative agreements, and grants with local, state and federal agencies that address resource concerns and were prioritized through the state’s Environmental Quality Incentives Program.

"(f) Strategic Plans.—The state department of agriculture, in collaboration with a local advisory or planning committee to develop a state strategic plan for the enhancement and protection of land, air, water and wildlife through the state’s environmental stewardship program. The state strategic plan shall be submitted to the Secretary annually in a report on the implementation of projects, activities, and other measures of the block grant program. In general, state strategic plans shall include—

"(1) A description of goals and objectives, including outcome-related goals for designated priorities and the progress achieved, the funds expended, the purposes for which funds were expended and results obtained by the council; and

"(2) By striking all that follows paragraph (1) and inserting the following:

"$15,000,000 for fiscal year 2002 and each succeeding fiscal year.

"SEC. 257. SMALL WATERSHED REHABILITATION PROGRAM.

Section 14(h) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012(h)) is amended—

"(1) by adding “and” at the end of paragraph (1); and

"(2) by striking all that follows paragraph (1) and inserting the following:

"$25,000,000 for fiscal year 2002 and each succeeding fiscal year.

"SEC. 258. PROVISION OF ASSISTANCE FOR REAPAU CO TRICKLE GATE AND DIKE RESTORATION PROJECT, NEW JERSEY.

Notwithstanding section 403 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203), the
(c) EXCLUSION FROM LIMITATION.—Section 1110(e)(2) of the Food Security Act of 1985 (7 U.S.C. 1736o(e)(2)) is amended by inserting ‘‘; and subsection (g) does not apply to such commodities furnished on a grant basis or on credit terms under title I of the Agricultural Trade Development Act of 1954’’ before the final period.

(d) TRANSPORTATION COSTS.—Section 1110(f)(3) of the Food Security Act of 1985 (7 U.S.C. 1736o(f)(3)) is amended by striking ‘‘$30,000,000’’ and inserting ‘‘$40,000,000’’.

(e) A MOUNT OF APPROPRIATIONS.—Section 1110(g) of the Food Security Act of 1985 (7 U.S.C. 1736o(g)) is amended by striking ‘‘$5,000,000’’ and inserting ‘‘$15,000,000’’.

(f) MULTYEAR BASIS.—Section 1110(h)(5) of the Food Security Act of 1985 (7 U.S.C. 1736o(h)(5)) is amended—

(1) by striking ‘‘may’’ and inserting ‘‘is encouraged’’; and

(2) by inserting ‘‘to’’ before ‘‘approve’’. MONETIZATION.—Section 1110(i)(3) of the Food Security Act of 1985 (7 U.S.C. 1736o(i)(3)) is amended by striking ‘‘local currency’’ and inserting ‘‘as determined’’. (h) NEW PROVISIONS.—Section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o) is amended by adding at the end the following:

‘‘(c) Authorization of appropriations.—There is authorized to be appropriated for each fiscal year before 2011—

$200,000,000 for each of fiscal years 2002 through 2011.’’

There is authorized to be appropriated to carry out this section $5,000,000 for each fiscal year before 2011.’’

SEC. 1236. GRASSLANDS SOURCE WATER PROTECTION PROGRAM.

Section 1236 of the Food Security Act of 1985 (16 U.S.C. 3836) is amended by striking subsection (b).

(1) REPEALS.—(A) Section 1234(f)(4) of such Act (16 U.S.C. 3834(f)(4)) is amended by striking ‘‘subsection (f)(4)’’ and inserting ‘‘subsection (f)(3)’’.

(B) Section 1236 of such Act (16 U.S.C. 3836) is repealed.

(2) CONFORMING AMENDMENTS.—(A) Section 1234(a)(2) of such Act (16 U.S.C. 3834(a)(2)) is amended by striking ‘‘in addition to the remedies provided under section 1236(d),’’.

(B) Section 1234(d)(4) of such Act (16 U.S.C. 3834(d)(4)) is amended by striking ‘‘subsection (f)(4)’’ and inserting ‘‘subsection (f)(3)’’.

(C) Section 1236 of such Act (16 U.S.C. 3836) is amended by striking paragraph (3) and by redesignating paragraph (4) as paragraph (3).

(B) Section 1236 of such Act (16 U.S.C. 3836) is repealed.

(2) CONFORMING AMENDMENTS.—(A) Section 1234(a)(1) of such Act (16 U.S.C. 3834(a)(1)) is amended by striking ‘‘or 3’’. (B) Section 1234(b)(3) of such Act (16 U.S.C. 3834(b)(3)) is amended by striking ‘‘or 3’’.

(E) CONSERVATION FARM OPTION.—Chapter 5 of subtitle D of title XII of such Act (16 U.S.C. 3893) is amended by striking ‘‘section 3893(c)(3)’’.

(F) WETLANDS RESERVE PROGRAM.—Section 1277(d)(2) of such Act (16 U.S.C. 3873(d)(2)) is amended by striking paragraph (3).

(d) ENVIRONMENTAL EASEMENT PROGRAM.—(1) REPEAL.—Section 301(e)(1) of the Agricultural Trade Act of 1990 (7 U.S.C. 1341(b)(7)(D)) is amended by striking ‘‘Foreign currency’’ and inserting ‘‘Foreign currencies’’.

(b) PROCESSED AND HIGH VALUE PRODUCTS.—(A) in clause (i), by striking ‘‘foreign currency’’ and inserting ‘‘foreign currencies’’;

(B) in clause (ii), by striking ‘‘as appropriate’’ and inserting ‘‘as determined’’;

‘‘(c) Authorization of appropriations.—(1) IN GENERAL.—There is authorized to be appropriated for each fiscal year before 2011—

$200,000,000 for each of fiscal years 2002 through 2011.’’

There is authorized to be appropriated to carry out this section $5,000,000 for each fiscal year before 2011.’’

Subtitle G—Repeals


(a) WETLANDS MITIGATION BANKING PROGRAM.—Section 1222 of the Food Security Act of 1985 (16 U.S.C. 3832) is amended by striking subsection (b).

(b) CONSERVATION RESERVE PROGRAM.—(1) REPEALS.—(A) Section 1234(f)(4) of such Act (16 U.S.C. 3834(f)(4)) is amended by striking paragraph (3) and by redesignating paragraph (4) as paragraph (3).

(B) Section 1236 of such Act (16 U.S.C. 3836) is repealed.

(2) CONFORMING AMENDMENTS.—(A) Section 1234(a)(1) of such Act (16 U.S.C. 3834(a)(1)) is amended by striking ‘‘or 3’’. (B) Section 1234(b)(3) of such Act (16 U.S.C. 3834(b)(3)) is amended by striking ‘‘subsection (f)(4)’’ and inserting ‘‘subsection (f)(3)’’.

(c) WETLANDS RESERVE PROGRAM.—Section 1277(d)(2) of such Act (16 U.S.C. 3873(d)(2)) is amended by striking paragraph (3).

(d) ENVIRONMENTAL EASEMENT PROGRAM.—(1) REPEAL.—Section 301(e)(1)(G) of the Agricultural Trade Act of 1990 (7 U.S.C. 1341(b)(7)(D)) is amended by striking ‘‘Foreign currency’’ and inserting ‘‘Foreign currencies’’.

(b) PROCESSED AND HIGH VALUE PRODUCTS.—(A) in clause (i), by striking ‘‘foreign currency’’ and inserting ‘‘foreign currencies’’;

(B) in clause (ii), by striking ‘‘as appropriate’’ and inserting ‘‘as determined’’;

‘‘(c) Authorization of appropriations.—(1) IN GENERAL.—There is authorized to be appropriated for each fiscal year before 2011—

$200,000,000 for each of fiscal years 2002 through 2011.’’

There is authorized to be appropriated to carry out this section $5,000,000 for each fiscal year before 2011.’’

Subtitle H—Operations in Title I

SEC. 301. MARKET ACCESS PROGRAM.

Section 211(c)(1) of the Agricultural Trade Act of 1977 (7 U.S.C. 1723c(1)) is amended—

(1) by striking ‘‘and not more’’ and inserting ‘‘not more’’;

(2) by inserting ‘‘and not more than $300,000,000 for each of fiscal years 2002 through 2011, after ‘2002’; and

(3) by striking ‘‘2002’’ and inserting ‘‘2001’’.

SEC. 302. FOOD FOR PROGRESS.

(a) IN GENERAL.—Sections 4(b)(1), (2), (3), (g), (k), and (l) of section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o) are each amended by striking ‘‘2002’’ and inserting ‘‘2001’’.

(b) EFFECTIVE DATE.—Section 1110(h)(1) of the Food Security Act of 1985 (7 U.S.C. 1736o(h)(1)) is amended—

(1) by striking ‘‘2002’’ and inserting ‘‘2001’’; and

(2) by striking ‘‘$10,000,000’’ and inserting ‘‘$5,000,000’’.
(b) in paragraph (2)—

(1) by striking “income generating” and inserting “income-generating”; and

(2) by striking “the recipient country or countries” and inserting “one or more recipient countries, or one or more countries”; and

(c) In paragraph (3), by inserting a comma after “in the President’s”.

(6) in section 204(a) (7 U.S.C. 1724(a))—

(A) by striking “1996 through 2002” and inserting “2002 through 2011”; and

(B) by striking “2,625,000” and inserting “2,250,000”;

(7) in section 205(f) (7 U.S.C. 1725(f)), by striking “2002” and inserting “2011”;

(8) by striking section 206 (7 U.S.C. 1726);

(9) in section 207(a) (7 U.S.C. 1726a(a));

(A) by redesignating paragraph (2) as paragraph (3) and

(B) by striking paragraph (1) and inserting the following:

(1) RECIPENT COUNTRIES.—A proposal to enter into a non-emergency food assistance agreement under this title shall identify the recipient country or countries subject to the agreement.

(2) TIME FOR DECISION.—Not later than 120 days after receipt by the Administrator of a proposal submitted by an eligible organization under this title, the Administrator shall make a decision concerning such proposal.

(10) in section 208(f), by striking “2002” and inserting “2011”;

(11) in section 603 (7 U.S.C. 1735), by inserting after paragraph (c) the following:

(1) SALES PROCEDURES.—Subsections (b) and (h) shall apply to sales of commodities to generate proceeds for titles II and III of this Act, section 416(b) of the Agricultural Act of 1949, and section 1101 of the Food and Security Act of 1965. Such sales transactions may be made in United States dollars and other currencies.;

(12) in section 407(c)(4), by striking “2001 and 2002” and inserting “2001 through 2011”;

(13) in section 407(c)(1) (7 U.S.C. 1736a(c)(1))—

(A) by striking “The Administrator” and inserting “(A) The Administrator” and

(B) by adding at the end the following:

“(B) In the case of commodities made available for nonemergency assistance under title II for least developed countries that meet the criteria established by the International Bank for Reconstruction and Development for financing under the International Development Association, the Administrator may pay the transportation costs incurred in moving the commodities from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs.”;

(14) in section 408, by striking “2002” and inserting “2011”;

and

(15) in section 501(c), by striking “2002” and inserting “2011”.

SEC. 308. EMERGING MARKETS.

Section 424 of the Food, Agriculture, Conservation and Trade Act of 1990 (7 U.S.C. 5262 note) is amended—

(1) in subsections (a) and (d)(1)(A)(i), by striking “2002” and inserting “2011”; and

(2) in subsection (d)(1)(H), by striking “$10,000,000 in any fiscal year” and inserting “$13,000,000 for each of fiscal years 2002 through 2011.”

SEC. 309. BILL EMERSON HUMANITARIAN TRUST.

Subsections (b)(2)(B)(i), (h)(1), and (h)(2) of section 362 of the Bill Emerson Humanitarian Trust Act of 1988 (7 U.S.C. 1786) are each amended by striking “2002” and inserting “2011”.

SEC. 310. TECHNICAL ASSISTANCE FOR SPECIFIC COMMODITIES.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish an export assistance program (referred to in this section as the “program”) to address unique barriers that prohibit or threaten the export of United States specialty crops.

(b) Purposes.—The program shall provide direct assistance through public and private sector projects and technical assistance to remove, reduce, or mitigate sanitary and phytosanitary and related barriers to trade.

(c) Priority.—The program shall address time sensitive and strategic market access projects based on—

(1) trade effect on market retention, market access, and market expansion; and

(2) trade impact.

(d) Funding.—The Secretary shall make available $3,000,000 for each of fiscal years 2002 through 2011 of the funds of, or an equal value of commodities owned by, the Commodity Credit Corporation.

SEC. 311. FARMERS FOR AFRICA AND CARIBBEAN BASIN PROGRAM.

(a) FINDINGS.—Congress finds the following:

(1) Many African farmers and farmers in Caribbean Basin countries use antiquated techniques to produce their crops, which result in poor crop quality and low crop yields.

(2) Many of these farmers are losing business to farmers in European and Asian countries who use more advanced planting and production techniques and are supplying agricultural products to restaurants, resorts, tour-

ists, grocery store consumers and local farmers in Africa and Caribbean Basin countries.

(3) A need exists for the training of African farmers and farmers in Caribbean Basin countries and other developing countries in farming techniques that are appropriate for the majority of eligible farmers in African or Caribbean countries, including standard growing practices, insecticide and sanitation procedures, and other farming methods that will produce increased yields of more nutritious and healthful crops.

(4) African farmers and other American farmers, as well as banking and insurance professionals, are a ready source of agribusiness expertise that would be invaluable for African farmers and farmers in Caribbean Basin countries.

(5) A United States commitment is appropriate to support the development of a comprehensive agricultural training program for these farmers that focuses on—

(A) improving knowledge of insecticide and sanitation procedures to prevent crop destruction;

(B) teaching modern farming techniques, including the identification and development of standard growing practices and the establishment of good crop production practices, that would facilitate a continual analysis of crop production;

(C) the use and maintenance of farming equipment that is appropriate for the majority of eligible farmers in African or Caribbean Basin countries;

(D) expansion of small farming operations into agribusiness enterprises through the development and use of village banking systems and the use of agricultural risk insurance pilot projects, resulting in increased access to credit for these farmers; and

(E) marketing crop yields to prospective purchasers (businesses and individuals) for local needs and export.

(6) The majority of African-American and other American farmers and American agricultural farming specialists in such a training program promises the added benefit of improving agricultural programs in African and Caribbean Basin markets for American farmers and United States farm equipment and products and business linkages for United States agriculture and agricultural insurance professional assistance on, among other things, agricultural risk insurance products.

(7) Existing programs that promote the exchange of agricultural knowledge and expertise through the exchange of American and foreign farmers have been effective in promoting improved agricultural techniques and food security, and, thus, the extension of additional resources to such farmer-to-farmer exchanges is warranted.

(b) DEFINITIONS.—In this section—

(1) AGRICULTURAL FARMING SPECIALIST.—

The term “agricultural farming specialist” means an individual trained to transfer information and technical support relating to agricul-
retain enhanced farming technology for their own personal enrichment.

(3) Through partnerships with American businesses, the Program will utilize the commercial viability of businesses dealing in agriculture to train eligible farmers on farming equipment that is appropriate for the majority of eligible farmers in African or Caribbean Basin countries and to introduce eligible farmers to the use of insurance as a risk management tool.

(4) GRANTS.—(1) The selection of eligible farmers, as well as African-American and other American farmers and agricultural specialists, who will participate in the Program shall be made by grant recipients using an application process approved by the President.

(2) Eligible Recipients must have sufficient farm or agribusiness experience and have obtained certain targets regarding the productivity of their farm or agribusiness.

(c) GILNAT PERIOD.—The President may make grants under this Program during a period of 5 years beginning on October 1 of the first fiscal year for which funds are made available to carry out the Program.

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2002 through 2011.

SEC. 312. GEORGE MCGOVERN-ROBERT DOLE INTERNATIONAL FUND FOR FOOD SECURITY AND CHILD NUTRITION PROGRAM.

(a) In General.—The President may, subject to subsection (j), direct the procurement of commodities and the provision of financial and technical assistance to carry out—

(1) preschool and school feeding programs in foreign countries to improve food security, reduce the incidence of hunger, and improve literacy and primary education, particularly with respect to girls; and

(2) maternal, infant, and child nutrition programs for pregnant women, nursing mothers, infants, and children who are 5 years of age or younger.

(b) Eligible Commodities and Cost Items.—(Notwithstanding any other provision of law)

(1) An agricultural commodity is eligible for distribution under this section;

(2) as necessary to achieve the purposes of this section;

(A) Funds may be used to pay the transportation costs incurred in moving commodities (including prepositioned commodities) provided under this section from the designated point of entry and to or for more recipient countries to storage and distribution sites in these countries, and associated storage and distribution costs.

(B) Funds may be used to pay the costs of activities conducted in the recipient countries by a nonprofit voluntary organization, cooperative, or intergovernmental agency or organization that enhance the effectiveness of the activities implemented by such entities under this section; and

(C) Funds may be provided to meet the allowable travel expenses of private voluntary organizations, cooperatives, or intergovernmental organizations which are implementing activities under this section; and

(3) for the purposes of this section, the term "agricultural commodities" includes any agricultural commodity, or the products thereof, produced in the United States.

(c) General Authorities.—The President shall designate one or more Federal agencies to—

(1) implement the program established under this section;

(2) ensure that the program established under this section is consistent with the foreign policy and development assistance objectives of the United States; and

(3) consider, in determining whether a country should receive assistance under this section, whether the government of the country is taking concrete steps to improve the preschool and school systems in its country.

(d) Eligible Recipients.—Assistance may be provided to one or more voluntary organizations, cooperatives, intergovernmental organizations, governments, and their agencies, and other organizations.

(e) Procedures.—(1) IN GENERAL.—In carrying out subsection (a) the President shall ensure that—

(A) each recipient proposing to provide assistance to a country, region, or group of countries is registered with the Federal government, in the global effort to reduce child hunger and increase school attendance.

(b) Private Sector Involvement.—The President is urged to encourage the support and active involvement of the private sector, foundations, and other individuals and organizations in programs approved by the United States Senate under this section.

(f) Requirement to Safeguard Local Production and Usual Marketing.—The requirement of section 503(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733(a) and 1733(h)) applies with respect to the availability of commodities under this section.

(j) Funding.—(1) IN GENERAL.—There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act for fiscal years 2002 through 2011. Nothing in this section shall be interpreted to preclude the use of authorities in effect before the date of the enactment of this Act for carrying out the Global Food for Education Initiative.

(2) Administrative Expenses.—Funds made available to carry out the purposes of this section may be used to pay administrative expenses of any agency of the Federal Government implementing or assisting in the implementation of this section.

 SEC. 313. STUDY ON PROPOSED AGREEMENTS.

(a) STUDY.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall provide a report to the designated congressional committees on the feasibility of instituting a program which would charge and retain a fee to cover the costs for providing persons with commercial services performed abroad on matters within the authority of the Department of Agriculture administered through the Foreign Agriculture Service or any successor agency.

(j) Term.—In this Act, the term "designated congressional committees" means the Committee on Agriculture and the Committee on Foreign Relations of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate.

SEC. 314. NATIONAL EXPORT STRATEGY REPORT.

(a) Report.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Agriculture shall provide to the designated congressional committees a report on the policies and programs that the Department of Agriculture has undertaken to implement the National Export Strategy. The report shall describ the effective coordination of these programs and through all other appropriate Federal agencies participating in the Trade Promotion Coordinating Committee and the steps the Department of Agriculture is taking to reduce the level of protectionism in agricultural trade, to foster market growth, and to improve the commercial potential of markets in both developed and developing countries for United States agricultural commodities.

(ii) MULTILATERAL INVOLVEMENT.—The President is urged to engage existing international food aid coordinating mechanisms to ensure multilateral commitments to, and participation in, programs like those supported under this section. The President shall report annually to the Committee on Agriculture, Nutrition and Forestry, the Committee on Agriculture of the United States House of Representatives and the Committee on Foreign Relations and the Committee on Agriculture, Nutrition and For- estry of the United States Senate on the commitments and activities of governments, including the United States government, in the global effort to reduce child hunger and increase school attendance.
S13620

CONGRESSIONAL RECORD — SENATE
December 18, 2001

TITLE IV—NUTRITION PROGRAMS
Subtitle A—Food Stamp Program

SEC. 401. SIMPLIFIED DEFINITION OF INCOME.
Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 1396d(d)) is amended—

(1) by striking paragraph (A) and inserting the following:

"(A) any State complementary assistance program payments that are excluded pursuant to subsections (a) and (b) of section 1901 of title 26 of the Internal Revenue Code of 1986, employer salary reduction contributions, unemployment compensation, and the like,

(2) by striking paragraph (B) and inserting the following:

"(B) by inserting before "premiums," the following:

"The"; and

(3) by inserting before the period at the end of subsection (b) the following:

"(1) and paragraphs (15) and (15)".

SEC. 402. STANDARD DEDUCTION.
Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 1396b(c)) is amended—

(1) by striking "($334, $229, $189, $269, and $189")" and inserting "equal to 9.7 percent of the eligibility limit established under section 2025(h)(1) for a household of six for fiscal year 2002 nor less than $334, $229, $189, and $189"; and

(2) by inserting before the period at the end of subsection (c) the following:

"(7) the standard deduction for Guam shall be determined with reference to 2 times the eligibility limits under section 2025(c)(1) for a household of six for fiscal year 2002 nor less than $334, $229, $189, and $189"; and

SEC. 403. TRANSITIONAL FOOD STAMPS FOR FAMILIES MOVING FROM WELFARE.
(a) IN GENERAL.—Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 1396c) is amended by adding at the end the following:

"(e) Transitional Benefits Option.—

(1) IN GENERAL.—A State may provide transitional benefits to a household that is no longer eligible to receive cash assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) for a period of 6 months beginning on the date on which cash assistance is terminated.

(2) Transitional Benefits Period.—Under paragraph (1), a household may continue to receive food stamp benefits for a period of 6 months beginning on the date on which cash assistance is terminated.

(3) Amount.—During the transitional benefits period under paragraph (2), a household shall be permitted to receive an amount equal to the allotment received in the month immediately preceding the date on which cash assistance is terminated. A household receiving benefits under paragraph (2) may apply for recertification at any time during the transitional benefit period. If a household re-

applies, its allotment shall be determined without regard to this subsection for all subsequent months.

(4) Determination of future eligibility.—In the 1st month of the transitional benefit period under paragraph (2), the State agency may—

(A) require a household to cooperate in a redertermine eligibility to receive an authorization card; and

(B) renew eligibility for a new certification period for the household without regard to whether the previous certification period has expired.

(5) Limitation.—A household sanctioned under section 6, or for a failure to perform an action required by Federal, State, or local law relating to such cash assistance program, shall not be eligible for transitional benefits under this subsection.

(b) Conforming Amendments.—(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 1396d(c)) is amended by adding at the end the following: "The limits in this section may be extended until the end of any transitional benefit period established under section 11(e).

(2) Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 1396d(8)) is amended by striking "No household" and inserting "Except in a case in which a household is receiving transitional benefits during the transitional benefits period under section 11(e), no household".

SEC. 404. QUALITY CONTROL SYSTEMS.
(a) TARGETED QUALITY CONTROL SYSTEM.—Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 1396m(c)) is amended—

(1) in paragraph (1)(C)—

"(A) in the matter preceding clause (1), by inserting the Secretary determines that that 95 percent statistical probability exists that for the 3d consecutive year after "year in which."; and

(B) in clause (ii)(aa)(bb) by striking "the national performance measure for the fiscal year" and inserting "10 percent";

(2) in the 1st sentence of paragraph (4)—

"(A) by striking "or claiming" and inserting "claiming"; and

"(B) by inserting "or performance under the measures established under paragraph (10)," after "to establish";

(3) in paragraph (5), by inserting "to comply with paragraph (10) and" before "to establish";

(4) in the 1st sentence of paragraph (6), by inserting "one percentage point more than" after "measure that shall be"; and

(5) by inserting at the end of subsection (b)—

"(A) in any month the measures established under paragraph (1), the Secretary shall measure the performance of State agencies in each of the following regards—

(i) compliance with the deadlines established under paragraphs (3) and (9) of section 11(e); and

(ii) the percentage of negative eligibility decisions that are made correctly.

(B) For each fiscal year, the Secretary shall make excellence bonus payments of $1,000,000 each to the 5 States with the highest combined performance in the 2 measures in subparagraph (A) and to the 5 States whose combined performance under the 2 measures in subparagraph (A) is the highest. The Secretary shall pay to the States an amount equal to 100 percent of the cost to upgrade and modernize the electronic data processing system used to provide such food assistance and to implement systems to simplify the electronic data processing system used to provide such food assistance and to implement systems to simplify the State agencies' administration of the food stamp program. If this investiga-

tion determines that the State's administration has been deficient, the Secretary shall require the State agency to take prompt corrective action.

SEC. 405. SIMPLIFIED APPLICATION AND ELIGIBILITY DETERMINATION SYSTEMS.
Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 1396m) is amended by inserting at the end the following:

"(1) SIMPLIFICATION OF SYSTEMS.—The Secretary shall expend up to $5,000,000 million in each fiscal year to pay 100 percent of the costs of State agencies to develop and implement simple application and eligibility determination systems.

SEC. 406. AUTHORIZATION OF APPROPRIATIONS.
(a) EMPLOYMENT AND TRAINING PROGRAMS.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 1396m(h)(1)) is amended—

(1) in subparagraph (A) by striking "for fiscal year 2002 through 2003" and inserting "2002 and inserting "2003 through 2011";

(2) in subparagraph (B) by striking "2002" and inserting "2003 through 2011";

(b) CASH PAYMENT PILOT PROJECTS.—Section 17(h)(1)(B)(vi) of the Food Stamp Act of 1977 (7 U.S.C. 1396n(1)(B)(vi)) is amended by striking "2002" and inserting "2003 through 2011";

(c) OUTREACH DEMONSTRATION PROJECTS.—Section 17(h)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 1396n(1)(A)) is amended by striking "1992 through 2002" and inserting "2003 through 2011";

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 1396n(a)(1)) is amended by striking "2003 through 2011".

(f) PUERTO RICO.—Section 19(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 1396n(a)(1)) is amended—

(1) in subparagraph (A)—

"(A) in clause (ii) by striking "and" at the end; and

(B) in clause (iii) by adding "and" at the end; and

(2) by inserting after clause (ii) the following:

"(iv) for each of fiscal years 2003 through 2011, the amount equal to the amount required to be paid under this subparagraph for the preceding fiscal year, as adjusted by the percentage by which the_thrifty food plan is adjusted under section 30(o)(4) for the current fiscal year for which the amount is determined under this clause; and

(2) in subparagraph (B)—

"(A) by striking "(i)" after "(B); and

"(B) by adding at the end the following:

"(ii) notwithstanding subparagraph (A) and clause (i), the Commonwealth may spend up to $6,000,000 of the amount required under subparagraph (A) to pay 100 percent of the cost to upgrade and modernize the electronic data processing system used to provide such food assistance and to implement systems to simplify the data processing system used to provide such food assistance and to implement systems to simplify the data processing system used to provide such food assistance and to implement systems to simplify the data processing system used to provide such food assistance;.

(g) TERRITORY OF AMERICAN SAMOA.—Section 24 of the Food Stamp Act of 1977 (7 U.S.C. 1381a) is amended—

(1) by striking "Effective October 1, 1995, and inserting "From"; and
(2) by striking "$5,300,000 for each of fiscal years 1996 through 2002" and inserting "$7,500,000 for fiscal year 2002 and $5,800,000 for each of fiscal years 2003 through 2011";

(b) by inserting "COMMUNITY FOOD PROJECTS.—Section 25(b)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2004(b)(2)) is amended—

(1) in subparagraph (A) by striking "and" at the end;
(2) in subparagraph (B)—
(A) by striking "2002" and inserting "2001"; and
(B) by striking the period at the end and inserting "; and"
and
(3) by inserting after subparagraph (B) the following—
"(C) $7,500,000 for each of the fiscal years 2002 through 2011.".

(1) AVAILABILITY OF COMMODITIES FOR THE EMERGENCY FOOD ASSISTANCE PROGRAM.—Section 27 of the Food Stamp Act of 1977 (7 U.S.C. 2036) is amended—

(1) in subsection (a),
(A) by striking "1997 through 2002" and inserting "2002 through 2011"; and
(B) by striking "$100,000,000" and inserting "$40,000,000"; and

(2) by striking the end following the period and insert the following—
"(c) USE OF FUNDS FOR RELATED COSTS.—For each of the fiscal years 2002 through 2011, the Secretary shall use $10,000,000 of the funds referred to in this section to pay for the direct and indirect costs of the States related to the processing, storing, transporting, and distributing to eligible recipient agencies of commodities purchased by the Secretary under subsection (a) and commodities secured from other sources, including commodities secured by gleasing (as defined in section 111 of the Hunger Prevention Act of 1988 (7 U.S.C. 612a note)).

(3) SPECIAL EFFECTIVE DATE.—The amendments made by subsections (g), (h), and (i) shall take effect October 1, 2001.

Subtitle B—Commodity Distribution

SEC. 411. DISTRIBUTION OF SURPLUS COMMODITIES TO SPECIAL NUTRITION PROJECTS.

Section 1114(a) of the Agriculture and Food Act of 1981 (7 U.S.C. 1341e) is amended by striking "2002" and inserting "2011".

SEC. 412. SUPPLEMENTAL FOOD PROGRAM.

The Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended—

(1) in section 4(a) by striking "1991 through 2002" and inserting "2002 through 2011";
(2) in subsections (a)(2) and (d)(2) of section 5 by striking "1991 through 2002" and inserting "2002 through 2011";

SEC. 413. EMERGENCY FOOD ASSISTANCE.

The 1st sentence of section 20(a)(1) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1)) is amended—

(1) in section 4(a) by striking "1991 through 2002" and inserting "2002 through 2011";

(2) by striking "administrative"; and

(3) by inserting "storage," after "processing."

Subtitle C—Miscellaneous Provisions

SEC. 461. HUNGER FELLOWSHIP PROGRAM.

(a) SHORT TITLE; FINDINGS.—

(1) SHORT TITLE.—This section may be cited as the "Congressional Hunger Fellows Act of 2001".

(2) FINDINGS.—The Congress finds as follows:

(A) There is a critical need for compassionate individuals who are committed to assisting people who suffer from hunger as well as a need for such individuals to initiate and administer solutions to the hunger problem.

(B) To prevent any conflict of interest, or the appearance of any conflict of interest, in the procurement and employment actions taken by the Board or by any officer or employee of the Board, such individual is not a member of the Board and in the selection and placement of individuals in the fellowships developed under the program;

(C) For the resolution of a tie vote of the members of the Board and

(D) for authorization of travel for members of the Board.

(ii) TRANSITIONAL TO CONGRESS.—Not later than 90 days after the date of the first meeting of the Board, the Chairperson of the Board shall transmit to the appropriate congressional committees a copy of such bylaws.

(b) BUDGET.—For each fiscal year the program is in operation, the Board shall determine a budget for the program for that fiscal year. Such budget shall be pursuant to such budget unless a change is approved by the Board.

(c) PROCESS FOR SELECTION AND PLACEMENT OF FELLOWS.—The Board shall, or shall cause, the process established by the Executive Director for the selection and placement of individuals in the fellowships described in paragraph (3) to be carried out under this section.

(d) ALLOCATION OF FUNDS TO FELLOWSHIPS.—The Board of Trustees shall determine the priority of the programs to be carried out under this section.

(e) PURPOSES; AUTHORITY OF PROGRAM.—

(1) PURPOSES.—The purposes of the program are—

(A) to encourage future leaders of the United States to pursue careers in humanitarian service, to recognize the needs of people who are hungry and poor, and to provide assistance and compassion for those in need;

(B) to increase awareness of the importance of public service; and

(C) to provide training and development opportunities for future leaders through placement in programs operated by appropriate organizations or entities.

(2) AUTHORITY.—The program is authorized to develop such fellowships and carry out the purposes of this section, including the fellowships described in paragraph (3).

(3) FELLOWSHIPS.—The program shall establish and carry out the Bill Emerson Hunger Fellowship and the Mickey Leland Hunger Fellowship.

(f) ELECTION OF OFFICERS.—

(i) IN GENERAL.—The fellowships established under subparagraph (A) shall provide experience and training to develop the skills necessary to improve the humanitarian conditions and the lives of individuals who suffer from hunger, including—

(A) training in direct service to the hungry in conjunction with community-based organizations through a program of field placement; and

(B) experience in policy development through placement in a governmental entity or nonprofit organization.

(ii) FOCUS OF BILL EMERSON HUNGER FELLOWSHIP.—The Bill Emerson Hunger Fellowship shall address hunger and other humanitarian needs in the United States.

(iii) FOCUS OF MICKEY LELAND HUNGER FELLOWSHIP.—The Mickey Leland Hunger Fellowship shall address international hunger and other humanitarian needs.

(g) WORKPLAN.—The Bill Emerson Hunger Fellowship and the Mickey Leland Hunger Fellowship shall address hunger and other humanitarian needs.
identifies the target objectives for the fellow in the fellowship, including specific duties and responsibilities related to those objectives.

(P) PERIOD OF FELLOWSHIP.—
(1) EMERSON FELLOW.—A Bill Emerson Hunger Fellowship awarded under this paragraph shall be for no more than one year.
(2) MICKEL LEELAND FELLOW.—A Mickey Leland Hunger Fellowship awarded under this paragraph shall be for no more than two years.

(Q) SELECTION OF FELLOWS.—
(i) A fellowship shall be awarded pursuant to a nationwide competition established by the program.
(ii) QUALIFICATION.—A successful applicant shall be an individual who has demonstrated—
(1) an intent to pursue a career in humanitarian service and outstanding potential for such a career;
(2) a commitment to social change;
(3) leadership potential or actual leadership experience;
(4) a strong sense of purpose;
(5) proficient writing and speaking skills;
(6) an ability to live in poor or diverse communities; and
(7) other attributes as determined to be appropriate by the Board.

(R) AMOUNT OF AWARD.—
(i) IN GENERAL.—Every individual awarded a fellowship under this paragraph shall receive a living allowance and, subject to subsection (II), an end-of-service award as determined by the program.

(S) REQUIREMENT FOR SUCCESSFUL COMPLETION OF FELLOWSHIP.—Each individual awarded a fellowship under this paragraph shall be entitled to an end-of-service award at an appropriate rate for each month of satisfactory service as determined by the Executive Director.

(T) RECOGNITION OF FELLOWSHIP AWARD.—
(i) EMERSON FELLOW.—An individual awarded a fellowship from the Bill Emerson Hunger Fellowship shall be known as an “Emerson Fellow.”
(ii) LEELAND FELLOW.—An individual awarded a fellowship from the Mickey Leland Hunger Fellowship shall be known as a “Leland Fellow.”

(U) EVALUATION.—The program shall conduct periodic evaluations of the Bill Emerson and Mickey Leland Hunger Fellowships. Such evaluations shall include the following:
(A) An assessment of the successful completion of the work plan of the fellow.
(B) An assessment of the impact of the fellowship on the fellows.
(C) An assessment of the accomplishment of the purposes of the program.

(V) DETERMINATION OF IMPACT ON THE FELLOWSHIP.—Except as provided in subsection (X), the Secretary of the Treasury shall credit to the Fund the interest on, and the proceeds from the sale or redemption of, obligations held in the Fund.

(W) EXPENDITURES; AUDITS.—
(1) IN GENERAL.—The Secretary of the Treasury shall conduct an audit of the accounts of the program. The Comptroller General shall conduct an annual audit of the accounts of the program.

(X) AUDIT BY GAO.—
(i) IN GENERAL.—The Comptroller General of the United States shall conduct an annual audit of the accounts of the program.

(Y) BOOKS.—The program shall make available to the Comptroller General all books, accounts, records, reports, files, and all other papers, things, or property belonging to or in use by the program and necessary to facilitate such audit.

(Z) COMPENSATION.—The Comptroller General shall submit a copy of the results of each such audit to the appropriate congressional committees.

(A) STAFF POWERS OF PROGRAM.—
(1) EXECUTIVE DIRECTOR.—
(A) IN GENERAL.—The Board shall appoint an Executive Director of the program who shall administer the program. The Executive Director shall carry out such other functions consistent with the provisions of this section as the Board shall prescribe.
(B) RESTRICTIONS.—The Executive Director may not serve as Chairperson of the Board.

(B) COMPENSATION.—An individual appointed under subparagraph (A) shall be paid at a rate not to exceed the rate of basic pay for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(C) STAFF.—
(A) IN GENERAL.—With the approval of a majority of the Board, the Executive Director may appoint and fix the pay of additional personnel as the Executive Director considers necessary to carry out the functions of the provisions of this section.

(D) POWERS.—In order to carry out the provisions of this section, the program may perform the following functions:
(A) GIFTS.—The program may solicit, accept, and administer gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the program. Gifts, bequests, or devises received from sales of other property received as gifts, bequests, or devises shall be deposited in the Fund and shall be available for disbursement upon order of the Board.

(E) EXPERTS AND CONSULTANTS.—The program may procure temporary and intermittent services under section 3109 of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay payable for level V of the General Schedule.

(F) CONTRACT AUTHORITY.—The program may contract, with the approval of a majority of the members of the Board, with and compensate Government agencies or persons without regard to section 3709 of the Revised Statutes (41 U.S.C. 13a).

(G) NECESSARY EXPENDITURES.—The program shall make such other expenditures which the program considers necessary to carry out the provisions of this section, but excluding project development.

(H) REPORT.—Not later than December 31 of each year, the Board shall submit to the appropriate congressional committees a report describing its activities during the previous fiscal year, and shall include the following:
(1) An analysis of the evaluations conducted under subsection (d)(4) (relating to evaluations of the Emerson and Leland fellowships and accomplishment of the program purposes) during that fiscal year.
(2) A statement of the total amount of funds attributable to gifts received by the program in that fiscal year (as authorized under subsection (d)(4)(A))(1) and the total amount of such funds that were expended to carry out the program that fiscal year.

(I) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $18,000,000 to carry out the provisions of this section.

(J) DEFINITION.—In this section, the term “appropriate congressional committees” means—
(1) the Committee on Agriculture and the Committee on Foreign Relations of the Senate.
(2) the Committee on Agriculture, Nutrition and Forestry and the Committee on Foreign Relations of the House of Representatives; and
(3) the Committee on Appropriations.

SEC. 462. GENERAL EFFECTIVE DATE.
Except as otherwise provided in this title, the amendments made by this title shall take effect on October 1.

TITLE V—CREDIT

Subtitle A—Farm Ownership Loans

SEC. 501. DIRECT LOANS.
Section 302(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922(b)(1)) is amended—
(1) in subparagraph (C), by striking “or” at the end;
(2) by adding at the end the following:

“(E) refinancing, during a fiscal year, a short-term, temporary bridge loan made by a commercial or cooperative lender to a beginning farmer or rancher for the acquisition of land for a farm or ranch, if—
“(i) the Secretary approved an application for direct farm ownership loan to the beginning farmer or rancher for acquisition of the land; and
“(ii) funds for direct farm ownership loans under section 302(b)(1) were not available at the time at which the application was approved.”.

SEC. 502. FINANCING OF BRIDGE LOANS.
Section 303(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922(a)(1)) is amended—
(1) in subparagraph (C), by striking “or” at the end;
(2) by adding at the end the following:

“(D) the Secretary approved an application for direct farm ownership loan to the beginning farmer or rancher for acquisition of the land; and
“(E) funds for direct farm ownership loans under section 302(b)(1) were not available at the time at which the application was approved.”.

SEC. 503. LIMITATIONS ON AMOUNT OF FARM OWNERSHIP LOANS.
Section 305 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1925(k)) is
amended by striking subsection (a) and inserting the following:

“(a) IN GENERAL.—The Secretary shall not make or insure a loan under section 302, 303, 303(a), or 310(b) that would cause the unpaid indebtedness under those sections of any 1 borrower to exceed the lesser of—

(1) the value of the farm or other security; or

(2) in the case of a loan made by the Secretary—

(A) to a beginning farmer or rancher, $250,000; or

(B) in the case of a loan guaranteed by the Secretary, $700,000, as adjusted by the Secretary effective July 24, 1971 by the inflation percentage applicable to the fiscal year in which the loan is made; or

(ii) reduced by the amount of any unpaid indebtedness of the borrower on loans under subtitle B that are guaranteed by the Secretary.

SEC. 504. JOINT FINANCING ARRANGEMENTS.

Section 307(a)(3)(D) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(3)(D)) is amended—

(1) by striking “IF” and inserting the following:

“(i) IN GENERAL.—Subject to clause (ii), IF; and

(2) by adding at the end the following:

“(ii) BEGINNING FARMERS AND RANCHERS.—The interest rate charged a beginning farmer or rancher for a loan described in clause (i) shall not be less than basis points less than the rate charged farmers and ranchers that are not beginning farmers or ranchers.”

SEC. 505. GUARANTEE PERCENTAGE FOR BEGINNING FARMERS AND RANCHERS.

Section 309(b)(6) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(b)(6)) is amended by striking “GUARANTEED” and all that follows through “than” and inserting “GUARANTEED AT 95 PERCENT.—The Secretary shall guarantee.”

SEC. 506. GUARANTEE OF LOANS MADE UNDER STATE BEGINNING FARMER OR RANCHER PROGRAMS.

Section 309 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929) is amended by adding at the end the following:

“(J) GUARANTEE OF LOANS MADE UNDER STATE BEGINNING FARMER OR RANCHER PROGRAMS.—The Secretary may guarantee under this title a loan made under a State beginning farmer or rancher program, including a loan financed by the net proceeds of a qualified small business agricultural loan for land or property described in section 144(a)(12)(B)(ii) of the Internal Revenue Code of 1986.”

SEC. 507. DOWN PAYMENT LOAN PROGRAM.

Section 310H of the Consolidated Farm and Rural Development Act (7 U.S.C. 1935) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking “30 percent” and inserting “40 percent”; and

(B) in paragraph (3), by striking “10 years” and inserting “20 years”; and

(2) in subsection (c)(3)(B), by striking “10- year” and inserting “20-year”.

SEC. 508. BEGINNING FARMER AND RANCHER CONTRACT LAND SALES PROGRAM.

(a) IN GENERAL.—Subtitle A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922 et seq.) is amended by adding at the end the following:

“SEC. 310F. BEGINNING FARMER AND RANCHER CONTRACT LAND SALES PROGRAM.

“(a) IN GENERAL.—Not later than October 1, 2002, the Secretary shall carry out a pilot program in no fewer than 10 geographically dispersed States, as determined by the Secretary, to guarantee up to 5 loans per State in each of fiscal years 2003 through 2006 made by a private seller of a farm or ranch to a borrower other than a beginning farmer or rancher, $200,000; or

(b) DATE OF COMMENCEMENT OF PROGRAM.—The Secretary shall commence the pilot program on making a determination that guarantees of contract land sales present a risk that is comparable with the risk presented in the case of guarantees to commercial lenders.”

SEC. 509. REGULATIONS.

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary of Agriculture shall promulgate such regulations as are necessary to implement the amendment made by subsection (a).

(2) PROCEDURE.—The promulgation of the regulations and administration of the amendment made by subsection (a) shall be made without regard to—

(A) the notice and comment provisions of section 553 of title 5, United States Code; and

(B) chapter 35 of title 44, United States Code (commonly known as the “Paperwork Reduction Act”).

(3) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out the amendment made by subsection (a), the Secretary shall use the authority provided under section 808 of title 5, United States Code.

SEC. 510. SUBTITLE B—OPERATING LOANS.

SEC. 511. DIRECT LOANS.

Section 311(c)(1)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(c)(1)(A)) is amended by striking “who has not” and all that follows through “5 years”.

SEC. 512. AMOUNT OF GUARANTEE OF LOANS FOR TRIBAL FARM OPERATIONS; WAIVER OF LIMITATIONS FOR TRIBAL OPERATIONS AND OTHER OPERATIONS.

(a) AMOUNT OF GUARANTEE OF LOANS FOR TRIBAL OPERATIONS.—Section 309(h) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(h)) is amended—

(1) in paragraph (4), by striking “paragraphs (5) and (6)” and inserting “paragraphs (5), (6), and (7)”; and

(2) by adding at the end the following:

“(7) AMOUNT OF GUARANTEE OF LOANS FOR TRIBAL OPERATIONS.—In the case of an operating loan made to a Native American farmer or rancher whose farm or ranch is within an Indian reservation (as defined in section 333(e)(1)(A)(ii)), the Secretary shall guarantee 95 percent of the loan.”

(b) WAIVER OF LIMITATIONS.—Section 311(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(c)) is amended—

(1) in paragraph (3), by striking “paragraph (3)” and inserting “paragraphs (3) and (4)”;

(2) by adding at the end the following:

“(4) ELIGIBILITY.—(A) TRIBAL FARM AND RANCH OPERATIONS.—The Secretary shall waive the limitation under paragraph (1)(C) for a direct operating loan made under this subtitle to a Native American farmer or rancher whose farm or ranch is within an Indian reservation (as defined in section 333(e)(1)(A)(ii)) if the Secretary determines that guaranteed commercial credit is not generally available for such farm or ranch operations.

“(B) OTHER FARM AND RANCH OPERATIONS.—On a case-by-case determination not subject to administrative appeal, the Secretary may grant a borrower a waiver, 1 time only for a period of 2 years or more, of the requirement stated in paragraph (1)(C) for a direct operating loan if the borrower demonstrates to the satisfaction of the Secretary that—

(i) the borrower has a viable farm or ranch operation;

(ii) the borrower applied for commercial credit from at least 2 commercial lenders; and

(iii) the borrower was unable to obtain a commercial loan (including a loan guaranteed by the Secretary); and

(iv) the borrower successfully has completed or will complete, under any rule, the borrower training under section 359 (from which requirement the Secretary shall not grant a waiver under section 359(f)).”.

SEC. 513. ADMINISTRATIVE PROVISIONS.

SEC. 521. ELIGIBILITY OF LIMITED LIABILITY COMPANIES FOR FARM OWNERSHIP LOANS, FARM OPERATING LOANS, AND EMERGENCY LOANS.

(a) IN GENERAL.—Sections 302(a), 311(a), and 322(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922(a), 1941(a), and 1961(a)) are amended by striking “and joint operations” each place it appears and inserting “joint operations, and limited liability companies”.

(b) CONFORMING AMENDMENT.—Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended by striking “or joint operations” each place it appears and inserting “and joint operations, or limited liability companies”.

SEC. 522. DEBT SETTLEMENT.

Section 331(b)(4) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981(b)(4)) is amended by striking “carried out—” and all that follows through “(B) after” and inserting “carried out after”.­

SEC. 523. TEMPORARY AUTHORITY TO ENTER INTO CONTRACTS; PRIVATE COLLECTION AGENCIES.

(a) IN GENERAL.—Section 331 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981) is amended by striking subsections (d) and (e).

(b) APPLICATION.—The amendment made by subsection (a) shall not apply to a contract entered into before the effective date of this Act.

SEC. 524. INTEREST RATE OPTIONS FOR LOANS IN SERVICING.

Section 331B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981b) is amended by adding—

(1) by striking “lower of (1) the” and inserting the following: “lowest of—

“(1) the”; and

(2) by striking “original loan or (2) the” and inserting the following: “original loan; “(2) the rate being charged by the Secretary for loans, other than guaranteed loans, of the same type at the time at which the borrower applies for a deferral, consolidation, rescheduling, or reamortization; or

“(3) the”.

SEC. 525. ANNUAL REVIEW OF BORROWERS.

Section 333 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983) is amended by striking paragraph (2) and inserting the following:

“(2) with respect to a loan under section 306, 310B, or 314—

“(A) an annual review of the credit history and business operation of the borrower; and

“(B) an annual review of the continued eligibility of the borrower for the loan.”.

SEC. 526. SIMPLIFIED LOAN APPLICATIONS.

Section 333a(g)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983a(g)(1)) is amended by striking “of loans the principal amount of which is $50,000 or

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(B) and (C)''; and paragraph (B)'' and inserting ''subparagraphs
Secretary shall offer to sell the property in
the Secretary leased before April 4, 1996, not
property acquired before April 4, 1996, that
following:
striking subparagraph (B) and inserting the
RANCHER.—Section 343(a)(11)(F) of the Con-
resolution of a discrimination complaint
amortization, or deferral of a loan; or
property in the State that
servationist of each State in which inven-
ERTY.—To the maximum extent practicable,
inserting ''135 days''; and
(C)''; and
(B) in subparagraph (C)—
by striking ''75 days'' and inserting ''135
days''; and
by striking ''75-day period'' and inserting
135-day period'');
and
by striking paragraph (2) and inserting the following:
"(2) PREVIOUS LEASE.—In the case of real
property acquired before April 4, 1996, that the Secretary leased before April 4, 1996, not later than 90 days after the lease expires, the Secretary shall offer to sell the property in accordance with paragraph (1).''; and
paragraph (3)—
(A) by striking subparagraph (A), by striking ''sub-
paragraph (B)'' and inserting ''subparagraphs
(B) and (C)''; and
(B) by striking at the end the following:
"(C) OFFER TO SELL OR GRANT FOR FARM-
LAND PRESERVATION.—For the purpose of
farmland preservation, the Secretary shall—
"(1) in consultation with the State Con-
servationist of each State in which inventory property is located, identify each parcel of inventory property in the State that should be preserved for agricultural use; and
"(2) offer to sell or grant an easement, restric-
tion, development right, or similar legal right to each parcel identified under clause (1) to a State, a political subdivision of a State, or a private nonprofit organization separately from the underlying fee or other rights to the property owned by the United States.
SEC. 528. DEFINITIONS.
(a) QUALIFIED BEGINNING FARMER OR RANCHER.—Section 343(a)(11)(F) of the Con-
solidated and Rural Development Act (7 U.S.C. 1991(a)(11)(F)) is amended by striking ''25 percent'' and inserting ''30 percent''.
(b) DEBT FORGIVENESS.—Section 343(a)(12) of the Consolidated Farm and Rural Develop-
ment Act (7 U.S.C. 1991(a)(12)) is amended by striking subparagraph (B) and inserting the following:
"(B) EXCEPTIONS.—The term 'debt forgive-
ness' does not include—
"(1) consolidation, rescheduling, re-
amortization, or refinancing of a loan; or
"(2) any write-down provided as part of a resolution of a discrimination complaint against the Secretary.
SEC. 529. LOAN AUTHORIZATION LEVELS.
Section 346 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994) is amended
(1) in subsection (b)—
(A) by striking paragraph (1) and inserting the following:
"(1) IN GENERAL.—The Secretary may make or guarantee loans under subparts A and B from the Agricultural Credit Insurance Fund provided for in section 309 for not more than $3,750,000,000 for each of fiscal years 2002 through 2006, for each fiscal year, of which—
"(A) $750,000,000 shall be for direct loans, of which—
"(i) $200,000,000 shall be for farm ownership loans under subtitle A; and
"(ii) $550,000,000 shall be for operating loans under subtitle B; and
"(B) $5,000,000 shall be for guaranteed loans, of which—
"(i) $1,000,000,000 shall be for guarantees of farm ownership loans under subtitle A; and
"(ii) $2,000,000,000 shall be for guarantees of operating loans under subtitle B.''; and
(B) in paragraph (2)(A)(ii), by striking ''farmers and ranchers' and all that follows and inserting ''farmers and ranchers 35 per-
cent for each of fiscal years 2002 through 2006.''; and
(2) in subsection (c), by striking the last sentence.
SEC. 530. INTEREST RATE REDUCTION PROGRAM.
Section 351 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999) is amended
(1) in subsection (a)—
(A) by striking ''Program.—'' and all that follows through 'The Secretary' and inserting
"Program.—'' and 'The Secretary'; and
(B) by striking paragraph (2);
(2) by striking subsection (c) and inserting the following:
"(c) AMOUNT OF INTEREST RATE REDU-
CTION.—
"(1) IN GENERAL.—In return for a contract entered into by a lender under subsection (b) for the reduction of the interest rate paid on a loan, the Secretary shall make payments to the lender in an amount equal to not more than the amount of the annual rate of interest payable on the loan, except that such payments shall not exceed the cost of reducing the rate by more than—
"(A) in the case of a borrower other than a beginning farmer or rancher, 3 percent; and
"(B) in the case of a beginning farmer or rancher, 4 percent.
"(2) BEGINNING FARMERS AND RANCHERS.—
The percentage reduction of the interest rate for which payments are authorized to be made for a beginning farmer or rancher under paragraph (1) shall be 1 percent more than the percentage reduction for farmers and ranchers that are not beginning farmers or ranchers.''; and
(3) in subsection (e), by striking paragraph (2) and inserting the following:
"(2) MAXIMUM AMOUNT OF FUNDS.—
"(A) In this section, the total amount of funds used by the Secretary to carry out this section for a fiscal year shall not exceed $750,000,000.
"(B) BEGINNING FARMERS AND RANCHERS.—
"(i) IN GENERAL.—The Secretary shall re-
sert not less than 25 percent of the funds used by the Secretary under subparagraph (A) to make payments for guaranteed loans made to beginning farmers and ranchers.
"(ii) DURATION OF RESERVATION OF FUNDS.— Funds reserved for beginning farmers or ranchers under this subsection shall be reserved only until April 1 of the fiscal year.
SEC. 531. OPTIONS FOR SATISFACTION OF OBLI-
GATION AMOUNT.
(1) RECAPTURE AMOUNT FOR SHARED APPRECI-
ATION AGREEMENTS.—
"(a) IN GENERAL.—Section 353(e)(7) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001(e)(7)) is amended—
"(1) in subparagraph (C), by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively, and adjusting the margins approp-
riately;
"(2) by redesignating subparagraphs (A) through (G) as clauses (1) through (8), re-
spectively, and adjusting the margins approp-
riately;
"(3) by striking the paragraph heading and inserting the following:
"(7) OPTIONS FOR SATISFACTION OF OBLIGA-
TION TO PAY RECAPTURE AMOUNT.—
"(A) IN GENERAL.—As an alternative to re-
paying the full recapture amount at the end of the term of the agreement (as determined by the Secretary in accordance with this sec-
tion) the borrower may substitute the obligation to pay the amount of recapture by—
"(i) financing the recapture payment in ac-
cordance with subparagraph (B); or
"(ii) granting the Secretary an agricul-
tural use protection and conservation easement on the property subject to the shared appreciation agreement in accordance with subparagraph (C).
"(B) FINANCING OF RECAPTURE PAYMENT.—
"(1) IN GENERAL.—Subject to clause (iii), the Secretary shall accept an agricultural use protection and conservation easement from the borrower for all of the real estate property subject to the shared appreciation agreement in lieu of payment of the recapture
amount.
"(ii) TERM.—The term of an easement ac-
cepted by the Secretary under this subpara-
grah shall be 25 years.
"(iii) CONDITIONS.—The easement shall re-
quire that the property shall continue to be used or conserved for agricultural and conservation uses in ac-
cordance with sound farming and conserva-
tion practices, as determined by the Sec-
retary.
"(iv) REPLACEMENT OF METHOD OF SATIS-
FYING OBLIGATION.—A borrower that has begun financing may satisfy the obligation under subparagraph (B) may replace that fi-
cancing with an agricultural use protection and conservation easement under this sub-
paragraph as determined by the Secretary.
(b) APPLICABILITY.—The amendments made by subsection (a) shall apply to a shared appre-
ciation agreement that—
"(1) matures on or after the date of enactment of this Act; or
"(2) matured before the date of enactment of this Act, if—
(A) the recapture amount was reamortized under section 353(e)(7) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001(e)(7)) as in effect on the day before the date of enactment of this Act; or
(B)(i) the recapture amount had not been paid before the date of enactment of this Act because of circumstances beyond the control of the borrower; and
(ii) the borrower acted in good faith (as determined by the Secretary in attempting to repay the recapture amount).
SEC. 532. WAIVER OF BORROWER TRAINING CERT-
IFICATION REQUIREMENT.
Section 359 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006a) is amended by striking subsection (f) and in-
serting the following:
"(f) WAIVERS.—
"(1) IN GENERAL.—The Secretary may waive the requirements of this section for an individual borrower if the Secretary deter-
mines that the borrower demonstrates ade-
quately knowledge in areas described in this section.
"(2) CRITERIA.—The Secretary shall estab-
lishe criteria providing for the application of paragraph (1) consistently in all counties na-
tionwide.''
SEC. 533. ANNUAL REVIEW OF BORROWERS.
Section 360(d)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006b(d)(1)) is amended by striking "bri-
nual" and inserting "annual".
SEC. 541. REPEAL OF BURDENSOME APPROVAL REQUIREMENTS.

(a) Banks for Cooperatives.—Section 3.1(11)(b)(2) of the Farm Credit Act of 1971 (12 U.S.C. 2122(11)(b)(2)) is amended—

(1) by striking clause (iii); and

(2) by redesignating clause (iv) as clause (iii).

(b) Other System Banks; Associations.—Section 4.18A of the Farm Credit Act of 1971 (12 U.S.C. 2206a) is amended—

(1) in subsection (a)(iv), by striking “3.1(11)(b)(iv)” and inserting “3.1(11)(b)(iii)” and

(2) by striking subsection (c).

SEC. 542. DEFINITION OF ENTERPRISE-GUARANTEED LOAN.

Section 3.7(b) of the Farm Credit Act of 1971 (12 U.S.C. 2128(b)) is amended—

(1) in paragraphs (1) and (2)(A)(i), by striking “farm supplies” each place it appears and inserting “agricultural supplies”; and

(2) by adding at the end the following:

“(4) DEFINITION OF AGRICULTURAL SUPPLIES.—In this subsection, the term ‘agricultural supplies’ includes—

“(A) a farm supply; and

“(B) an agricultural-related processing equipment;”.

(ii) agriculture-related machinery; and

(iii) other capital-related goods related to the storage or handling of agricultural commodities or processing equipment;”.

SEC. 543. INSURANCE CORPORATION PREMIUMS.

(a) Reduction in Premiums for GSE-Guaranteed Loans.—In general.—Section 5.55 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4) is amended—

(A) in subsection (a)—

(i) in paragraph (1), by striking “government-guaranteed loans provided for in subparagraph (C)” and inserting “loans provided for in subparagraphs (C) and (D)”; and

(ii) in subparagraph (B), by striking “and” at the end;

(III) in subparagraph (C), by striking the period “and” at the end and inserting “; and”;

(II) in subparagraph (B), by striking “and” at the end;

(iii) in paragraph (2)—

(A) by striking “15” and inserting “17”; and

(B) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(ii) by inserting after paragraph (5) the following:

“(4) the annual average principal outstanding on the guaranteed portions of Government Sponsored Enterprise-guaranteed loans (as defined in section 5.55(a)(4)) that are in accrual status,”.

(b) Effective Date.—The amendments made by subsection (a) take effect on the date on which Farm Credit System Insurance Corporation premiums are due from insured Farm Credit System banks under section 5.55 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4) for calendar year 2001.

SEC. 544. BOARD OF DIRECTORS OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

Section 8.2(b) of the Farm Credit Act of 1971 (12 U.S.C. 2286(b)) is amended—

(1) in paragraph (2)—

(A) by striking “15” and inserting “17”; and

(B) in subparagraph (A), by striking “common loan stock” and inserting “Class A voting common stock”; and

(C) in subparagraph (B), by striking “common stock” and all that follows and inserting “Class A voting common stock”;

(2) in paragraph (3), by striking “(2)(C)” and inserting “(2)(C) and (D)”; and

(3) in paragraph (4)—

(A) in subparagraph (A), by striking “(A)” or “(B)” and inserting “(A), (B), or (C)” and

(B) in subparagraph (B), by striking “(2)(C)” and inserting “(2)(D)”;

(4) in paragraph (5)(A)—

(A) by inserting “executive officers of the Corporation” after “from among persons who are”; and

(B) by striking “such a representative” and inserting “such an executive officer or representative”;

(5) in paragraph (6)(B), by striking “(A)” and “(B)” and inserting “(A), (B), and (C)”;

(6) in paragraph (7), by striking “8 members” and inserting “9 members”; and

(7) in paragraph (8)—

(A) in the paragraph heading, by inserting “or executive officers of the Corporation” after “United States”; and

(b) by striking paragraph (9) and inserting the following:

“(9) Chairperson.—

“(A) Election.—The permanent board shall annually elect a chairperson from among the members of the permanent board.

“(B) Term.—The term of the chairperson shall coincide with the term served by elected members of the permanent board under paragraph (6)(B).”.

Subtitle E—General Provisions

SEC. 551. INAPPLICABILITY OF FINALITY RULE.

Subsection (a) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7001(a)(1)) is amended—

(1) by striking “this subsection” and inserting the following:

“In general. Except as provided in paragraph (2), this subsection”; and

(2) by adding at the end the following:

“(B) AGRICULTURAL CREDIT DECISIONS.—This subsection shall not apply with respect to an agricultural credit decision made by a State, county, or area committee, or employee of such a committee, under the standing committees of the Farm Credit Act (7 U.S.C. 1921 et seq.).”.

SEC. 552. TECHNICAL AMENDMENTS.

(a) Section 321(a) of the Consolidated Farm and Rural Development Act of 1972 (7 U.S.C. 1961(a)) is amended by striking “such a representative” and all that follows and inserting “such a State, county, or area committee, or employee of such a committee.”.

(b) Section 336(b) of the Consolidated Farm and Rural Development Act of 1972 (7 U.S.C. 1966(b)) is amended by inserting the words “or executive officers of the Corporation” after “employee of such a committee, under the”.

(c) Section 359(c)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1966a(c)(1)) is amended by striking “established pursuant to section 332.”.

(d) Section 360(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1966a(a)) is amended by striking “established pursuant to section 332.”.

SEC. 553. EFFECT OF AMENDMENTS.

(a) In general.—Except as otherwise specifically provided in this title and notwithstanding any other provision of law, this title and the amendments made by this title shall not affect the authority of the Secretary of Agriculture to carry out a farm credit program (as defined in section 502 of the Farm Credit Act of 1971, as amended) through 2001 fiscal years under a provision of law in effect immediately before the enactment of this Act.

(b) Liability.—A provision of this title or an amendment made by this title shall not affect the liability of any person under any provision of law as in effect immediately before the enactment of this Act.

SEC. 554. EFFECTIVE DATE.

(a) In general.—Except as provided in subsection (b) and section 543(b), this title and the amendments made by this title shall take effect immediately on the enactment of this Act.

(b) Board of Directors of the Federal Agricultural Mortgage Corporation.—Amendments made by this Act shall take effect on the date of enactment of this Act.

TITLE VI—RURAL DEVELOPMENT

SEC. 601. FUNDING FOR RURAL LOCAL TELEVISION BROADCAST SIGNAL LOAN GUARANTEES.

Section 1011(a) of the Launching Our Communities’ Access to Local Television Act of 2000 (title X of H.R. 5549, as enacted by section 1(a) of Public Law 106–199) is amended by adding at the end the following: “In addition, a total of $200,000,000 of the funds from the Rural Commodity Credit Corporation shall be available during fiscal years 2002 through 2006, while fiscal year limitations, for loan guarantees under this title.”.
Section 4(a) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note) is amended—
(1) by striking paragraph (1) and inserting the following:
   "(1) Establishment and purposes.—
   (A) IN GENERAL.—In each of fiscal years 2002 through 2011, the Secretary shall award competitive grants—
   (i) to eligible independent producers (as determined by the Secretary) of value-added agricultural commodities and products of agricultural commodities to assist an eligible producer—
   (I) to develop a business plan for viable marketing opportunities for a value-added agricultural commodity or product of an agricultural commodity; or
   (II) to develop strategies for the ventures that are intended to create marketing opportunities for the producers; and
   (ii) to public bodies, institutions of higher learning, and trade associations to assist such entities—
   (I) to develop a business plan for viable marketing opportunities in emerging markets for a value-added agricultural commodity or product of an agricultural commodity; or
   (II) to develop strategies for the ventures that are intended to create marketing opportunities in emerging markets for the producers.
   (B) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph $50,000,000 for each of fiscal years 2002 through 2011; 
   (2) by striking "producer" each place it appears thereafter and inserting "grantee"; and
   (3) in the heading for paragraph (3), by striking "PRODUCER" and inserting "GRANTEE".
SEC. 603. AGRICULTURE INNOVATION CENTER DEMONSTRATION PROGRAM.
(a) Purpose.—The purposes of this section are to carry out a demonstration program under which agricultural producers are provided—
(1) technical assistance, including engineering services, applied research, scale production services, and financial services to enable the producers to establish businesses for further processing of agricultural products;
(2) marketing, market development, and business planning services;
(3) overall organizational, outreach, and development assistance to increase the viability, growth, and sustainability of value-added agricultural businesses.
(b) Nature of Program.—The Secretary of Agriculture (in this section referred to as the "Secretary") shall—
(1) make grants to eligible applicants for the purposes of enabling the applicants to obtain the assistance described in subsection (a); and
(2) provide assistance to eligible applicants through the research and technical services of the Department of Agriculture.
(c) Eligibility.—The Secretary shall—
(1) IN GENERAL.—An applicant shall be eligible for a grant and assistance described in subsection (b) to establish an Agriculture Innovation Center if—
(A) the applicant—
(i) has provided services similar to those described in subsection (a); or
(ii) shows the capability of providing the services;
(B) the application of the applicant for the grant and assistance sets forth a plan, in accordance with regulations which shall be prescribed by the Secretary, outlining support of the applicant in the agricultural community, the technical and other expertise of the applicant, and the goals of the applicant for increasing and improving the ability of local producers to develop markets and processes for value-added agricultural products;
(C) the applicant demonstrates that resources (in cash or in kind) that are available, or have been committed to be made available, to the applicant, to increase and improve the ability of local producers to develop markets and processes for value-added agricultural products
(D) the applicant meets the requirement of paragraph (2).
(2) Board of Directors.—The requirement of this paragraph (1) that the applicant shall have a board of directors comprised of representatives of the following groups:
(A) the 2 general agricultural organizations with the greatest number of members in the State in which the applicant is located,
(B) The Department of Agriculture or similar State organization or department, for the State.
(C) Organizations representing the 4 highest grossing commodities produced in the State, agricultural products, and cash sales.
(d) Grants and Assistance.—
(1) IN GENERAL.—Subject to subsection (g), the Secretary shall make grants to eligible applicants under this section, each of which grants shall not exceed the lesser of—
(A) $1,000,000; or
(B) twice the dollar value of the resources (in cash or in kind) that the applicant has demonstrated are available, or have been committed to be made available, to the applicant in accordance with subsection (c)(1)(C).
(2) Initial Limitation.—In the first year of the demonstration program under this section, the Secretary shall make grants under this section, on a competitive basis, to not more than 5 eligible applicants.
(3) Expansion of Demonstration Program.—In the second year of the demonstration program under this section, the Secretary may make grants under this section to not more than 10 eligible applicants, in addition to any entities to which grants are made under paragraph (2) for such year.
(4) State Limitation.—In the first 3 years of the demonstration program under this section, the Secretary shall not make an Agriculture Innovation Center Demonstration Program grant under this section to more than 1 entity within a single State.
(5) Use of Funds.—An entity to which a grant is made under this section may use the grant only for the following purposes, but only to the extent that the use is not described in section 23(c)(1) of the Agricultural Risk Protection Act of 2000:
   (A) Applied research.
   (B) Consulting services.
   (C) Hiring of employees, at the discretion of the grantee, to promote the public welfare.
   (D) Legal services.
   (E) Rule of Interpretation.—This section shall not be construed to prevent a recipient of a grant under this section from collaborating with any other institution with respect to activities conducted using the grant.
   (F) Availability of Funds.—Of the amount made available under section 23(a)(1) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note), the Secretary shall use to carry out this section—
   (1) not less than $5,000,000 for fiscal year 2002; and
   (2) not less than $10,000,000 for each of the fiscal years 2003 and 2004.
   (g) Other Practices.—
   (1) Effects on the agricultural sector.—The Secretary shall utilize $300,000 per year of the funds made available pursuant to the previous subsection to offset any university into the effects of value-added projects on agricultural producers and the commodity markets. The research should be conducted with the best practices on demand for agricultural commodities, market prices, farm income, and Federal outlays on commodity programs using linked, long-term, global projections of the agricultural sector.
(2) Department of Agriculture.—Not later than 3 years after the first 10 grants are made under this section, the Secretary shall prepare and submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and to the Committee on Agriculture of the House of Representatives a written report on the effectiveness of the demonstration program conducted under this section at improving the production of value-added agricultural products and on the effects of the program on the economic viability of the producers, which shall include the best practices and innovations found at each of the Agriculture Innovation Centers established under the demonstration program under this section, and detail the number and type of agricultural projects assisted, and the type of assistance provided.
SEC. 604. FUNDING OF COMMUNITY WATER ASSISTANCE GRANT PROGRAM.
(a) Authorization of Appropriations.—There is authorized to be appropriated to carry out section 396A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a) $30,000,000 for each of fiscal years 2002 through 2011.
(b) Extension of Program.—Section 396A(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a) is amended by striking "2002" and inserting "2011".
(c) Miscellaneous Amendments.—Section 396A of such Act (7 U.S.C. 1926a) is amended—
(1) in the heading by striking "emergency";
(2) in subsection (a)(1)—
(A) by striking "after" and inserting "when";
(B) by inserting "is imminent" after "communities"; and
(3) in subsection (c), by striking "shall" and all that follows and inserting "shall be a public or private nonprofit entity".
SEC. 605. LOAN GUARANTEES FOR THE FINANCING OF THE PURCHASE OF RENEWABLE ENERGY SYSTEMS.
Section 4 of the Rural Electrification Act of 1936 (7 U.S.C. 904) is amended—
(1) by inserting "(a)" before "The Secretary";
(2) by adding after and below the end the following:
   "(b) Loan Guarantees for the Financing of the Purchase of Renewable Energy Systems.—The Secretary may provide a loan guarantee, on such terms and conditions as the Secretary deems appropriate, for the purpose of financing the purchase of a renewable energy system, including a wind energy system and anaerobic digesters for the purpose of energy generation, by any person or individual who is a farmer, a rancher, or an individual who is a member of a small business (as defined by the Secretary) that is located in a rural area (as defined by the Secretary). In providing guarantees under this subsection, the Secretary shall give priority to loans used primarily for power generation on a farm, ranch, or small business (as so defined)."

SEC. 606. LOANS AND LOAN GUARANTEES FOR RENEWABLE ENERGY SYSTEMS.

Section 310(b)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(b)(3)) is amended by inserting “and other renewable energy systems including wind energy systems and anaerobic digesters for the purpose of energy generation” after “solar energy systems”.

SEC. 607. RURAL BUSINESS OPPORTUNITY GRANTS.


SEC. 608. GRANTS FOR WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

Section 306(d)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(d)(1)) is amended by striking “and 2002” and inserting “through 2011”.

SEC. 609. RURAL COOPERATIVE DEVELOPMENT FUND.

Section 310(e)(9) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)(9)) is amended by striking “2002” and inserting “2011”.

SEC. 610. NATIONAL RESERVE ACCOUNT OF RURAL DEVELOPMENT TRUST FUND.

Section 309(b)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009(b)(3)) is amended by striking “fiscal year 2002” and inserting “each of the fiscal years 2002 through 2009”.

SEC. 611. RURAL VENTURE CAPITAL DEMONSTRATION PROGRAM.

Section 310(b)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(b)(3)) is amended by striking “2002” and inserting “2011”.

SEC. 612. INCREASE IN LIMIT ON CERTAIN LOANS FOR RURAL DEVELOPMENT.

Section 310(b)(3)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(b)(3)) is amended by striking “$25,000,000” and inserting “$100,000,000”.

SEC. 613. PILGR image Processing for Development and Implementation of Strategic Regional Development Plans.

(a) DEVELOPMENT.—

(1) SELECTION OF STATES.—The Secretary of Agriculture shall, from the section referred to as the “Secretary”) shall, on a competitive basis, select States in which to implement strategic regional development plans developed under this section.

(2) GRANTS.—

(A) AUTHORITY.—

(i) IN GENERAL.—From the funds made available under this subsection, the Secretary shall make a matching grant to 1 or more entities in each State selected under subsection (a), to develop a strategic regional development plan that provides for rural economic development in a region in the State in which the entity is located.

(ii) PRIORITY.—In making grants under this subsection, the Secretary shall give priority to entities that represent a regional coalition of community-based planning, development, governmental, and business organizations.

(B) TERMS OF MATCH.—In order for an entity to be eligible for a matching grant under this subsection, the entity shall make a commitment to carry out this section for each of fiscal years 2002 through 2011 the total obtained by adding—

(i) $2,000,000; and

(ii) 5% of the amounts made available by section 943 of the Farm Security Act of 2001 for grants under this section.

(B) AVAILABILITY.—Funds made available pursuant to subsection (a) shall remain available without fiscal year limitation.

(c) USE OF FUNDS.—The amounts made available under subsection (a) may be used as the Secretary determines appropriate to carry out any provision of this section.

SEC. 614. GRANTS TO NONPROFIT ORGANIZATIONS TO FINANCE THE CONSTRUCTION, REFURBISHING, AND SERVICING OF INDIVIDUALLY-OWNED HOUSEHOLD WATER WELL SYSTEMS IN RURAL AREAS FOR INDIVIDUALS WITH LOW OR MODERATE INCOMES.

(a) IN GENERAL.—Subtitle A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922-1949) is amended by inserting after section 306D the following:

SEC. 306E. GRANTS TO NONPROFIT ORGANIZATIONS TO FINANCE THE CONSTRUCTION, REFURBISHING, AND SERVICING OF INDIVIDUALLY-OWNED HOUSEHOLD WATER WELL SYSTEMS IN RURAL AREAS FOR INDIVIDUALS WITH LOW OR MODERATE INCOMES.

(a) DEFINITION OF ELIGIBLE INDIVIDUAL.—In this section, the term “eligible individual” means an individual who is a member of a household, the combined income of whose members for the most recent 12-month period is less than 80% of the median income for households that are occupied (or to be occupied) by the eligible individuals.

(b) GRANTS.—The Secretary may make grants to private nonprofit organizations for the purpose of assisting eligible individuals in obtaining financing for the construction, refurbishing, and servicing of individual household water well systems in rural areas that are occupied (or to be occupied) by the eligible individuals.

(c) USE OF FUNDS.—A grant made under this section may be—

(i) used, or invested to provide income to be used, to carry out subsection (b); and

(ii) used to pay administrative expenses associated with providing the assistance described in subsection (b).

(d) PRIORITY IN AWARDING GRANTS.—In awarding grants under this section, the Secretary shall give priority to an applicant that has substantial expertise and experience in promoting the safe and productive use of individually-owned household water well systems and ground water.

(2) EFFECTIVE DATE.—The amendment made by this section takes effect on October 1, 2001.

SEC. 615. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.

Subtitle E of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009-2009n) is amended by adding at the end the following:

SEC. 381P. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.

(a) RURAL AREA DEFINED.—In this section, the term “rural area” means such areas as the Secretary may determine.

(b) ESTABLISHMENT.—There is established a National Rural Development Partnership (in this section referred to as the “Partnership”), which shall be composed of—

(1) representatives of all Federal agencies that affect or benefit rural areas; and

(2) State rural development councils established in accordance with subsection (d).

(c) NATIONAL RURAL DEVELOPMENT COORDINATING COMMITTEE.—

(1) COMPOSITION.—The National Rural Development Coordinating Committee (in this section referred to as the “Coordinating Committee”) may be composed of—

(A) representatives of all Federal departments and agencies with policies and programs that affect or benefit rural areas; and

(B) representatives of national associations of State, regional, local, and tribal governments and intergovernmental and multi-jurisdictional agencies; and

(C) national public interest groups; and

(D) other national nonprofit organizations that elect to participate in the activities of the Coordinating Committee.

(2) FUNCTIONS.—The Coordinating Committee may—

(A) provide support for the work of the rural development councils established in accordance with subsection (d); and

(B) develop and facilitate strategies to reduce or eliminate conflicting or duplicative administrative and regulatory impediments confronting rural areas.

(d) STATE RURAL DEVELOPMENT COUNCILS.—

(1) COMPOSITION.—A State rural development council may—

(A) be composed of representatives of Federal, State, local, and tribal governments, and nonprofit organizations, the private sector, and other entities committed to rural advancement; and

(B) have a nonpartisan and nondiscriminatory membership that is broad and representative of the economic, social, and political diversity of the State.

(2) FUNCTIONS.—A State rural development council may—

(A) facilitate collaboration among Federal, State, local, and tribal governments and the private and nonprofit sectors in the planning and implementation of programs and policies that affect the rural areas of the State; and

(B) develop and facilitate strategies to reduce or eliminate conflicting or duplicative administrative and regulatory impediments confronting the rural areas of the State.

(3) ADMINISTRATION OF THE PARTNER- ship.—The Secretary may provide for any additional support staff to the Partnership as the Secretary determines to be necessary to carry out the duties of the Partnership.

(4) TERMINATION.—The authority provided by this section shall terminate on the date that is 5 years after the date of the enactment of this section.”.
SEC. 516. ELIGIBILITY OF RURAL EMPowerMENT ZONES, RURAL ENTERPRISE COMMUNITIES, AND CHAMPION COMMUNITY FACILITIES FOR DIRECT AND GUARANTEED LOANS FOR ESSENTIAL COMMUNITY FACILITIES.

Section 306 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(1)) is amended by inserting after the 1st sentence the following: “The Secretary may also make direct loans to communities that have been designated as rural empowerment zones or rural enterprise communities, or have been designated as community facilities that have been designated as champion communities, that are eligible for a guaranteed loan under section (a)(1), the Secretary shall not apply any lending restriction based on population to the area in which the cooperative organization is located.”

SEC. 517. GRANTS TO TRAIN FARM WORKERS IN NEW TECHNOLOGIES AND TO TRAIN FARM WORKERS IN SPECIALIZED SKILLS NECESSARY FOR HIGHER VALUE CROPS.

(a) In General.—The Secretary of Agriculture may make a grant to a nonprofit organization with the capacity to train farm workers, or to a consortium of nonprofit organizations, State and local governments, agricultural labor organizations, and community-based organizations with that capacity, to carry out projects to train farm workers in the use of new technologies and the skills necessary for the production of higher value crops.

(b) Limitations.—An entity to which a grant is made under this section shall use the grant to train farm workers to use new technologies and develop specialized skills for agricultural production.

(c) Authorization of Appropriations.—For grants under this section, there are authorized to be appropriated to the Secretary of Agriculture not more than $10,000,000 for each of fiscal years 2002 through 2011.

SEC. 518. LOAN GUARANTEES FOR THE PURCHASE OF STOCK IN A FARMER CO-OPERATIVE SEEKING TO MODERNIZE OR EXPAND.

Section 310(b)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)) is amended by striking “start-up” and all that follows and inserting “capital stock of a farmer cooperative established for an agricultural purpose.”.

SEC. 519. INTANGIBLE ASSETS AND SUBORDINATED SECURED DEBT REQUIRED TO BE CONSIDERED IN DETERMINING ELIGIBILITY OF FARM-OWNED COOPERATIVE FOR BUSINESS AND INDUSTRY GUARANTEED LOAN.

Section 313 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by adding at the end the following: “(h) Intangible Assets and Subordinated Secured Debt Required To Be Considered In Determining Eligibility Of Farmer-Owned Cooperative For Business And Industry Guaranteed Loan.—In determining whether a cooperative organization owned by farmers is eligible for a guaranteed loan under subsection (a)(1), the Secretary shall not apply any lending restriction based on the value of the intangible assets and subordinated secured debt of the cooperative organization.”.

SEC. 520. BAN ON LIMITING ELIGIBILITY OF FARMER-OWNED COOPERATIVE FOR BUSINESS AND INDUSTRY LOAN GUARANTEES BASED ON POPULATION OF AREA IN WHICH COOPERATIVE IS LOCATED; REFINANCING.

Section 310(f)(2)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(1)) is amended by adding at the end of the following: “(1) SPECIAL RULES APPLICABLE TO FARMER CO-OPERATIVES UNDER THE BUSINESS AND INDUSTRY LOAN PROGRAM.—In determining whether a cooperative organization owned by farmers is eligible for a guaranteed loan under subsection (a)(1), the Secretary shall not apply any lending restriction based on population to the area in which the cooperative organization is located.”

(2) The cooperative organization has adequate security or collateral (including tangible and intangible assets).”.

SEC. 521. RURAL WATER AND WASTE FACILITY GRANTS.

Section 306(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)) is amended by striking “aggregating not to exceed $500,000,000 in any fiscal year” and inserting “not to exceed $600,000,000 in any fiscal year”.

SEC. 522. RURAL WATER CIRCUIT RIDER PROGRAM.

(a) Establishment.—The Secretary of Agriculture shall establish a national rural water and wastewater circuit rider program that shall be modeled after the National Rural Water Association Rural Water Circuit Rider Program that receives funding from the Rural Utilities Service.

(b) Limitations on Authorization of Appropriations.—To carry out subsection (a), there are authorized to be appropriated to the Secretary of Agriculture $15,000,000 for each fiscal year.

SEC. 523. RURAL WATER GRASSROOTS SOURCE WATER PROTECTION PROGRAM.

(a) Establishment.—The Secretary of Agriculture shall establish a national grassroots source water protection program that will utilize the on-site technical assistance capabilities of State rural water associations that are operating wellhead or ground water protection programs in each State.

(b) Limitations on Authorization of Appropriations.—To carry out subsection (a), there are authorized to be appropriated to the Secretary of Agriculture $5,000,000 for each fiscal year.

SEC. 524. DELTA REGIONAL AUTHORITY.

SEC. 525. PREDEVELOPMENT AND SMALL CAPITALIZATION LOAN FUND.

The Secretary of Agriculture may make grants to private, nonprofit, multi-state rural community organizations to capitalize revolving funds for the purpose of financing eligible projects of predevelopment, repair, and improvement of community water and wastewater systems. Financing provided using funds appropriated to carry out this program may not exceed $500,000.

SEC. 526. RURAL ECONOMIC DEVELOPMENT LOAN FUND PROGRAM.

The Secretary of Agriculture may use an additional source of funding for economic development programs administered by the Department of Agriculture through guarantees provided under this section, for the purchase of guaranteed notes issued by cooperative lenders for electricity and telecommunications purposes.

SEC. 713. UNIVERSITY RESEARCH.
Sections (a) and (b) of section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311(a) and (b)) are amended by striking “2002” each place it appears and inserting “2011”.

SEC. 714. EXTENSION SERVICE.
Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended by striking “2002” and inserting “2011”.

SEC. 715. SUPPLEMENTAL AND ALTERNATIVE CROPS.
Section 1473E(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3316(a)) is amended by striking “2002” and inserting “2011”.

SEC. 716. AGRICULTURE RESEARCH FACILITIES.
The first sentence of section 1477 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3317) is amended by striking “2002” and inserting “2011”.

SEC. 735. GRANTS FOR RESEARCH ON PRODUCER ORGANIZATIONS.
Section 1498(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312(b)) is amended by striking “2002” and inserting “2011”.

SEC. 736. BIOMASS RESEARCH AND DEVELOPMENT.
Section 1499(a)(3) of such Act is amended by striking “under sections 534 and 535” and inserting “under sections 534, 535, and 536”.

SEC. 737. AGRICULTURAL EXPERIMENT STATIONS RESEARCH FACILITIES.
Section 1514 of such Act (7 U.S.C. 3316(a)) is amended by striking “2002” and inserting “2011”.

SEC. 738. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANTS NATIONAL RESEARCH INITIATIVE.
Section 2(b)(10) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 4501(b)(10)) is amended by striking “2002” and inserting “2011”.

SEC. 739. FEDERAL AGRICULTURAL RESEARCH FACILITIES AUTHORIZATION OF AP- PROPRIATIONS.

SEC. 740. COTTON CLASSIFICATION SERVICES.
The first sentence of section 3a of the Act of March 3, 1927 (commonly known as the “Cotton Statistics and Estimates Act”; 7 U.S.C. 171a) is amended by striking “2002” and inserting “2011”.

SEC. 740A. CRITICAL AGRICULTURAL MATERIALS RESEARCH.
(1) AUTHORIZATION OF APPROPRIATIONS.— Section 534(a)(1)(A) of the Critical Agricultural Materials Act (7 U.S.C. 173(a)) is amended by striking “2002” and inserting “2011”.

SEC. 740B. PRIVATE NONINDUSTRIAL HARDWOOD RESEARCH.
(a) IN GENERAL.—The Secretary shall establish a program to provide competitive grants to producers to be used for basic hardwood research projects directed at—

(1) improving timber management techniques;

(2) increasing timber production;

(3) expanding genetic research; and

(4) addressing invasive and endangered species.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2002 through 2011.

Subtitle B—Modifications

SEC. 741. EQUITY IN EDUCATIONAL LAND-GRANT STATUS ACT.
(1) Bay Mills Community College.
(2) Blackfeet Community College.
(3) Cankdeska Cikana Community College.
(4) College of Menominee Nation.
(5) Crowpoint Institute of Technology.
(6) D–Q University.
(7) Dine College.
(8) Dull Knife Memorial College.
(9) Fond du Lac Tribal and Community College.
(10) Fort Belknap College.
(11) Fort Berthold Community College.
(12) Fort Peck Community College.
(13) Haskell Indian Nations University.
(14) Institute of American Indian and Alaska Native Culture and Arts Development.
(15) Lac Courte Oreilles Ojibwa Community College.
(16) Leech Lake Tribal College.
(17) Little Big Horn College.
(18) Little Priest Tribal College.
(19) Nebraska Indian Community College.
Section 1404(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3104(a)) is amended—

(1) by striking “and” at the end of subparagraph (E); and
(2) by adding at the end of the following:

“(F) is one of the 1994 Institutions (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994).”.


SEC. 408. Bovine Johne’s Disease Control Initiative.

(a) Research Grant Authorized.—Section 408(a) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7628(a)) is amended—

(1) in subsection (a)(8), by striking “but” after “disease” and inserting “infectious diseases caused by”;
(2) by inserting “or” after “designated by” and before “the Secretary”;
(3) in subsection (b), by striking “and” at the end of paragraph (4) and inserting “; but”;

(b) Authorization to Revise.—The Secretary of Agriculture may make grants under this section for the purpose of enhancing the efficiency of livestock, poultry, and other meat systems and for the purpose of identifying possible livestock disease control strategies.


(a) Agricultural Genome Initiative.—Section 1671(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5924(b)) is amended—

(1) in section 1671(b)(3), by striking “‘(16) establishing and operating data bases’” and inserting “‘(16) establishing and operating data bases’”; and
(2) in section 1672(a)(2), by striking “‘(19) establishing and operating data bases’” and inserting “‘(19) establishing and operating data bases’”.

(b) Authorization to Amalgamate.—The Secretary of Agriculture may make grants under this section for the purpose of identifying possible livestock disease control strategies.
(1) in section 302(3), by inserting “or bio-
diesel” after “such as ethanol”;
(2) in section 303(5), by inserting “animal
byproducts,” after “fibers,”; and
(3) in section 305(b)(1), by redesignating sub-
paragraphs (E) through (J) as subparagraphs (F) through
(K), respectively; and
(4) by redesignating subparagraph (D) the
following new subparagraph:
“(E) an individual affiliated with a live-
stock trade association.”

SEC. 747. BIOLOGICAL RISK ASSESSMENT RESEARCH.
Section 1668 of the Food, Agriculture, Con-
serve, and Trade Act of 1990 (7 U.S.C. 7624) is amended by adding at the end
the following new paragraph:
“(5) Environmental assessment research
designed to develop methods to minimize physical and biological risks asso-
ciated with genetically engineered animals and
plants once they are introduced into the
environment.”

SEC. 748A. MATCHING FUNDS REQUIREMENT FOR RESEARCH AND EXTENSION ACTIVITIES FOR THE UNITED STATES TERRI-
TORIES.
(a) RESEARCH MATCHING REQUIREMENT.—
Section 306(d)(4) of the Agricultural Re-
search and Extension Act of 1990 (7 U.S.C. 7361(d)(4)) is amended by adding
at the end “the same matching funds” and all that follows through the end of
the sentence and inserting “matching funds requirements from non-
Federal sources for fiscal years 2003 through 2011 for an eligible in-
stitution of a State if the Secretary deter-
mines that the State will be unlikely to satisfy the matching requirement.”

SEC. 748. COMPETITIVE, SPECIAL, AND FACILI-
TIES RESEARCH GRANTS.
Section 2(a) of the Competitive, Special,
and Facilities Research Grant Act (7 U.S.C. 3223a) is amended by adding at the end the follow-
ing new paragraph:
“(5) Environmental assessment research to help
identify and analyze environmental effects of bio-
technology; and
(2) to authorize research to help regul-
ators develop long-term policies concerning
the introduction of genetically engineered
animals and plants.”

SEC. 749. MATCHING FUNDS REQUIREMENT FOR RESEARCH AND EXTENSION ACTIVI-
TIES FOR THE UNITED STATES TERRI-
TORIES.
(a) RESEARCH MATCHING REQUIREMENT.—
Section 306(d)(4) of the Agricultural Re-
search and Extension Act of 1990 (7 U.S.C. 7361(d)(4)) is amended by striking “the
same matching funds” and all that follows through the end of the sentence and insert-
ing “matching funds requirements from non-
Federal sources for fiscal years 2003 through 2011 for an eligible institu-
tion of a territory if the Secretary deter-
mines that the Territory will be unlikely to satisfy the matching requirement.”

(b) EXTENSION MATCHING REQUIRE-
MENT.—Section 3(e)(4) of the Smith-Lever Act (7 U.S.C. 343(e)(4)) is amended by adding at the end “the same matching funds” and all that follows through the end of the sentence and insert-
ing “matching funds requirements from non-
Federal sources for fiscal years 2003 through 2011 in an amount equal to not less than 50
percent of the formula funds to be distrib-
uted to the Territory. The Secretary may waive the matching funds requirements for a Territory for any of the fiscal years 2003 through 2011 if the Secretary determines that the Territory will be unlikely to satisfy the matching funds requirement for that fiscal year.”
SEC. 750. INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.

(a) FUNDING.—Section 401(b)(1) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(b)(1)) is amended to read as follows: 

“(1) in general.—
   “(A) TOTAL AMOUNT TO BE TRANSFERRED.—On October 1, 2003, and each October 1 thereafter through September 30, 2011, the Secretary of Agriculture shall deposit funds of the Commodity Credit Corporation into the Account. The total amount of Commodity Credit Corporation funds deposited into the Account under this subparagraph shall equal $1,160,000,000.
   “(B) EQUAL AMOUNTS.—To the maximum extent practicable, the amounts deposited into the Account pursuant to subparagraph (A) shall be deposited in equal amounts for each fiscal year.
   “(C) AVAILABILITY OF FUNDS.—Amounts deposited into the Account pursuant to subparagraph (A) shall remain available until expended.
   “(d) USE OF GRANT FUNDS.—Grants made under subsection (b) shall be used to—
   (1) strengthen institutional educational capacities, including libraries, curriculum, facilities, and equipment to improve food and agricultural sciences teaching programs; and
   (2) attract and support undergraduate and graduate students in order to educate them in identified areas of national need to the food and agricultural sciences;
   (f) GRANT REQUIREMENTS.—
   (1) The Secretary of Agriculture shall ensure that each eligible institution, prior to receiving grant funds under subsection (b), shall have a significant demonstrable commitment to high education programs in the food and agricultural sciences and to each specific subject area for which grant funds under this subsection are to be used.
   (2) The Secretary may require that any grant awarded under this section contain provisions that require funds to be targeted to meet the needs identified in paragraph (1) of section 1492 of the Agricultural Research, Extension, and Teaching Policy Act of 1997 (7 U.S.C. 3193(b)).
   (3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary for each of the fiscal years 2002 through 2011 to carry out this section.

SEC. 751. CARBON CYCLE RESEARCH.

Section 221 of the Agricultural Risk Protection Act of 2000 (Public Law 106–224; 114 Stat. 47) is amended—

(1) in subsection (a), by striking “of the amount” and all that follows through “to provide” and inserting “the amount made available for this purpose, the Secretary shall provide”;

(2) in subsection (b), by striking “under subsection (a)” and inserting “for this section”;

and

by adding at the end the following new subsection:

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for fiscal years 2002 through 2011 such sums as may be necessary to carry out this section.

SEC. 752. DIVERSIFICATION OF FOOD AND AGRICULTURAL SCIENCES.

Section 2(3) of the Research Facilities Act (7 U.S.C. 390(2)(3)) is amended to read as follows:

“(3) FOOD AND AGRICULTURAL SCIENCES.—The term ‘food and agricultural sciences’ has the meaning given that term in section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1997 (7 U.S.C. 3193(b)).

SEC. 753. FEDERAL EXTENSION SERVICE.

Section 2(b)(3) of the Smith-Lever Act (7 U.S.C. 334(b)(3)) is amended by striking “$5,000,000” and inserting “such sums as are necessary”.

SEC. 754. POLICY RESEARCH CENTERS.

Section 1419(a)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1997 (7 U.S.C. 3156(c)(3)) is amended by striking “collect and analyze data” and inserting “collect, analyze, and disseminate data”.

SEC. 755. ANIMALS USED IN RESEARCH.

Section 2(g) of the Animal Welfare Act (7 U.S.C. 2132(g)) is amended by inserting “birds, rats of the genus Rattus, and mice of the genus Mus, that are bred for use in research, and administering programs to enhance teaching programs in agriculture, natural resources, forestry, veterinary medicine, home economics, and disciplines closely allied to the food and agriculture production and delivery system.

(b) GRANTS.—The Secretary of Agriculture shall make competitive grants to those eligible institutions having a demonstrable capacity to carry out the teaching of food and agricultural sciences.

(c) USE OF GRANT FUNDS.—Grants made under subsection (b) shall be used to—

(1) strengthen institutional educational capacities, including libraries, curriculum, facilities, and equipment to improve food and agricultural sciences teaching programs; and

(2) attract and support undergraduate and graduate students in order to educate them in identified areas of national need to the food and agricultural sciences;

SEC. 756. RESIDENT INSTRUCTION AT LAND-GRANT COLLEGES IN UNITED STATES.

(a) PURPOSE.—It is the purpose of this section to promote and strengthen higher education in the food and agricultural sciences at agricultural and mechanical colleges located in the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau (hereinafter referred to in this section as ‘‘eligible institutions’’) by formulating and administering programs to enhance teaching programs in agriculture, natural resources, forestry, veterinary medicine, home economics, and disciplines closely allied to the food and agriculture production and delivery system.

(b) GRANTS.—The Secretary of Agriculture shall make competitive grants to those eligible institutions having a demonstrable capacity to carry out the teaching of food and agricultural sciences.

(c) USE OF GRANT FUNDS.—Grants made under subsection (b) shall be used to—

(1) strengthen institutional educational capacities, including libraries, curriculum, facilities, and equipment to improve food and agricultural sciences teaching programs; and

(2) attract and support undergraduate and graduate students in order to educate them in identified areas of national need to the food and agricultural sciences;

SEC. 762. DECLARATION OF EXTRAORDINARY EMERGENCY AND RESULTING AUTHORIZATION OF APPROPRIATIONS.

(a) REVIEW OF PAYMENT OF COMPENSATION.—Section 415(e) of the Plant Protection Act (7 U.S.C. 1715(e)) is amended by inserting before the final period the following: “or review by any officer, employee, or agent of the Secretary in carrying out this section, including the determination of and making any payment authorized by this section, shall not be subject to review by any officer of the Government other than the Secretary or the designee of the Secretary.’’

(b) REVIEW OF CERTAIN DECISIONS.—Section 412 of the Plant Protection Act (7 U.S.C. 1712) is amended by adding at the end following new subsection:

(1) SECRETARIAL DISCRETION.—The action of any officer, employee, or agent of the Secretary in carrying out this section, including making any payment authorized by this section, shall not be subject to review by any officer of the Secretary or the designee of the Secretary.

(c) COMPETITIVE AWARD.—Grants shall be awarded under this section on a merit-reviewed competitive basis.

SEC. 763. AGRICULTURAL BIOTECHNOLOGY RESEARCH AND DEVELOPMENT FOR THE DEVELOPING WORLD.

(a) GRANT PROGRAM.—The Secretary of Agriculture shall establish a program to award grants to entities described in subsection (b) for the development of agricultural biotechnology with respect to the developing world. The Secretary shall administer and oversee the program through the Foreign Agricultural Service of the Department of Agriculture.

(b) PARTNERSHIPS.—(1) In order to be eligible to receive a grant under this section, the grantee must be a participating institution of higher education, a nonprofit organization, or consortium of for-profit institutions with in-country agricultural research institutions.

(2) A participating institution of higher education shall establish a program to award grants to entities described in subsection (b) for the development of agricultural biotechnology with respect to the developing world. The Secretary shall administer and oversee the program through the Foreign Agricultural Service of the Department of Agriculture.

(c) COMPETITIVE AWARD.—Grants shall be awarded under this section on a merit-reviewed competitive basis.

SEC. 764. FUNDING. The activities for which the grant funds may be expended include the following:
(1) Enhancing the nutritional content of agricultural products that can be grown in the developing world to address malnutrition.

(2) Ensuring the yield and safety of agricultural products that can be grown in the developing world through biotechnology.

(3) Increasing the growing range of crops that can be grown in the developing world through biotechnology.

(4) Enhancing the shelf-life of fruits and vegetables in the developing world through biotechnology.

(5) Developing environmentally sustainable agricultural products through biotechnology.

(6) Developing vaccines to immunize against life-threatening illnesses and other medications that can be administered by consumers in genetically engineered agricultural products.

(7) Protecting animal or agricultural enterprises against life-threatening illness or loss of the property of an animal or agricultural enterprise.

(e) FUNDING SOURCE.—Of the funds deposited in the Treasury account known as the Initiative for Future Agriculture and Food Systems on October 1, 2003, and each October 1 thereafter through October 1, 2007, the Secretary shall withdraw from such account each October 1, 2003, and each October 1 thereafter through October 1, 2008 to carry out this section.

Subtitle D—Repeal of Certain Activities and Authorities

SEC. 771. FOOD SAFETY RESEARCH INFORMATION OFFICE AND NATIONAL CONFERENCE.

(a) REPEAL.—Subsections (b) and (c) of section 615 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 5853(b) and (c)) are repealed.

(b) CONFORMING AMENDMENTS.—(1) GENERAL.—Section 615 of such Act is amended—

(A) in the section heading, by striking ‘‘and national conference’’;

(B) by striking ‘‘(a) FOOD SAFETY RESEARCH INFORMATION OFFICE.—’’;

(C) by redesignating paragraphs (1), (2), and (3) as subsections (a), (b), and (c), respectively, and moving the margins 2 ems to the left;

(D) in subsection (b) (as so redesignated), by redesigning subparagraphs (A) and (B) as paragraphs (1) and (2), respectively, and moving the margins 2 ems to the left; and

(E) by striking ‘‘section 1412 of this title’’.

(b) CONFORMING AMENDMENT.—Section 1413(c) of such Act (7 U.S.C. 5128(c)) is amended by striking ‘‘section 1412 of this title’’ and

(b) TASK FORCE ON 10-YEAR STRATEGIC PLAN FOR AGRICULTURAL RESEARCH FACILITIES.

(a) REPEAL.—Section 4 of the Research Facilities Act (7 U.S.C. 590b) is repealed.

(b) CONFORMING AMENDMENT.—Section 2 of such Act (7 U.S.C. 590) is amended by striking paragraph (5).

Subtitle E—Agriculture Facility Protection

SEC. 790. ADDITIONAL PROTECTIONS FOR ANIMAL OR AGRICULTURAL ENTERPRISES, RESEARCH FACILITIES, AND OTHER ENTITIES AGAINST DISRUPTION.

(a) DEFINITIONS.—For the purposes of this section, the following definitions apply:

(1) ANIMAL OR AGRICULTURAL ENTERPRISE.—The term ‘‘animal or agricultural enterprise’’ means any of the following:

(A) A commercial, governmental, or academic enterprise that uses animals, plants, or other biological materials for educational or entertainment purposes.

(B) A zoo, aquarium, circus, rodeo, or other entity that exhibits or uses animals, plants, and other biological materials for educational or entertainment purposes.

(C) A fair or similar event intended to advance agricultural arts and sciences.

(D) A facility occupied by an association, federation, foundation, council, or other group or entity of food or fiber producers, processors, or agricultural or biomedical researchers intending to advance agricultural or biomedical arts and sciences.

(2) ECONOMIC DAMAGE.—The term ‘‘economic damage’’ means the damage or loss of property of the animal or agricultural enterprise.

(3) DISRUPTION.—The term ‘‘disruption’’ does not include any lawful disruption that results from lawful public, governmental, or animal or agricultural enterprise employee contribution to the disclosure of information about an animal or agricultural enterprise.

(4) VIOLATION.—A person may not recklessly, knowingly, or intentionally disrupt, or contribute to, the disruption of the functioning of an animal or agricultural enterprise by damaging or causing the loss of any property of the animal or agricultural enterprise that results in economic damage, as determined by the Secretary.

(5) VIOLATION—CIVIL PENALTY.—

(a) IN GENERAL.—The Secretary may impose on any person that the Secretary determines violates subsection (b) a civil penalty in an amount determined under paragraph (2).

(b) VIOLATION.—A person may not be held criminally liable, or subject to any other criminal penalty, for a violation of subsection (b).

(c) VIOLATION—CIVIL PENALTY.—

(1) IN GENERAL.—The Secretary may impose on any person that the Secretary determines violates subsection (b) a civil penalty in an amount determined under paragraph (2).

(2) VIOLATION.—A person may not recklessly, knowingly, or intentionally disrupt, or contribute to, the disruption of the functioning of an animal or agricultural enterprise by damaging or causing the loss of any property of the animal or agricultural enterprise that results in economic damage, as determined by the Secretary.

(d) VIOLATION—CIVIL PENALTY.—

(1) IN GENERAL.—The Secretary may impose on any person that the Secretary determines violates subsection (b) a civil penalty in an amount determined under paragraph (2).

(2) VIOLATION.—A person may not recklessly, knowingly, or intentionally disrupt, or contribute to, the disruption of the functioning of an animal or agricultural enterprise by damaging or causing the loss of any property of the animal or agricultural enterprise that results in economic damage, as determined by the Secretary.

(3) VIOLATION—CIVIL PENALTY.—

(1) IN GENERAL.—The Secretary may impose on any person that the Secretary determines violates subsection (b) a civil penalty in an amount determined under paragraph (2).

(2) VIOLATION.—A person may not recklessly, knowingly, or intentionally disrupt, or contribute to, the disruption of the functioning of an animal or agricultural enterprise by damaging or causing the loss of any property of the animal or agricultural enterprise that results in economic damage, as determined by the Secretary.

(4) VIOLATION.—A person may not recklessly, knowingly, or intentionally disrupt, or contribute to, the disruption of the functioning of an animal or agricultural enterprise by damaging or causing the loss of any property of the animal or agricultural enterprise that results in economic damage, as determined by the Secretary.

SEC. 799. ADDITIONAL PROTECTIONS FOR ANIMAL OR AGRICULTURAL ENTERPRISES, RESEARCH FACILITIES, AND OTHER ENTITIES AGAINST DISRUPTION.

(a) DEFINITIONS.—For the purposes of this section, the following definitions apply:

(1) ANIMAL OR AGRICULTURAL ENTERPRISE.—The term ‘‘animal or agricultural enterprise’’ means any of the following:

(A) A commercial, governmental, or academic enterprise that uses animals, plants, or other biological materials for educational or entertainment purposes.

(B) A zoo, aquarium, circus, rodeo, or other entity that exhibits or uses animals, plants, and other biological materials for educational or entertainment purposes.

(C) A fair or similar event intended to advance agricultural arts and sciences.

(D) A facility occupied by an association, federation, foundation, council, or other group or entity of food or fiber producers, processors, or agricultural or biomedical researchers intending to advance agricultural or biomedical arts and sciences.

(2) ECONOMIC DAMAGE.—The term ‘‘economic damage’’ means the damage or loss of property of the animal or agricultural enterprise.

(3) DISRUPTION.—The term ‘‘disruption’’ does not include any lawful disruption that results from lawful public, governmental, or animal or agricultural enterprise employee contribution to the disclosure of information about an animal or agricultural enterprise.

(4) VIOLATION.—A person may not recklessly, knowingly, or intentionally disrupt, or contribute to, the disruption of the functioning of an animal or agricultural enterprise by damaging or causing the loss of any property of the animal or agricultural enterprise that results in economic damage, as determined by the Secretary.

(5) VIOLATION—CIVIL PENALTY.—

(a) IN GENERAL.—The Secretary may impose on any person that the Secretary determines violates subsection (b) a civil penalty in an amount determined under paragraph (2).

(b) VIOLATION.—A person may not recklessly, knowingly, or intentionally disrupt, or contribute to, the disruption of the functioning of an animal or agricultural enterprise by damaging or causing the loss of any property of the animal or agricultural enterprise that results in economic damage, as determined by the Secretary.

(c) VIOLATION—CIVIL PENALTY.—

(1) IN GENERAL.—The Secretary may impose on any person that the Secretary determines violates subsection (b) a civil penalty in an amount determined under paragraph (2).

(2) VIOLATION.—A person may not recklessly, knowingly, or intentionally disrupt, or contribute to, the disruption of the functioning of an animal or agricultural enterprise by damaging or causing the loss of any property of the animal or agricultural enterprise that results in economic damage, as determined by the Secretary.

(3) VIOLATION—CIVIL PENALTY.—

(1) IN GENERAL.—The Secretary may impose on any person that the Secretary determines violates subsection (b) a civil penalty in an amount determined under paragraph (2).

(2) VIOLATION.—A person may not recklessly, knowingly, or intentionally disrupt, or contribute to, the disruption of the functioning of an animal or agricultural enterprise by damaging or causing the loss of any property of the animal or agricultural enterprise that results in economic damage, as determined by the Secretary.

(4) VIOLATION.—A person may not recklessly, knowingly, or intentionally disrupt, or contribute to, the disruption of the functioning of an animal or agricultural enterprise by damaging or causing the loss of any property of the animal or agricultural enterprise that results in economic damage, as determined by the Secretary.
agricultural enterprise, and student attending
an academic animal or agricultural en-
terprise for economic losses incurred as a re-
sult of the disruption of the functioning of an animal or agricultural enterprise in violation of subsection (b)."

TITLE VIII—FORESTRY INITIATIVES

SEC. 801. REPEAL OF FORESTRY INCENTIVES PROGRAM AND STEWARDSHIP INITIATIVE PROGRAM.


SEC. 802. ESTABLISHMENT OF FOREST LAND ENHANCEMENT PROGRAM.

(a) FINDINGS.—Congress finds the following:

(1) There is a growing dependence on private nonindustrial forest lands to supply the necessary market commodities and non-market values, such as habitat for fish and wildlife, aesthetics, outdoor recreation opportunities, and other forest resources, required by a growing population.

(2) There is a strong demand for expanded assistance programs for owners of nonindustrial private forest land since the majority of the wood supply of the United States comes from nonindustrial private forest land.

(3) Studies, water and air quality of the United States can be maintained and improved through good stewardship of nonindustrial private forest lands.

(4) The products and services resulting from stewardship of nonindustrial private forest lands provide income and employment that contribute to the economic health and diversification of rural communities.

(5) Wildfires threaten human lives, property, forests, and other resources, and Federal and State cooperation in forest fire prevention and control has proven effective and valuable, in that properly managed forest stands are less susceptible to catastrophic fire, as dramatized by the catastrophic fire seasons of 1986 and 2000.

(6) Owners of private nonindustrial forest lands are being faced with increased pressure to convert their forestland to development and other uses.

(7) Complex, long rotation forest investments, including sustainable hardwood management, are the most difficult commitment for small, nonindustrial private forest landowners and, thus, should receive equal consideration under cost-share programs.

(b) The investment of one Federal dollar in State and private forestry programs is estimated to leverage $9 on average from State, local, and private sources.

Purpose.—It is the purpose of this section to strengthen the commitment of the Department of Agriculture to sustainable forest management and to establish a coordinated, cooperative Federal, State, and local sustainable forest program for the establishment, management, maintenance, enhancement, and protection of nonindustrial private forest lands in the United States.

(c) FOREST LAND ENHANCEMENT PROGRAM.—The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 3 (16 U.S.C. 2102) the following new section 4:

SEC. 4. FOREST LAND ENHANCEMENT PROGRAM.

"(a) Establishment.—

"(1) Establishment; purpose.—The Secretary shall establish a Forest Land Enhancement Program (hereinafter in this section referred to as the ‘Program’) for the purpose of providing financial, technical, educational, and related assistance to State foresters to encourage the sustainability of nonindustrial private forest lands in the United States by assisting the owners of such lands in more actively managing their forest and related resources by utilizing existing State, Federal, and private sector resource management expertise, financial assistance, and educational programs.

"(2) Administration.—The Secretary shall carry out the Program within, and administer the Program through, the Natural Resources Conservation Service.

"(3) Coordination.—The Secretary shall implement the Program in coordination with State foresters.

"(b) Program objectives.—In implementing the Program, the Secretary shall target resources to achieve the following objectives:

"(1) Investment in practices to establish, restore, protect, manage, and maintain, and enhance the health and productivity of the nonindustrial private forest lands in the United States for timber, habitat for flora and fauna, water quality, and wetlands.

"(2) Ensuring that reforestation, reforestation, improvement of poorly stocked stands, timber stand improvement, practices necessary to improve seedling growth and survival, and growth enhancement practices occur where needed to enhance and sustain the long-term supply of timber and nonindustrial private forest lands to help meet future public demand for all forest resources and provide environmental benefits.

"(3) Reduce damage to forests caused by fire, insects, invasive species, disease, and damaging weather.

"(4) Increase and enhance carbon sequestration opportunities.

"(5) Enhance implementation of agroforestry practices.

"(6) Maintain and enhance the forest landscape and local financial and technical assistance to owners that promote the same conservation and environmental values.

"(c) Eligibility.—

"(1) In general.—An owner of nonindustrial private forest land is eligible for cost-share assistance under the Program if the owner—

"(A) agrees to develop and implement an individual stewardship, forest, or stand management plan that addresses specific activities and practices in cooperation with, and approved by, the State forester, state official, or private sector program in consultation with the State forester.

"(B) agrees to implement approved activities in accordance with the plan for a period of not less than 10 years, unless the State forester approves a modification to such plan; and

"(C) meets the acreage restrictions as determined by the State forester in consultation with the State Forest Stewardship Coordinating Committee.

"(2) Type of activities.—In developing a list of approved activities and practices under paragraph (1), the Secretary shall attempt to achieve the establishment, restoration, management, maintenance, and enhancement of forests and trees for the following:

"(A) The sustainable growth and management of forests for timber.

"(B) The restoration, use, and enhancement of forest wetlands and riparian areas.

"(C) The protection of water quality and wildlands through the application of State-developed forest management practices.

"(D) Energy conservation and carbon sequestration opportunities.

"(E) Habitat for flora and fauna.

"(F) The control, detection, and monitoring of invasive species on forestlands as well as preventing the spread and providing for the restoration of lands affected by invasive species.

"(G) Hazardous fuels reduction and other management activities that reduce the risk and help restore, recover, and mitigate the damage to forests caused by fire.

"(H) The development of forest or stand management plans.

"(I) Other activities approved by the Secretary, in coordination with the State forester and the State Forest Stewardship Coordinating Committee.

"(6) Cooperation.—In implementing the Program, the Secretary shall cooperate with other Federal, State, and local natural resource management agencies, institutions of higher education, and the private sector.

"(7) Reimbursement of eligible activities.—The Secretary shall share the cost of the implementation of the approved activities that the Secretary determines are appropriate, in the case of an owner that has entered into an agreement to place non-industrial private forest lands of the owner in the Program.

"(8) Rate.—The Secretary shall determine the appropriate reimbursement rate for cost-share payments under paragraph (1) and the schedule for making such payments.

"(9) Maximum.—The Secretary shall not make cost-share payments in any one year to any one owner in an amount in excess of 75 percent of the total cost, or a lower percentage as determined by the Secretary, to any one owner for implementing the practices under an approved plan. The maximum payments to any one owner shall be determined by the Secretary.

"(10) Consultation.—The Secretary shall make determinations under this subsection in consultation with the State forester.

"(11) Recapture.—

"(A) In general.—The Secretary shall establish and implement a mechanism to recapture payments made to an owner in the event that the owner fails to implement any cost-share payments under the Program among the States only after giving appropriate consideration to—

"(i) the total acreage of nonindustrial private forest land in each State;

"(ii) the potential productivity of such land;

"(iii) the number of owners eligible for cost share payments in each State;

"(iv) the opportunities to enhance non-timber resources on such forest lands;
“(c) Authorization of Appropriations.—
There are hereby authorized to be appropriated to the Secretary $35,000,000 for each of fiscal years 2002 through 2011, and such additional amount as may be necessary thereafter, to carry out this section.”.

SEC. 805. INTERNATIONAL FORESTRY PROGRAM.
Section 2105(d) of the Global Climate Change Prevention Act of 1990 (title XXIV of Public Law 101-68) is amended by striking “2002” and inserting “2011”.

SEC. 806. WILDLIFE PREVENTION AND HAZARDOUS FUEL PURCHASE PROGRAM.
(a) Findings.—Congress finds that—
(1) the damage caused by wildfire disasters has been equivalent in magnitude to the damage resulting from the Northridge earthquake, Hurricane Andrew, and the recent flooding of the Mississippi River and the Red River;
(2) more than 20,000 communities in the United States are at risk from wildfire and approximately 11,000 of those communities are located near Federal land;
(3) the accumulation of heavy forest fuel loads continues to increase as a result of disease, insect infestations, and drought, further increasing the risk of fire each year;
(4) modification of forest fuel load conditions through the removal of hazardous fuels would—
(A) minimize catastrophic damage from wildfires;
(B) reduce the need for emergency funding to respond to wildfires; and
(C) protect lives, communities, watersheds, and wildlife habitat;
(5) the hazardous fuels removed from forest lands must represent an abundant renewable resource, as well as a significant supply of biomass for biomass-to-energy facilities;
(6) the United States should invest in technologies that promote economic and entrepreneurial opportunities in processing forest products removed through hazardous fuel reduction activities; and
(7) the United States should—
(A) develop and expand markets for traditionally underused wood and other biomass as a value-added outlet for excessive forest fuels; and
(B) commit resources to support planning, assessments, and project reviews to ensure that hazardous fuels management is accomplished expeditiously and in an environmentally sound manner.

(b) Definitions.—In this section:
1. Biomass-to-Energy Facility.—A “biomass-to-energy facility” means a facility that uses biomass as a raw material to produce electric energy, useful heat, or a transportation fuel.

2. Eligible Community.—The term “eligible community” means—
(A) any town, township, municipality, or other similar unit of local government (as determined by the Secretary) that is represented by a nonprofit corporation or institution organized under Federal or State law to promote broad-based economic development, that—
(i) has a population of not more than 10,000 individuals;
(ii) is located within a county in which at least 15 percent of the primary and secondary labor and proprietor income is derived from forestry, wood products, and forest-related industries, such as recreation, forage production, and tourism; and
(iii) is located near forest land, the condition of which land the Secretary determines poses a substantial present or potential hazard to the safety of—
(I) a forest ecosystem;
(II) wildlife; or
(I) in the case of a wildfire, human, community, or firefighter safety, in a year in which drought conditions are present; and

(ii) in the case of wildfire, human, community, or firefighter safety, in a year in which drought conditions are present.

(5) INDIAN TRIBE.—The term ‘tribe’ has the meaning given the term in section 4 of the Termination and Edu-


(6) SECRETARY.—The term ‘Secretary’ means 

(A) the Secretary of Agriculture (or a des-

ignee), with respect to National Forest Sys-

tems; or

(B) the Secretary of the Interior (or a des-

ignee), with respect to National Forest Sys-

tems for any year.

(3) FOREST BIOMASS.—The term ‘biomass’ means fuel and biomass accumulation from precommercial thinnings, slash, and brush on forest land of the United States.

(4) HAZARDOUS FUEL.—The term ‘hazardous fuel’ means any excessive accumulation of organic material on public and private forest land in an urban-wildland interface area or in an area that is located near an eligible community and designated as condition class 2 under the report of the Forest Service entitled ‘Protecting People as condition class 2 under the report of the Forest Service entitled ‘Protecting People’.

(A) IN GENERAL.—As a condition of receipt of a grant under this subsection, a grant re-

cipient shall keep such records as the Sec-

retary may require, including records that—

(i) completely and accurately disclose the use of grant funds; and

(ii) describe all transactions involved in the purchase of hazardous fuels derived from forest land.

(B) ACCESS.—On notice by the Secretary, the recipient of a biomass-to-energy facility for any year.

(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $50,000,000 for each fiscal year.

(6) LONG-TERM FOREST STEWARDSHIP CON-

TRACTS FOR HAZARDOUS FUELS REMOVAL.

(A) ANNUAL ASSESSMENT OF TREATMENT AC-

RAGE.—

(i) In general.—The Secretary shall, for each treatment year, make an assessment of the hazard of fuels derived from public and private forest land adjacent to eligible communities.

(ii) Selection criteria.—The Secretary shall determine the purpose and type of fuel treatments necessary to reduce the risk of wildfire in the area for the subsequent fiscal year.

(iii) Enforcement.—The Secretary shall ensure that the treatment area is in compliance with the treatment objectives specified.

(iv) Reporting.—The Secretary shall report to the Congress on the results of the annual assessment.

(B) GRANTS.—The Secretary may make grants to eligible persons to carry out fire hazard reduction treatments.

(C) HAZARDOUS FUEL GRANT PROGRAM.—

(i) Grants.—The Secretary may make grants to eligible persons to carry out fire hazard reduction treatments.

(ii) Authorization of appropriations.—There is authorized to be appropriated to carry out the Hazardous Fuel Grant Program $100,000,000 for each fiscal year.

(D) LONG-TERM STEWARDSHIP CONTRACTS FOR HAZARDOUS FUELS REMOVAL.—

(i) Annual assessment of treatment acreage.—The Secretary shall, for each treatment year, make an assessment of the hazard of fuels derived from public and private forest land adjacent to eligible communities.

(ii) Selection criteria.—The Secretary shall determine the purpose and type of fuel treatments necessary to reduce the risk of wildfire in the area for the subsequent fiscal year.

(iii) Enforcement.—The Secretary shall ensure that the treatment area is in compliance with the treatment objectives specified.

(iv) Reporting.—The Secretary shall report to the Congress on the results of the annual assessment.

(E) TERMINATION OF AUTHORITY.—The au-

thority provided under this section shall terminate on September 30, 2006.

SEC. 907. MCINTIRE-STEENINS COOPERATIVE FOR-

ESTRY RESEARCH PROGRAM.

It is the sense of Congress to reaffirm the importance of Public Law 87–88 (16 U.S.C. 582a et seq.), commonly known as the ‘McIntire-Stennis Cooperative Forestry Research Program’ (‘McIntire-Stennis Program’), and to reaffirm its support for the McIntire-Stennis Cooperative Forestry Act. TITLE IX—MISCELLANEOUS PROVISIONS

Subtitle A—Tree Assistance Program

SEC. 901. ELIGIBILITY.

(a) Losses.—Subject to the limitation in sub-

section (b), the Secretary of Agriculture shall provide assistance, subject to the limitation in subsection (a), to eligible orchardists that planted trees for commercial purposes but lost such trees as a result of a natural disaster, as determined by the Secretary.

(b) Limitation.—An eligible orchardist shall not be entitled to assistance under this subsection if such orchardist’s tree mortality, as a result of the natural disaster, exceeds 15 percent (adjusted for normal mortality).

SEC. 902. ASSISTANCE.

The assistance provided by the Secretary of Agriculture to eligible orchardists for losses described in section 901 shall consist of either—

(1) reimbursement of 75 percent of the cost of replanting trees lost due to a natural disaster, as determined by the Secretary, in excess of 15 percent mortality (adjusted for normal mortality); or

(2) at the discretion of the Secretary, sufficient seedlings to reestablish the stand.

SEC. 903. LIMITATION ON ASSISTANCE.

(a) Limitation.—The total amount of pay-

ments that a person shall be entitled to receive under this subtitle may not exceed $10,000 or an equivalent value in tree seed-

lings.

(b) Regulations.—The Secretary of Agri-

culture shall issue regulations—

(i) defining the term ‘person’ for the pur-

poses of this subtitle, which shall conform, to the extent practicable, to the regulations defining the term ‘person’ issued under section 1004 of the Food and Drug Act of 1965 (7 U.S.C. 1308) and the Disaster Assistance Act of 1988 (7 U.S.C. 1421 note); and
(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitation established under this section.

SEC. 921. BIOENERGY PROGRAM.

Notwithstanding any limitations in the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.) or part 1424 of title 7, Code of Federal Regulations, the Commodity Credit Corporation shall designate animal fats, agricultural byproducts, and oils as eligible agricultural commodities for use in the Bioenergy Program to promote industrial consumption of agricultural commodities for the production of ethanol and biodiesel fuels.

SEC. 922. AVAILABILITY OF SECTION 32 FUNDS.

(a) Submission of funds.—There is authorized to be appropriated to the Commodity Credit Corporation $2,500,000,000 for each fiscal year to carry out the purposes of this section.

(b) PROGRAM PURPOSES.—The purposes of the Commodity Credit Corporation in making these funds available are—

(1) to provide resources in the form of fresh, nutritious, unprepared, locally grown fruits, vegetables, and herbs for low-income and socially disadvantaged farmers and ranchers; and

(2) to encourage and assist socially disadvantaged farmers and ranchers in their region.

(c) Eligibility.—In determining which farmers and ranchers may receive assistance under this section, the Secretary shall give priority to applicants who demonstrate experience in providing agricultural education or other agriculturally related services to socially disadvantaged farmers and ranchers.

SEC. 923. SENIORS FARMERS’ MARKET NUTRITION PROGRAM.

(a) ESTABILISHMENT.—For each of the fiscal years 2011 through 2013, the Secretary shall grant awards to support programs under this section.

(b) PROGRAM PURPOSES.—The purposes of the seniors farmers’ market nutrition program are—

(1) to make grants and enter into contracts and other agreements to provide resources in the form of fresh, nutritious, unprepared, locally grown fruits, vegetables, and herbs to low-income seniors; and

(2) to encourage and assist socially disadvantaged farmers and ranchers in their region.

(c) REGULATIONS.—The Secretary shall establish regulations to carry out the purposes of this section.

SEC. 924. DEPARTMENT OF AGRICULTURE AUTHORITY REGARDING CANEBERRIES.

(a) AUTHORITY.—Notwithstanding the Marketing Order and Research Promotion Order. Section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) in subsection (2)—

(A) in paragraph (A), by inserting “caneberries (including raspberries, blackberries, and logenberries),” after “other than pears, olives, grapefruit;’’; and

(B) in the second sentence, by inserting “caneberries (including raspberries, blackberries, and logenberries)” after “effective as to cherries, apples;’’; and

(2) in subsection (6)(A), by inserting “caneberries (including raspberries, blackberries, and logenberries)” after “tomatoes;’’.

(b) AUTHORITY WITH RESPECT TO IMPORTS.—Section 8a(a) of such Act (7 U.S.C. 608a–1(a)) is amended by inserting “caneberries (including raspberries, blackberries, and logenberries),” after “other than pears, olives, grapefruit;’’.

SEC. 925. NATIONAL APPEALS DIVISION.

Section 278 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 999e) is amended by adding at the end the following new subsection:

“(c) APPEAL OF DETERMINATION.—If an appeal is filed with the National Appeals Division the agency may not pursue an administrative appeal of that determination.

SEC. 926. OUTREACH AND ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.

Subsection (a) of section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279) is amended to read as follows:

“(a) OUTREACH AND ASSISTANCE.—

(1) IN GENERAL.—The Secretary of Agriculture (in this section referred to as the ‘Secretary’) shall provide outreach and technical assistance programs specifically to encourage and assist socially disadvantaged farmers and ranchers who operate farms and ranches and to participate equitably in agricultural programs. This assistance, which should enhance coordination and make more effective the outreach, technical assistance, and education efforts authorized in specific agriculture programs, shall include information and assistance on commodity, conservation, credit, rural, and business development programs, application and bidding procedures, marketing, and other information provided to agricultural and other programs of the Department.

(2) GRANTS AND CONTRACTS.—The Secretary may make grants and enter into contracts and other agreements in the furtherance of the purposes of this subsection with the following entities:

(A) Any community-based organization, network, or coalition of community-based organizations;

(B) any State or local public or private institution that demonstrates experience in providing agricultural education or other agriculturally related services to socially disadvantaged farmers and ranchers;

(C) Any institution of higher education, including a Tuskegee Institute, Indian tribal community colleges and Alaska native cooperative colleges, that demonstrates experience in providing agricultural education or other agriculturally related services to socially disadvantaged farmers and ranchers;

(D) Cooperatives organized under the laws of a State or the District of Columbia that provide services to socially disadvantaged farmers and ranchers;

(E) Tribal, intertribal, or inter-tribal organizations with demonstrated experience in providing agricultural education or other agriculturally related services to socially disadvantaged farmers and ranchers in their region;

(F) Federally recognized tribes and tribal organizations with demonstrated experience in providing agricultural education or other agriculturally related services to socially disadvantaged farmers and ranchers in their region.

(G) FUNDING.—There are authorized to be appropriated $35,000,000 for each fiscal year to carry out the purposes of this subsection.

SEC. 927. EQUAL TREATMENT OF POTATOES AND SWEET POTATOES.

Section 608a(2) of the Federal Crop Insurance Act (7 U.S.C. 1508a(2)(a)) is amended by striking “and potatoes; and inserting “, potatoes, and sweet potatoes’’.

SEC. 928. REFERENCE TO SEA GRASS AND SEA OATS AS CROPS COVERED BY NON-INSURED CROP DISASTER ASSISTANCE PROGRAM.

Section 196(a)(2)(B) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7332(a)(2)(B)), as amended by inserting “sea grass and sea oats,” after “(fish),”.

SEC. 929. ASSISTANCE FOR LIVESTOCK PRODUCERS.

(a) AVAILABILITY OF ASSISTANCE.—In such amounts as are provided in advance in appropriation Acts, the Secretary may provide assistance to dairy and other livestock producers to cover economic losses incurred by such producers in connection with the production of livestock.

(b) TYPES OF ASSISTANCE.—The assistance provided to livestock producers may be in the form of—

(1) indemnity payments to livestock producers who incur livestock mortality losses; (2) livestock feed assistance to livestock producers affected by shortages of feed; (3) compensation for sudden increases in production costs; and (4) such other assistance, and for such other economic losses, as the Secretary considers appropriate.

(c) LIMITATIONS.—Notwithstanding section 191(a), the Secretary may not use the funds of the Commodity Credit Corporation to provide assistance under this section.

SEC. 930. COMPLIANCE WITH BUY AMERICAN ACT AND SENSE OF CONGRESS REGARDING PURCHASE OF AMERICAN-MADE EQUIPMENT, PRODUCTS, AND SERVICES USING FUNDS PROVIDED UNDER THIS ACT.

(a) COMPLIANCE WITH BUY AMERICAN ACT.—

No funds made available under this Act, whether directly using funds of the Commodity Credit Corporation or pursuant to an authorization of appropriations contained in this Act, may be provided to a producer or any person or entity agrees to comply with the Buy American Act (41 U.S.C. 10a–10c) in the expenditure of the funds.

(b) SENSE OF CONGRESS.—In the case of any equipment, products, or services that may be authorized to be purchased using funds provided under this Act, it is the sense of Congress that producers and other recipients of such funds should, in expending the funds, purchase only American-made equipment, products, and services.

(c) NOTICE TO RECIPIENTS OF FUNDS.—In providing payments or other assistance under this Act, the Secretary of Agriculture shall provide to each recipient of the funds a notice describing the requirements of subsection (a) and the statement made in subsection (b) by Congress.

SEC. 931. REPORT REGARDING GENETICALLY ENGINEERED FOODS.

(a) IN GENERAL.—Not later than 1 year after funds are made available to carry out this section, the Secretary of Agriculture, acting through the National Academy of Sciences, shall complete and transmit to Congress a report that includes recommendations for the following:

(1) DATA AND TESTS.—The type of data and tests are needed to sufficiently assess and evaluate human health risks from the consumption of genetically engineered foods.

(2) PREVENTION.—The type of actions that need to be taken to prevent the adverse health and environmental impacts associated with genetically engineered foods.

(3) ADAPTATION.—The type of actions that would be needed to minimize any negative health and environmental impacts from the consumption of genetically engineered foods.

(4) REGULATION.—The type of regulation that is needed to ensure the safe and effective use of genetically engineered foods.

(5) MONITORING.—The type of monitoring programs that are needed to ensure the safety of genetically engineered foods.

(6) LABELING.—The type of labeling that is needed to ensure the safety of genetically engineered foods.

(7) FUNDING.—The type of funding that is needed to ensure the safety of genetically engineered foods.

(8) EDUCATION.—The type of education that is needed to ensure the safety of genetically engineered foods.

(9) INTERNATIONAL TRADE.—The type of international trade agreements that are needed to ensure the safety of genetically engineered foods.

(10) RESEARCH.—The type of research that is needed to ensure the safety of genetically engineered foods.

SEC. 932. REPORTING OF INFORMATION CONCERNING THE USE OF GENETICALLY ENGINEERED FRUITS OR VEGETABLES.

(a) IN GENERAL.—The Secretary of Agriculture shall report to the appropriate committees of Congress on issues concerning the use of genetically engineered fruits or vegetables.
petition among purchasers of livestock, poultry, and unprocessed agricultural commodities in the United States and shall include in such hearings review of the following matters:

(1) The enforcement of particular Federal laws relating to competition.
(2) The concentration and vertical integration of the business operations of such purchasers.
(3) Discrimination and transparency in prices paid by such purchasers to producers of livestock, poultry, and unprocessed agricultural commodities in the United States.
(4) The economic protection and bargaining rights of producers who raise livestock and poultry products.
(5) Marketing innovations and alternatives available to producers of livestock, poultry, and unprocessed agricultural commodities in the United States.

(c) POLICY OF THE UNITED STATES.—It is the policy of the United States that the slaughtering of livestock and the handling of live- stock products shall be carried out only by humane means, as provided by Public Law 85–765 (7 U.S.C. 1901 et seq.; commonly known as the Humane Methods of Slaughtering Act of 1958). SEC. 938. PENALTIES AND FOREIGN COMMERCE PROVISIONS OF THE ANIMAL WELFARE ACT (a) PENALTIES AND FOREIGN COMMERCE PROVISIONS OF THE ANIMAL WELFARE ACT.—Section 26 of the Animal Welfare Act (7 U.S.C. 2156) is amended—

(1) in subsection (e)—

(A) by inserting “Penalties.” after “(e);”
(B) by striking “$5,000” and inserting “$15,000;” and
(C) by striking “1 year” and inserting “2 years;” and

(2) in subsection (g)(2)(B), by inserting at the end before the period the following: “or from any State into any foreign country.”

(b) EFFECTIVE DATE.—The amendments made by this section take effect 30 days after the date of the enactment of this Act.

SEC. 939. IMPROVE ADMINISTRATION OF ANIMAL AND PLANT HEALTH INSPECTION SERVICE.

(a) DEFINITIONS.—In this section:

(1) SECRETARY.—The term “Secretary” means the Secretary of Agriculture, acting through the Administrator of the Service.
(2) SERVICE.—The term “Service” means the Animal and Plant Health Inspection Service of the Department of Agriculture.

(b) COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE.

SEC. 940. RENEWABLE ENERGY RESOURCES.

(a) ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.—Section 1240 of the Food Security Act of 1985 (16 U.S.C. 3839aa), as amended by section 231 of this Act, is amended—

(1) by striking “and” at the end of paragraph (b); and

(2) by striking the period at the end of paragraph (d) and inserting “and”.

(b) COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE.—The Secretary of Agriculture, through the Cooperative State Research, Education, and Extension Service and, to the extent practicable, in collaboration with the Natural Resources Conservation Service, regional biomass programs under the Department of Energy, and other appropriate entities, may provide education and technical assistance to farmers and ranchers for the development and implementation of renewable energy systems, including biomass for the production of power and fuels, wind, solar, and geothermal.
SEC. 911. USE OF AMOUNTS PROVIDED FOR FIXED, DECOUPLED PAYMENTS TO PROVIDE NECESSARY FUNDS FOR DEVELOPMENT PROGRAMS.

Notwithstanding section 104 of this Act, in each of fiscal years 2002 through 2011, the Secretary shall—

(1) reduce the total amount payable under section 104 of this Act, on a pro rata basis, so that the total amount of such reductions equals $100,000,000; and

(2) expend—

(A) $45,000,000 for grants under section 633A of the Consolidated Farm and Rural Development Act (relating to the community water assistance grant program);

(B) $45,000,000 for grants under section 613 of this Act (relating to the pilot program for development of strategic regional development plans); and

(C) $10,000,000 for grants under section 231(a)(1) of the Agricultural Risk Protection Act of 2000 (relating to value-added agricultural product market development grants).

SEC. 912. STUDY OF NONAMBULATORY LIVE- STOCK.

The Secretary—

(1) shall investigate and submit to Congress a report on—

(A) the scope and cause of nonambulatory livestock; and

(B) the extent to which nonambulatory livestock may present handling and disposition problems during marketing; and

(C) the findings in the report, may promulgate regulations for the appropriate treatment, handling, and disposition of nonambulatory livestock at market agencies and dealers.

SA 2677. Mr. DORGAN (for himself, Mr. GRASSLEY, Mr. HAGEL, Mr. LUGAR, Mr. JOHNSON, Mr. NELSON of Nebraska, Mr. TORRICELLI, and Mr. WELLSTONE) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. 165. PAYMENT LIMITATIONS; NUTRITION AND COMMODITY PROGRAMS.

(a) PAYMENT LIMITATIONS.—

(1) IN GENERAL.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1380) is amended by striking paragraphs (1) through (6) and inserting the following:

"(1) LIMITATIONS ON DIRECT AND COUNTER-CYCLICAL PAYMENTS.—Subject to paragraph (5)(A), the total amount of direct payments and counter-cyclical payments made directly or indirectly to an individual or entity during any fiscal year may not exceed $75,000.

(2) MARKETING ASSISTANCE LOAN GAINS, LOAN DEFICIENCY PAYMENTS, AND COMMODITY CERTIFICATE TRANSACTIONS.—

(A) IN GENERAL.—Subject to paragraph (5)(A), the total amount of payments and benefits described in subparagraph (B) that an individual or entity may directly or indirectly receive during any crop year may not exceed $50,000.

(B) PAYMENTS AND BENEFITS.—Subparagraph (A) shall apply to the following payments and benefits:

(1) REPAYMENT GAINS.—Any gain realized by a producer from repaying a marketing assistance loan under section 131 or 158(g)(a) of the Federal Agriculture Improvement and Reform Act of 1996 for a crop of any loan commodity or peanuts, respectively, at a level lower than the original loan rate established for the loan commodity or peanuts under section 132 or 158(d)(6) of that Act, respectively.

(2) LOSS DEFICIENCY PAYMENTS.—Any loan deficiency payment received for a loan commodity under section 133 or 158(e) of that Act, respectively.

(3) COMMODITY CERTIFICATES.—Any gain realized from the use of a commodity certificate issued by the Commodity Credit Corporation, as determined by the Secretary, including the use of a certificate for the settlement of a marketing assistance loan under section 131 or 158(g)(6) of that Act.

(3) SETTLEMENT OF CERTAIN LOANS.—Notwithstanding subtitle C and section 158(g) of the Federal Agriculture Improvement and Reform Act of 1996 of amounts of payments and benefits described in paragraph (2)(B) directed directly or indirectly to an individual or entity for a crop year reached the limitation described in paragraph (2)(A), the portion of any unsettled marketing assistance loan made under section 131 or 158(g) of that Act attributable directly or indirectly to the individual or entity shall be settled through the repayment of the total loan principal, plus applicable interest.

(4) DEFICIENCY PAYMENTS and section 1001A through 1001F.

(A) COUNTER-CYCLICAL PAYMENT.—The term ‘counter-cyclical payment’ means a payment made under section 113 or 158C of the Federal Agriculture Improvement and Reform Act of 1996.

(B) DIRECT PAYMENT.—The term ‘direct payment’ means a payment made under section 113 or 158C of that Act.

(C) LOAN COMMODITY.—The term ‘loan commodity’ means the meaning given the term in section 102 of that Act.

(D) SECRETARY.—The term ‘Secretary’ means the Secretary of Agriculture.

(5) APPLICABLE PAYMENTS.—

(A) MARRIED COUPLES.—A married couple is limited to the amount of payments and benefits described in paragraphs (1) and (2), except that a married couple may receive an additional $50,000 in combined benefits, to the extent that the combined benefit does not exceed $275,000 during the fiscal or crop year (as applicable).

(B) TENANT RULE.—

(1) IN GENERAL.—Any individual or entity that conducts a farming operation to produce a commodity on land owned by an individual or entity shall be ineligible to receive any payment or benefit described in paragraph (1) or (2), or sub- title D of title XII, with respect to the land unless the individual or entity makes a contribution of active personal labor to the operation that is at least equal to the lesser of—

(II) 40 percent of the minimum number of labor hours required to produce each commodity (as described in clause (i)).

(3) MINIMUM NUMBER OF LABOR HOURS.—For the purpose of clause (1)(II), the minimum number of labor hours required to produce each commodity shall be equal to the number of hours that would be necessary to conduct a farming operation for the production of each commodity that is comparable in size to an individual or entity’s commensurate share in the farming operation and that is comparable in size to the farming operation, based on the minimum number of hours per acre required to produce the commodity in the State where the farming operation is located, as determined by the Secretary.

(4) PUBLIC SCHOOLS.—The provisions of this section that limit payments to any individual or entity shall not be applicable to payments made by a public or land owned by a State that is used to maintain a public school.

(5) SUBSTANTIVE CHANGE.—Section 1001A(a) of the Food Security Act of 1985 (7 U.S.C. 1380-1(a)) is amended—

(A) in the section heading by striking ‘‘SUBSTANTIVE CHANGE,’’ and inserting ‘‘SUBSTANTIVE CHANGE,’’ and—

(B) by striking ‘‘PREVENTION’’ and all that follows through the end of paragraph (2) and inserting the following:

"(a) SUBSTANTIVE CHANGE.—

(1) IN GENERAL.—The Secretary may not approve (for purposes of the application of the limitations under this section) any change in a farming operation that other- wise would increase the hours of individuals or entities to which the limitations under this section are applied unless the Secretary determines that the change is bona fide and substantially increases the production of a farming operation.

(2) FAMILY MEMBERS.—For the purpose of paragraph (1), the addition of a family member to a farming operation under the criteria established under subsection (b)(1)(B) shall be considered a bona fide and substantive change in the farming operation.

(3) IN GENERAL.—To be eligible to receive, directly or indirectly, payments (as described in paragraph 1001(a)(1) of section 1001 as being subject to limitation) with respect to a particular farming operation an individual or entity shall be actively engaged in farming with respect to the operation, as provided under paragraphs (2), (3), and (4),

(B) in paragraph (2), by adding at the end the following:

"(E) ACTIVE PERSONAL MANAGEMENT.—For an individual to be considered to be providing active personal management under this paragraph on behalf of the individual or a corporation or entity, the management provided by the individual shall be primarily provided on a regular, substantial, and continuous basis through the direction supervision and direction of—

(i) activities and labor involved in the farming operation; and

(ii) on-site services that are directly related and necessary to the farming operation.

(4) IN GENERAL.—To be eligible to receive, directly or indirectly, payments (as described in paragraphs 1001(a)(1) and 1001(b) of section 1001(a)(1) of section 1001 as being subject to limitation) with respect to a particular farming operation an individual or entity shall be actively engaged in farming with respect to the operation, as provided under paragraphs (2), (3), and (4),

"(A) LANDOWNERS.—A person that is a landowner contributing the owned land to farming operations and that individually provides the standard provided in clauses (i) and (ii) of paragraph 1001(a)(1) of section 1001(a)(1) of section 1001 as being subject to limitation by—

(i) share the rents of the land to a tenant that is actively engaged in farming operations; and

(ii) has a share of any payments described in paragraphs (2), (3), and (3) of section 1001 CONGRESSIONAL RECORD — SENATE S13639
that is commensurate with the person's share in the crop produced on the land for which the payments are made; or
(ii) makes a significant contribution of active labor on the farm; or
(ii) makes a significant contribution of active labor on the farm.

(ii) in subparagraph (B), by striking "persons" and inserting "individuals and entities"; and
(iii) in subparagraph (B), by striking "PERSONS" and inserting "INDIVIDUALS AND ENTITIES"; and
(iv) by striking "person, or class of persons" and inserting "individual or entity, or class of individuals or entities;" (E) by striking paragraph (5); (F) in paragraph (6), by striking "a person" and inserting "an individual or entity;" and (G) by redesignating paragraph (6) as paragraph (5).

(4) ADMINISTRATION.—Section 1001A of the Food Security Act of 1985 (7 USC 1308–1) is amended by adding at the end the following:

"(c) ADMINISTRATION.—
(1) Reviews.—
(A) In general.—During each of fiscal years 2002 through 2006, the Office of Inspector General for the Department of Agriculture shall conduct a review of the administration of the requirements issued from the Department of Agriculture relating to the administration of the Federal Assistance Program established under section 516(c), the Corporation of Agriculture, Nutrition, and Forestry of the Senate a report to the Committee on Agriculture of the Senate and the Office of Inspector General; and
(B) Minimum number of counties.—Each State and the Virgin Islands of the United States, or any political division thereof, shall conduct a review of the administration of the requirements established under subsection (c)(1) for a household of 6 or more members that is—
(1) equal to the applicable percentage specified in subparagraph (D) of the applicable income standard of eligibility established under subsection (c)(1); or
(2) $25,000,000 for each of fiscal years 2005 and 2006; and
(3) $25,000,000 for each of fiscal years 2005 and 2006.

(5) SCHIRM OR DEVICE.—Section 1001B of the Food Security Act of 1985 (7 USC 1308–2) is amended by striking "person" each place it appears and inserting "individual or entity." (6) FOREIGN INDIVIDUALS AND ENTITIES.—Section 1001C(b) of the Food Security Act of 1985 (7 U.S.C. 1308–4(c)) is amended by striking "5 persons" and inserting "5 individuals or entities." (7) EDUCATION PROGRAM.—Section 1001C(c) of the Food Security Act of 1985 (7 U.S.C. 1308–4(c)) is amended by striking "5 persons" and inserting "5 individuals or entities." (8) REPORT TO CONGRESS.—No later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall establish a special crew for the 2001 crop, a producer.

(9) ELIGIBILITY.—Section 135 of the Federal Agriculture Improvement and Reform Act of 1996 (7 USC 1308–1) is amended by striking paragraph (5) and inserting the following:

"(A) Standards.—Eligibility shall be based on—
(1) a minimum deduction; and
(2) an income standard of eligibility established under section 516(c), the Corporation of Agriculture, Nutrition, and Forestry of the Senate a report to the Committee on Agriculture of the Senate and the Office of Inspector General; and
(3) the sanctions imposed against State and county office employees who fail to report or investigate potential violations of the payment limitation requirements.

(10) LOAN DEFICIENCY PAYMENTS.—(A) Effective only for the 2000 and 2001 crop years, producers that, although not eligible for such a market loan under section 131, produce a commodity for which the Secretary determines that there is a shortage, and county office employees to identify potential violations of the payment limitation requirements; and
(B) by redesigning paragraph (6) as paragraph (5).

(11) ELIGIBILITY.—Section 135 of the Federal Agriculture Improvement and Reform Act of 1996 (7 USC 1308–1) is amended by striking paragraph (5) and inserting the following:

"(5) Effective only for the 2000 and 2001 crop years, producers that, although not eligible for such a market loan under section 131, produce a commodity for which the Secretary determines that there is a shortage, and county office employees to identify potential violations of the payment limitation requirements; and
(B) by redesigning paragraph (6) as paragraph (5).

(12) EFFECTIVENESS OF CERTAIN PROVISIONS.—Section 413 and subsections (c) and (d) of section 433, and the amendments made by section 413 and subsections (c) and (d) of section 433, shall have no effect.

(13) FEDERAL REIMBURSEMENT.—Section 16(h)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(3)) is amended by striking "such total amount shall not exceed an amount representing $25 per participant per month for costs of transportation and other actual costs (other than dependent care costs) and" and inserting "the amount of the contract shall be $25 per participant per month for costs of transportation and other actual costs (other than dependent care costs) and".

(14) REPORTS.—Not later than September 30, 2002, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes—
(A) the progress made by the Corporation in research and development of innovative risk management programs to include cost of production insurance that provides coverage for specialty crops, paying special attention to apples, asparagus, blueberries (wild and cultivated), cherries, Christmas trees, citrus fruits, cucumbers, dry beans, eggplants, floriculture, grapes,
greenhouse and nursery agricultural commodities, green peas, green peppers, hay, lettuce, maple, mushrooms, pears, potatoes, pumpkins, snap beans, spinach, squash, strawberries, sugar beets, and tomatoes;

(b) the progress made by the Corporation in increasing the use of risk management products offered through the Corporation by producers of specialty crops, by small and moderate sized farms, and in areas that are underserved, as determined by the Secretary; and

(c) how the additional funding provided under the amendments made by this section has been used.

(2) in subparagraph (B), by striking "$120,000,000" and inserting "$225,000,000".

(3) in paragraph (3), by inserting:

(c) how the additional funding provided out this Act, the Secretary may expend not more than 3 percent or $80,000, whichever is more.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on December 18, 2001, at 2:30 p.m., to conduct a hearing on the nominations of Ms. Vickers B. Meadows, of Virginia, to be an Assistant Secretary of Housing and Urban Development; and Ms. Diane L. Tomb, of Virginia, to be an Assistant Secretary of Housing and Urban Development.

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

COMMITTEE ON APPLIANCE

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Tuesday, December 18, 2001, at 9:30 a.m., to mark up the Bipartisan Trade Promotion Authority Act of 2001, which the chairman will propose as a substitute for H.R. 3005. In addition, the committee will consider favorably reporting the following nominations: Richard Clara, to be Assistant Secretary of Treasury for Economic Policy; Kenneth Lawson, to be Assistant Secretary of Treasury for Enforcement; B. John Williams, Jr., to be Chief Counsel/Assistant General Counsel for the Internal Revenue Service; Janet Hale, to be Assistant Secretary of Management and Budget, Department of Health and Human Services; Joan E. Ohl, to be Commissioner of Children, Youth and Family Administration, Department of Health and Human Services; James B. Lockhart III, to be Deputy Commissioner of the Social Security Administration; and Harold Daub, to be a Member of the Social Security Advisory Board.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, December 18, 2001, at 2:30 p.m., to hold a hearing titled, "The Global Reach of Al-Qaeda.

Agenda

Witnesses

Panel 1: Mr. J.T. Caruso, Acting Assistant Director, Counter Terrorism Division, Federal Bureau of Investigation, Washington, DC, and Mr. Thomas Wisnere, Deputy Section Chief, International Terrorism Operational Section, Federal Bureau of Investigation, Washington, DC.


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

PRIVILEGE OF THE FLOOR

Mr. DURBIN. Mr. President, I ask unanimous consent that the privilege of the floor be granted to Melanie Leitner, a fellow on my own staff, during the pendency of S. 1,731, the farm bill.

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

Mr. KENNEDY. Mr. President, I ask unanimous consent that Helen Yuen, a fellow with my education policy office, be granted the privilege of the floor for the remainder of this debate.

The ACTING PRESIDENT pro tem. Without objection, it is so ordered.

Mr. GREGG. Mr. President, I ask unanimous consent that Kathy McGarvey, a fellow in my Labor Committee office, be granted the privilege of the floor for the debate and vote on the ESEA conference report.

The ACTING PRESIDENT pro tem. Without objection, it is so ordered.

AFRICAN ELEPHANT CONSERVATION REAUTHORIZATION ACT OF 2001

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 250, H.R. 643.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read the bill (H.R. 643) as follows:

A bill (H.R. 643) to reauthorize the African Elephant Conservation Act.

There being no objection, the Senate proceeded to consider the bill.

Mr. REID. Mr. President, I ask unanimous consent that the bill be read a third time, passed the bill on reconsideration be laid on the table, and any statements relating thereto be printed in the RECORD.

Mr. DURBIN. Mr. President, I ask unanimous consent that the bill be read a third time, passed, the motion to reconsider be laid on the table, and any statements relating thereto be printed in the RECORD.

ASIAN ELEPHANT CONSERVATION REAUTHORIZATION ACT OF 2001

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to Calendar No. 266, H.R. 700.

The PRESIDING OFFICER. The clerk will state the bill by title.

The assistant legislative clerk read the bill (H.R. 700) as follows:


There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Environment and Public Works with an amendment.

[Omit the parts in black brackets and insert the part printed in italic.]

H.R. 700

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Asian Elephant Conservation Reauthorization Act of 2001”.

SEC. 2. REAUTHORIZATION OF ASIAN ELEPHANT CONSERVATION ACT OF 1997.


SEC. 3. LIMITATION ON ADMINISTRATIVE EXPENSES.

Section 7 of the Asian Elephant Conservation Act of 1997 (16 U.S.C. 4266) is further amended—

(1) by striking “There are authorized” and inserting “(a) IN GENERAL.—There is authorized”;

and

(2) by adding at the end the following:

(b) ADMINISTRATIVE EXPENSES.—Of any amounts available each fiscal year to carry out this Act, the Secretary may expend not more than 3 percent or $80,000, whichever is
The African Elephant Conservation Act of 1997 is amended by striking section 7 (16 U.S.C. 4263(3)) as amended, and inserting the following:

**SEC. 7. ADVISORY GROUP.**

(a) In general.—In carrying out this Act, the Secretary may convene an advisory group consisting of individuals representing public and private organizations actively involved in the conservation of African elephants.

(b) Public Participation.—

(1) Meetings.—The Advisory Group shall—

(A) ensure that each meeting of the advisory group is open to the public and provide, at each meeting, an opportunity for interested persons to present oral or written statements concerning items on the agenda.

(B) Minutes.—The Secretary shall provide to the public timely notice of each meeting of the advisory group.


(E) by striking the section heading and all that follows through ''(d) ACCEPTANCE AND USE OF DONATIONS.—'' and inserting the following:

**SEC. 6. ACCEPTANCE AND USE OF DONATIONS.**

(a) CONFORMING AMENDMENTS.—The Asian Elephant Conservation Act of 1997 is amended as follows:

(1) Section 4(3) (16 U.S.C. 4263(3)) is amended by striking ''the Asian Elephant Conservation Fund established under section 6(a)'' and inserting ''the account established by division A, section 101(e), title I of Public Law 105-277 under the heading ‘MULTINATIONAL SPECIES CONSERVATION FUND’''.

(2) Section 6 (16 U.S.C. 4263) is amended by striking the section heading and all that follows through ''(d) ACCEPTANCE AND USE OF DONATIONS.—'' and inserting the following:

(b) TECHNICAL CORRECTION.—Title I of section 101(e) of division A of Public Law 105-277 (112 Stat. 2681-237) is amended under the heading ‘MULTINATIONAL SPECIES CONSERVATION FUND’ by striking ‘Rhinoceros and Tiger Conservation Act, subchapter I’ and inserting ‘the Marquis de Lafayette Conservation Act of 1994, part I’.

**30TH ANNIVERSARY OF THE ENACTMENT OF THE FEDERAL WATER POLLUTION CONTROL ACT**

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 265, S. Con. Res. 80.

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

The committee amendment was agreed to.

**HONORARY CITIZENSHIP FOR PAUL YVES ROCH GILBERT DU MOTIER**

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 265, S. Con. Res. 13.

The PRESIDING OFFICER. The clerk will state the joint resolution by title.

The assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 13) conferring honorary citizenship of the United States on Paul Yves Roch Gilbert du Motier, also known as the Marquis de Lafayette.

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

Mr. LEAHY. Mr. President, I am pleased to cosponsor this resolution to grant honorary citizenship to the Marquis de Lafayette.

Aside from being a hero of the American Revolution, the Marquis de Lafayette is known for the grand tour he took of the New Republic in the 1820’s. During his visit to Vermont in 1825, a town was renamed as Fayetteville until it was changed again to Newfane in 1832.

He also laid the cornerstone of the Old Mill, a historic building on the University of Vermont’s campus. The school now honors his memory with a statue on campus.

It is not inappropriate, at a time when we are engaged in a struggle against international terrorism, we recall that even in our infancy, this country has always had friends and allies from other parts of the world. After two hundred years, the world has gotten smaller and our international allies and coalition partners are essential to our long term success in the differences ahead. We should never forget this nation’s friends.

Mr. REID. Mr. President, I ask unanimous consent that the joint resolution...
be read the third time, and passed, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating thereto be printed in the RECORD.

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

The joint resolution (S.J. Res. 13) was read the third time and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

S.J. Res. 13

Whereas the United States has conferred honorary citizenship on four other occasions in more than 200 years of its independence, and honorary citizenship is and should remain an extraordinary honor not lightly conferred nor frequently granted;

Whereas Paul Yves Roch Gilbert du Motier, also known as the Marquis de Lafayette, or General Lafayette, voluntarily put forth his own money and risked his life for the freedom of Americans;

Whereas the Marquis de Lafayette, by an Act of Congress, was voted to the rank of Major General;

Whereas, during the Revolutionary War, General Lafayette was wounded at the Battle of Brandywine, demonstrating bravery that forever endeared him to the American soldiers;

Whereas the Marquis de Lafayette secured the help of France to aid the United States' colonists against Great Britain;

Whereas the Marquis de Lafayette was the first foreign dignitary to address Congress, an honor which he accorded to himself upon his return to the United States in 1824;

Whereas, upon his death, both the House of Representatives and the Senate draped their chambers in black as a demonstration of respect and gratitude for his contribution to the independence of the United States;

Whereas an American flag has flown over his grave in France since his death and has not been removed, even while France was occupied by Nazi Germany during World War II; and

Whereas the Marquis de Lafayette gave aid to the United States in her time of need and is forever a symbol of freedom: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Paul Yves Roch Gilbert du Motier, also known as the Marquis de Lafayette, is proclaimed to be an honorary citizen of the United States of America.

DECEMBER 18, 2001

WANTING A FARM BILL

Mr. SESSIONS. Mr. President, I have the permission of the Senator from Arkansas to go first.

I do take offense at the distinguished Senator from Iowa, Mr. HARKIN, saying we do not want a farm bill. That is not true. I do want a farm bill. I do not think there is a Senator here who does not want one, and I would like to see one completed before we leave.

I have been talking to farmers back home in my State, and they tell me frankly they like Cochran-Roberts. I am pleased to support the amendment that Senator HUTCHINSON has offered that has the House structure with some additional language in it that we think makes the bill even better. That was my vote on that bill that I offered, along with Senator HUTCHINSON and four Democrats. There were four Democrats and three Republicans on that bill. I believe the Presiding Officer was on that bill. It was a good bipartisan bill.

As the bill went through the system, the committee dealt with it and the majority leader dealt with it, and pretty soon we had a bill that was not as balanced as we would like to see it.

A lot of people in this Senate who care about agriculture—and there are some other than Senator HARKIN—are really concerned about the legislation and want a good bill.

Senator COCHRAN from Mississippi who chairs the Agriculture Appropriations Subcommittee is one of the most knowledgeable people in this Senate on agricultural issues.

Senator PAT ROBERTS chaired the House Committee on Agriculture and is one of the most knowledgeable people in this Senate on agriculture.

Senator LUGAR, the former chairman of the Agriculture Committee and one of the finest Members of this body, is not comfortable with this legislation, and he certainly, as a farmer, cares about agriculture. So does Senator GRASSLEY who spoke earlier, a farmer himself, and a senior member of the Agriculture Committee.

They just do not agree with Senator HARKIN on everything that is in a bill that he admits is not perfect.

What we ought to do, and what I would have expected to happen, is that these responsible, experienced Senators and farm experts would be able to get together and work out the problems and not end up with a problem with the House and a problem with the President.

How are we going to get a bill passed if it cannot be conferred? How are we going to get a bill that I offered, along with Senator HUTCHINSON and four Democrats to the President?

PROGRAM

Mr. REID. Mr. President, there will be rollcall votes on the farm bill tomorrow morning, as we know.

ORDER FOR RECESS

Mr. REID. Mr. President, I ask unanimous consent that if there is no further business to come before the Senate, following the statement by the Senator from Arkansas for 5 minutes and the statement by the Senator from Alabama for 10 minutes, the Senate stand in recess under the previous order.

The PRESIDING OFFICIAL. Without objection, it is so ordered.
Mr. HUTCHINSON. I thank the distinguished Senator from Alabama for his cosponsorship of this legislation and for his excellent statement. I also commend the Presiding Officer this evening for his role and hard work on the peanut program and his great victory on that issue. Senator HUTCHINSON worked on the Agriculture bill and for his willingness to stay this late. I am sure the Presiding Officer is ready to wind this up.

I wish my colleagues could have seen the farmers I met with this past Saturday. One asked the prospects for getting his bill completed by the President. I began to explain the Senate process. We have cloture; we may not get it. If we get it, we get a bill that has to go to conference. There is a lot of difference between the House and the Senate. I explained that and their tomorrow night, it will be weeks before. They said that would not do a lot of good for making loans and plans and getting ready for the upcoming planting season.

We have reached the point of finger pointing, both sides saying the other does not want a bill this year. I suggest that we get past that. Of course not. We all have ideas of what the ideal farm bill is. They are genuine compromises. We can pass the House bill I filed this evening, which I urged in my floor speeches we move this year. I wrote Chairman HARKIN and asked quick work for the Harkin commodity title, and voted for the committee bill, voted for cloture last week; I voted for cloture today. I want a farm bill.

The way I see it, Senator HARKIN made a significant admission and said, if we invoke cloture and pass his bill tomorrow night, it will be weeks before a conference can work out the differences between the House and Senate and get a bill to the President.

There were a lot of Democrats who voted against Cochran-Roberts. But do we say a lot of Democrats do not want a farm bill because they would not support that? Of course not. We all have ideas of what the ideal farm bill is. We cannot get an ideal farm bill in these closing days. None of us would know exactly what it was.

There is one way we can get a bill this year. That is to move this House-like bill cosponsored by Republicans and Democrats—four Democrats, three Republicans—and move it immediately to the President. Tomorrow we will find out who is really wanting a bill this year and who is really wanting to stall one out—whether it is pride of authorship; my bill is the only bill, or whether we are willing to make an improvement in farm policy under this budget and to the President and signed into law.

I hope tomorrow there is good news this Christmas for America’s farmers.

I thank the Presiding Officer for his patience, and I yield the floor.
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RECESS UNTIL 11:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 11:30 tomorrow, Wednesday, December 19, 2001.

Thereupon, the Senate, at 9:36 p.m., recessed until Wednesday, December 19, 2001, at 11:30 a.m.

NOMINATIONS

Executive nominations received by the Senate December 18, 2001:

EXECUTIVE OFFICE OF THE PRESIDENT

NANCY DORN, OF TEXAS, TO BE DEPUTY DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET, VICE SEAN O’KEEFE.

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

EMMY B. SIMMONS, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT ADMINISTRATOR OF THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT, (NEW POSITION)

DEPARTMENT OF JUSTICE

BRIAN MICHAEL ENNS, OF NEBRASKA, TO BE UNITED STATES MARSHAL FOR THE DISTRICT OF NEBRASKA FOR THE TERM OF FOUR YEARS, VICE CLEVELAND VAUGHN CHESTER MARTIN KEELEY, OF ALABAMA, TO BE UNITED STATES MARSHAL FOR THE NORTHERN DISTRICT OF ALABAMA FOR THE TERM OF FOUR YEARS, VICE WILLIAM HENRY VON EDWARDS, III, RESIGNED.

JOHN WILLIAM LOYD, OF OKLAHOMA, TO BE UNITED STATES MARSHAL FOR THE EASTERN DISTRICT OF OKLAHOMA FOR THE TERM OF FOUR YEARS, VICE ROBERT BRUCE ROBERTSON.

WILLIAM SMITH TAYLOR, OF ALABAMA, TO BE UNITED STATES MARSHAL FOR THE SOUTHERN DISTRICT OF ALABAMA FOR THE TERM OF FOUR YEARS, VICE ROBERT JAMES MOORE.

JOHN WILLIAM LOYD, OF OKLAHOMA, TO BE UNITED STATES MARSHAL FOR THE DISTRICT OF OKLAHOMA FOR THE TERM OF FOUR YEARS, VICE LAURENT F. GILBERT.

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES MARINE CORPS TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be brigadier general

COL. GEORGE J. FLYNN, 0000
COL. JOHN F. KELLY, 0000
COL. MARYANN KHUDOSHNIN, 0000
COL. FRANK A. PANTER JR., 0000
COL. CHARLES S. PATTON, 0000
COL. MARTIN M. ROHRSON, 0000
COL. TERRY G. RODLING, 0000
COL. RICHARD T. TRYON, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES MARINE CORPS TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be major general

BRIG. GEN. EMERSON N. GARDNER JR., 0000
BRIG. GEN. RICHARD A. HUCK, 0000
BRIG. GEN. STEPHEN T. JOHNSON, 0000
BRIG. GEN. BRADLEY M. LOTT, 0000
BRIG. GEN. KEVIN J. STALDER, 0000
BRIG. GEN. JOSEPH F. WEBER, 0000

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY, JUDGE ADVOCATE GENERAL’S CORPS AND FOR REGULAR APPOINTMENT UNDER TITLE 10, U.S.C., SECTIONS 531, 624 AND 3064:

To be major

LESLIE C. SMITH II, 0000
HIGHLIGHTS

Senate agreed to the Conference Report on H.R. 1, Elementary and Secondary Education Act Authorization.

Senate

Chamber Action

Routine Proceedings, pages S13365–S13645

Measures Introduced: Thirteen bills were introduced, as follows: S. 1835–1847. Pages S13464–65

Measures Reported:


S. 1379, to amend the Public Health Service Act to establish an Office of Rare Diseases at the National Institutes of Health, with an amendment in the nature of a substitute. (S. Rept. No. 107–129)

Measures Passed:

Bill Enrollment Corrections: Senate agreed to H. Con. Res. 289, directing the Clerk of the House of Representatives to make technical corrections in the enrollment of the bill H.R. 1, Elementary and Secondary Education Act Authorization, after agreeing to the following amendment proposed thereto:

Daschle (for Kennedy/Gregg) Amendment No. 2640, in the nature of a substitute. Pages S13422

African Elephant Conservation: Senate passed H.R. 643, to reauthorize the African Elephant Conservation Act, clearing the measure for the President.


Asian Elephant Conservation: Senate passed H.R. 700, to reauthorize the Asian Elephant Conservation Act of 1997, after agreeing to a committee amendment.

Federal Water Pollution Control Anniversary: Senate agreed to S. Con. Res. 80, expressing the sense of Congress regarding the 30th anniversary of the enactment of the Federal Water Pollution Control Act. Page S13642

Honoring the Marquis de Lafayette: Senate passed S.J. Res. 13, conferring honorary citizenship of the United States on Paul Yves Roch Gilbert du Motier, also known as the Marquis de Lafayette. Pages S13642–43

Year of the Rose: Senate passed S.J. Res. 8, designating 2002 as the “Year of the Rose”. Page S13643

Elementary and Secondary Education Act Authorization Conference Report: By 87 yeas to 10 nays (Vote No. 371), Senate agreed to the conference report on H.R. 1, to close the achievement gap with accountability, flexibility, and choice, so that no child is left behind, clearing the measure for the President. Pages S13365–S13422

Federal Farm Bill: Senate continued consideration of S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, taking action on the following amendments proposed thereto:

Lugar (for McCain) Amendment No. 2603 (to Amendment No. 2471), to provide for the market name for catfish. (By 68 yeas to 27 nays (Vote No. 373), Senate tabled the Amendment.) Pages S13423, S13426–41

Cochran/Roberts Amendment No. 2671 (to Amendment No. 2471), in the nature of a substitute. (By 55 yeas to 40 nays (Vote No. 374), Senate tabled the amendment.) Page S13441
Smith (NH) Amendment No. 2596 (to Amendment No. 2471), to provide for Presidential certification that the government of Cuba is not involved in the support for acts of international terrorism as a condition precedent to agricultural trade with Cuba. (By 61 yeas to 33 nays (Vote No. 375), Senate tabled the amendment.)

Pending:

Daschle (for Harkin) Amendment No. 2471, in the nature of a substitute.

Wellstone Amendment No. 2602 (to Amendment No. 2471), to insert in the environmental quality incentives program provisions relating to confined livestock feeding operations and to a payment limitation.

Harkin Modified Amendment No. 2604 (to Amendment No. 2471), to apply the Packers and Stockyards Act, 1921, to livestock production contracts and to provide parties to the contract the right to discuss the contract with certain individuals.

Burns Amendment No. 2607 (to Amendment No. 2471), to establish a per-farm limitation on land enrolled in the conservation reserve program.

Burns Amendment No. 2608 (to Amendment No. 2471), to direct the Secretary of Agriculture to establish certain per-acre values for payments for different categories of land enrolled in the conservation reserve program.

During consideration of this measure today, Senate also took the following actions:

Motion to proceed to the Daschle motion to reconsider the vote (Vote 368) by which the motion to close further debate on Daschle (for Harkin) Amendment No. 2471 (listed above) failed on December 13, 2001, was agreed to, and the motion to reconsider was then agreed to.

By 54 yeas to 43 nays (Vote No. 372), three-fifths of those Senators duly chosen and sworn not having voted in the affirmative, Senate rejected the motion to close further debate on Daschle (for Harkin) Amendment No. 2471, listed above.

Torricelli Amendment No. 2597 (to Amendment No. 2596), to provide for Presidential certification that all convicted felons who are living as fugitives in Cuba have been returned to the United States prior to the amendments relating to agricultural trade with Cuba becoming effective, fell when Smith (NH) Amendment No. 2596 (to Amendment No. 2471), listed above, was tabled.

A unanimous-consent agreement was reached providing for further consideration of the bill on Wednesday, December 19, 2001, with a vote on the motion to close further debate on the pending Daschle (for Harkin) Amendment No. 2471 (listed above), to occur at 1:15 p.m.

Nominations Received: Senate received the following nominations:

Nancy Dorn, of Texas, to be Deputy Director of the Office of Management and Budget.

Emmy B. Simmons, of the District of Columbia, to be an Assistant Administrator of the United States Agency for International Development. (New Position)

Brian Michael Ennis, of Nebraska, to be United States Marshal for the District of Nebraska for the term of four years.

Chester Martin Keely, of Alabama, to be United States Marshal for the Northern District of Alabama for the term of four years.

John William Loyd, of Oklahoma, to be United States Marshal for the Eastern District of Oklahoma for the term of four years.

William Smith Taylor, of Alabama, to be United States Marshal for the Southern District of Alabama for the term of four years.

David Donald Viles, of Maine, to be United States Marshal for the District of Maine for the term of four years.

14 Marine Corps nominations in the rank of general.

A routine list in the Army.

Messages From the House:

Executive Communications:

Executive Reports of Committees:

Additional Cosponsors:

Statements on Introduced Bills/Resolutions:

Additional Statements:

Amendments Submitted:

Authority for Committees to Meet:

Privilege of the Floor:

Record Votes: Five record votes were taken today. (Total—375)

Recess: Senate met at 9:30 a.m., and recessed at 9:36 p.m., until 11:30 a.m. on Wednesday, December 19, 2001. (For Senate's program, see the remarks of the Acting Majority Leader in today's Record on page S13643.)
Committee Meetings

(Committees not listed did not meet)

NOMINATIONS

Committee on Armed Services: Committee ordered favorably reported the nomination of Everet Beckner, of New Mexico, to be Deputy Administrator for Defense Programs, National Nuclear Security Administration, Department of Energy, and 66 military nominations in the Army and Air Force.

NOMINATIONS

Committee on Banking, Housing, and Urban Affairs: Committee concluded hearings on the nominations of Vickers B. Meadows, of Virginia, to be Assistant Secretary for Administration, and Diane Leneghan Tomb, of Virginia, to be Assistant Secretary for Public Affairs, both of the Department of Housing and Urban Development, after the nominees testified and answered questions in their own behalf. Ms. Tomb was introduced by Representative Portman.

ENRON CORPORATION COLLAPSE

Committee on Commerce, Science, and Transportation: Committee concluded hearings to examine issues surrounding the collapse of Enron Corporation, focusing on relevant auditing and accounting issues, the influence of U.S. capital market system's internal controls and alleged conflicts of interest, Enron stock marketing practices, and the financial devastation caused by the collapse, after receiving testimony from C.E. Andrews, Arthur Andersen, Scott Cleland, Precursor Group, and Damon Silvers, AFL-CIO, all of Washington, D.C.; John C. Coffee, Jr., Columbia University School of Law, New York, New York; Bill Mann, Motley Fool, Alexandria, Virginia; Robert Vigil, Portland General Electric, Madras, Oregon; Donald Eri, Gresham, Oregon; Janice Farmer, Orlando, Florida; Mary Bain Pearson, Houston, Texas; and Charles Prestwood, Conroe, Texas.

BUSINESS MEETING

Committee on Finance: Committee ordered favorably reported the following business items:

H.R. 3005, to extend trade authorities procedures with respect to reciprocal trade agreements, with an amendment in the nature of a substitute; and

The nominations of Richard Clarida, of Connecticut, to be Assistant Secretary for Economic Policy, Kenneth Lawson, of Florida, to be Assistant Secretary for Enforcement, and B. John Williams, Jr., of Virginia, to be Chief Counsel for the Internal Revenue Service and Assistant General Counsel, all of the Department of the Treasury, Janet Hale, of Virginia, to be Assistant Secretary for Management and Budget, and Joan E. Ohl, of West Virginia, to be Commissioner on Children, Youth, and Families, both of the Department of Health and Human Services, and James B. Lockhart III, of Connecticut, to be Deputy Commissioner of Social Security, and Harold Daub, of Nebraska, to be a Member of the Social Security Advisory Board, both of the Social Security Administration.

GLOBAL OUTREACH OF AL-QAEDA

Committee on Foreign Relations: Subcommittee on International Operations and Terrorism concluded hearings to examine the global outreach of Al-Qaeda International, focusing on ties to other terrorist organizations, the fatwah’s of Al-Qaeda (rulings on Islamic law), and how U.S. military actions might affect Al-Qaeda, after receiving testimony from J. T. Caruso, Acting Assistant Director, Counterterrorism Division, and Thomas Wilsbore, Deputy Section Chief, International Terrorism Operational Section, both of the Federal Bureau of Investigation, Department of Justice; Larry C. Johnson, BERG Associates, LLC, Washington, D.C., former Deputy Director, Office of Counterterrorism, Department of State; and Michelle Flournoy, Center for Strategic and International Studies, Washington, D.C.

House of Representatives

Chamber Action

Reports Filed: Reports were filed today as follows:


Speaker Pro Tempore: Read a letter from the Speaker wherein he appointed Representative Culberson to act as Speaker pro tempore for today. Page H10175

Recess: The House recessed at 1:08 p.m. and reconvened at 2 p.m. on Tuesday, Dec. 18. Page H10179
Private Calendar: Agreed to dispense with the call of the Private Calendar of Dec. 18.

Suspensions: The House agreed to suspend the rules and pass the following measures:

Receipts from Mineral Leasing Activities on Naval Oil Shale Reserves: H.R. 2187, amended, to amend title 10, United States Code, to make receipts collected from mineral leasing activities on certain naval oil shale reserves available to cover environmental restoration, waste management, and environmental compliance costs incurred by the United States with respect to the reserves; Pages H10179–81

Cold War Interpretive Study Act: H.R. 107, amended, to require that the Secretary of the Interior conduct a study to identify sites and resources and to recommend alternatives for commemorating and interpreting the Cold War; Page H10181

Richard J. Guadagno Headquarters and Visitors Center Humboldt Bay National Wildlife Refuge, California: H.R. 3334, to designate the Richard J. Guadagno Headquarters and Visitors Center at Humboldt Bay National Wildlife Refuge, California; Pages H10181–83

National Motivation and Inspiration Day: H. Res. 308, amended, expressing the sense of the House of Representatives regarding the establishment of a National Motivation and Inspiration Day. Agreed to amend the title so as to read: Resolution supporting the goals of a National Motivation and Inspiration Day; Pages H10183–84

Vernon Tarlton Post Office Building, Forest City, North Carolina: H.R. 3072, to designate the facility of the United States Postal Service located at 125 Main Street in Forest City, North Carolina, as the “Vernon Tarlton Post Office Building;” Pages H10184–85

Raymond M. Downey Post Office Building, Deer Park, New York: H.R. 3379, to designate the facility of the United States Postal Service located at 375 Carlls Path in Deer Park, New York, as the “Raymond M. Downey Post Office Building” (agreed to by a yea-and-nay vote of 393 yeas with none voting “nay;,” Roll No. 499); Pages H10185–86, S10212–13

Water Infrastructure Security and Research Development: H.R. 3178, to authorize the Environmental Protection Agency to provide funding to support research, development, and demonstration projects for the security of water infrastructure. Agreed to amend the title so as to read: A bill to authorize the Environmental Protection Agency to
Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2002; that all points of order against the conference report and against its consideration be waived, and that it be considered as read.

Order of Business—Suspensions: Pursuant to the notice requirements of H. Res. 314, Representative Royce announced that the following measures will be considered under suspension of the rules on Wednesday, December 19, 2001: H.J. Res. 75, monitoring of weapons development in Iraq; H.R. 2739, requiring a plan to endorse and obtain observer status for Taiwan at the annual summit of the World Health Assembly in May 2002 in Geneva, Switzerland; H.R. 3275, Terrorist Bombings Convention Implementation; S. 1714, Honoring Dr. James Harvey Early in the Williamsburg, Kentucky Post Office Building; Senate amendment to H.R. 2657, District of Columbia Family Court Act; Senate amendment to H.R. 2199, District of Columbia Police Coordination Amendment Act; S. 1762, Higher Education Act Amendments; S. 1793, Higher Education Relief Opportunities; H. Con. Res. 279, Commending the crew of the USS Enterprise Battle Group; H.R. 3507, Coast Guard Authorization Act for FY 2002; and H.R. 1432, Major Lyn McIntosh Post Office Building, Valdosta, Georgia.

Recess: The House recessed at 10:45 p.m. subject to the call of the Chair.

Senate Message: Message received from the Senate appears on page H10193.

Referrals: S. 1271 was held at the desk.

Quorum Calls—Votes: Two yea-and-nay votes developed during the proceedings of the House today and appear on pages H10212–13 and H10213–14. There were no quorum calls.

Adjournment: The House met at 12:30 p.m. and at 10:45 p.m. stands in recess subject to the call of the Chair.

Committee Meetings

ELECTRIC SUPPLY AND TRANSMISSION


Joint Meetings

APPROPRIATIONS—DEFENSE

Conferees agreed to file a conference report on the differences between the Senate and House passed versions of H.R. 3338, making appropriations for the Department of Defense for the fiscal year ending September 30, 2002.

APPROPRIATIONS—LABOR-HHS-EDUCATION

Conferees agreed to file a conference report on the differences between the Senate and House passed versions of H.R. 3061, making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2002.

COMMITTEE MEETINGS FOR WEDNESDAY, DECEMBER 19, 2001

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Finance: to hold hearings on the nomination of Edward Kingman, Jr., of Maryland, to be Assistant Secretary for Management and Budget, and Chief Financial Officer, Department of the Treasury, 10 a.m., SD–215.

House


Committee on the Judiciary, Subcommittee on Commercial and Administrative Law, oversight hearing on the Alabama-Coosa-Tallapoosa River Basin Compact and the Apalachicola-Chattahoochee and Flint River Basin Compact, 10 a.m., 2141 Rayburn.

Next Meeting of the SENATE
11:30 a.m., Wednesday, December 19, 2001

Senate Chamber

Program for Wednesday: Senate will continue consideration of S. 1731, Federal Farm Bill, with a vote to close further debate on Daschle (for Harkin) Amendment No. 2471, in the nature of a substitute to occur at 1:15 p.m.

Next Meeting of the HOUSE OF REPRESENTATIVES
10 a.m., Wednesday, December 19

House Chamber

Program for Wednesday: Consideration of Suspensions:
(1) H.J. Res. 75, Monitoring Iraqi Weapons Development;
(2) H.R. 2739, Endorsing Observer Status for Taiwan at World Health Assembly;
(3) H.R. 3275, Terrorist Bombings Convention Implementation;
(4) S. 1714, Honoring Dr. James Harvey Early in the Williamsburg, Kentucky Post Office Building;
(5) Senate amendment to H.R. 2657, District of Columbia Family Court Act;
(6) Senate amendment to H.R. 2199, District of Columbia Police Coordination Act;
(7) S. 1762, Higher Education Act Amendments;
(8) S. 1793, Higher Education Relief Opportunities;
(9) H. Con. Res. 279, Commending the crew of the USS Enterprise Battle Group;
(10) H.R. 3507, FY 2002 Coast Guard Authorization Act for FY 2002; and
(11) H.R. 1452, Major Lyn McIntosh Post Office Building, Valdosta, Georgia.

Consideration of the conference report on H.R. 3061, Labor, HHS, Education Appropriations (unanimous consent); and
Consideration of H.R. , Economic Growth and Security Act (subject to a rule).

(House proceedings for today will be continued in the next issue of the Record.)