

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS—MARCH 14, 2002

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BINGAMAN:

S. 2018. A bill to establish the T'uf Shur Bien Preservation Trust Area within the Cibola National Forest in the State of New Mexico to resolve a land claim involving the Sandia Mountain Wilderness, and for other purposes; to the Committee on Indian Affairs and the Committee on Energy and Natural Resources; jointly, pursuant to the order of March 14, 2002, with instructions that if one Committee reports, the other Committee have twenty calendar days, excluding any period where the Senate is not in session for more than three days, to report or be discharged.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS—MARCH 15, 2002

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. GREGG:

S. 2020. A bill to establish the Department of National Border Security; to the Committee on Governmental Affairs.

By Mr. ENZI:

S. 2021. A bill to amend the Packers and Stockyards Act, 1921, to prohibit the use of certain anti-competitive forward contracts; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BOND (for himself and Mr. GRASSLEY):

S. 2022. A bill to amend the Internal Revenue Code of 1986 to modify the unrelated business income limitation on investment in certain debt-financed properties; to the Committee on Finance.

By Ms. COLLINS (for herself, Mr. BOND, Mr. HUTCHINSON, and Mr. SMITH of Oregon):

S. 2023. A bill to amend the Internal Revenue Code of 1986 to provide for an increase in expensing under section 179; to the Committee on Finance.

By Mr. SMITH of New Hampshire:

S. 2024. A bill to amend title 23, United States Code, to authorize use of electric personal assistive mobility device on trails and pedestrian walkways constructed or maintained with Federal-aid highway funds; to the Committee on Environment and Public Works.

ADDITIONAL COSPONSORS

S. 159

At the request of Mrs. BOXER, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. 159, a bill to elevate the Environmental Protection Agency to a cabinet level department, to redesignate the Environmental Protection Agency as the Department of Environmental Protection Affairs, and for other purposes.

S. 490

At the request of Mr. EDWARDS, the name of the Senator from Missouri (Mrs. CARNAHAN) was added as a cosponsor of S. 490, a bill to provide

grants to law enforcement agencies that ensure that law enforcement officers employed by such agencies are afforded due process when involved in a case that may lead to dismissal, demotion, suspension, or transfer.

S. 1258

At the request of Mr. DORGAN, the names of the Senator from Hawaii (Mr. AKAKA) and the Senator from Florida (Mr. GRAHAM) were added as cosponsors of S. 1258, a bill to improve academic and social outcomes for teenage youth.

S. 1335

At the request of Mr. KENNEDY, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 1335, a bill to support business incubation in academic settings.

S. 1617

At the request of Mr. DODD, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 1617, a bill to amend the Workforce Investment Act of 1998 to increase the hiring of firefighters, and for other purposes.

S. 1876

At the request of Mrs. CLINTON, the name of the Senator from Alaska (Mr. MURKOWSKI) was added as a cosponsor of S. 1876, a bill to establish a National Foundation for the Study of Holocaust Assets.

S. 1961

At the request of Mr. GRAHAM, the name of the Senator from Georgia (Mr. MILLER) was added as a cosponsor of S. 1961, a bill to improve financial and environmental sustainability of the water programs of the United States.

S. 1984

At the request of Mr. BUNNING, the name of the Senator from Arkansas (Mr. HUTCHINSON) was added as a cosponsor of S. 1984, a bill to authorize the Secretary of Health and Human Services to make grants to nonprofit tax-exempt organizations for the purchase of ultrasound equipment to provide free examinations to pregnant women needing such services, and for other purposes.

S. 1991

At the request of Mr. HOLLINGS, the names of the Senator from Pennsylvania (Mr. SPECTER), the Senator from North Dakota (Mr. DORGAN), and the Senator from Montana (Mr. BURNS) were added as cosponsors of S. 1991, to establish a national rail passenger transportation system, reauthorize Amtrak, improve security and service on Amtrak, and for other purposes.

S. 1995

At the request of Ms. SNOWE, the name of the Senator from Nebraska (Mr. NELSON) was added as a cosponsor of S. 1995, a bill to prohibit discrimination on the basis of genetic information with respect to health insurance and employment.

S. RES. 206

At the request of Mr. MURKOWSKI, the name of the Senator from Washington (Ms. CANTWELL) was added as a cosponsor of S. Res. 206, a resolution designating the week of March 17 through

March 23, 2002 as "National Inhalants and Poison Prevention Week."

S. RES. 219

At the request of Mr. GRAHAM, the name of the Senator from Tennessee (Mr. FRIST) was added as a cosponsor of S. Res. 219, a resolution expressing support for the democratically elected Government of Colombia and its efforts to counter threats from United States-designated foreign terrorist organizations.

AMENDMENT NO. 3008

At the request of Mr. DAYTON, the name of the Senator from Illinois (Mr. FITZGERALD) was added as a cosponsor of amendment No. 3008 proposed to S. 517, a bill to authorize funding the Department of Energy to enhance its mission areas through technology transfer and partnerships for fiscal years 2002 through 2006, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GREGG:

S. 2020. A bill to establish the Department of National Border Security; to the Committee on Governmental Affairs.

Mr. GREGG. Madam President, I rise today to introduce a piece of legislation which tries to address one of the oppressive problems we have in confronting the issues of terrorism in our country as we move forward; that is, checking our borders and making sure we have control over the people who are coming into our country and how they can come into our country.

As a nation, we have traditionally had very open borders, which is something in which we take great pride. Unfortunately, people who wish to cause us harm, people who wish to kill Americans, people who wish to kill Americans by the thousands, and who have stated that their sole purpose in life is to kill Americans, have taken advantage of that openness. Certainly we saw on September 11 the situation that occurred.

We have 100,000 miles of coastline, 2,000 miles of land border with Mexico, and 4,000 miles of land border with Canada. Last year, we had 127 million automobiles come across those borders, 11 million trucks, 2 million railcars, and 1 million commercial airplanes. More than 500 million people were admitted to the United States last year. You can see that our borders are aggressively used.

There is great international commerce, which there should be, and we want to continue that. But one of the problems we have is that the agencies responsible for managing our borders have been disoriented, dysfunctional, spread about, and uncoordinated. We have seen some really horrendous instances of mismanagement. We have also seen instances that have occurred as a result of failure of communication. We have seen failures that have

occurred as a result of turf fights between different agencies. We have seen agencies which have found their purpose to be unfocused in their execution of the protection of the borders.

The most recent and startling and almost unbelievable example, of course, was the delivery of visas to a Florida flight school just this week for two people who committed the atrocities in New York. America is outraged. Clearly, the President was shocked. All of us were shocked that that would happen. That was a total example of an incredible breakdown in the systems which are managing our borders; that is, the INS.

What I propose today is to try to get some coherence into this effort, to bring together the agencies which are responsible to protect our borders, to put them all under one management structure, and to create a new Cabinet-level Department, which would be called the "Department of National Border Security."

Under this Department, we would take the various agencies which have responsibility for managing our borders and protecting our Nation and put them into this Department so that they would be communicating with each other and have a streamlined management and command process—something which they do not have today.

Included in this Department would be, for example, the U.S. Customs Service, the U.S. Coast Guard, large elements of the Immigration and Naturalization Service, including, of course, Border Patrol, and elements of the DEA which have responsibility for border security in the area of drugs, and the Agriculture Quarantine Inspection Program, which obviously controls food that comes into the country.

The result of putting all these groups together in one management structure will be that there will be, hopefully, a coordinated approach to managing our borders. It doesn't guarantee it. But it is very clear that the system we have today, because of the lack of coordination, because of the overlapping authority, because of the turf issues, and because of the lack of centralized directional command is not working.

I happen to be ranking on a committee which has specific jurisdiction over funding for the Justice Department and the State Department and which has a large percentage of responsibility for our border activities, especially the INS. I can tell you from my own experience as the ranking member, and formerly as chairman, of that Subcommittee on Commerce, Justice, State, and the Judiciary of the Appropriations Committee, that unless we get these parties together functioning under one umbrella of leadership, we are simply not going to get our borders under control.

Is this the full answer to the problem—the reorganizing of these Departments? Absolutely not. There also has to be the intention on the part of the

parties who are serving these Departments to accomplish the goal. There has to be leadership on the part of the administration to accomplish the goal of border security and making it more efficient.

But as a practical matter, without this first step I personally do not think we are ever going to get the type of coordination that is required in order for leadership in this area to be effective.

What we have today in this arena is that these various Departments are spread across the Government. On top of it, we have each reporting to a separate Department Secretary. On top of that, we have the Homeland Security Director, of course. Overseeing all of it, we have the President. As a result, even though everybody wants to go in the same direction, it is like six or seven horses pulling in opposite directions. By bringing them all under the same tent, we will have a centralized activity.

We should not, for example, be housing the Customs Service in one building, the Border Patrol in another building, the DEA in another building, and have them not generally communicating with each other at a border crossing point; or have the resources of one agency be in surplus at one border crossing point while the resources of another agency are strapped at the same crossing point and not having them be able to work together to try to more effectively manage those resources so that we get the most efficient use out of the people, the parties, and the items involved.

All of that problem which exists today with tremendous dysfunctionality between these various agencies as they try to relate to each other, all of that problem is a function of the fact that they all report up separate stovepipes, and the only generally coordinating event that occurs comes from the President and the new Homeland Security Director. But that person, Governor Ridge, has no legislative authority and no budget authority. Therefore, as a practical matter, other than having the good will of the President behind him, he does not have a whole lot of authority.

So when you have one Department over here—let's say, Treasury, with Customs—and one Department over here—let's say, INS, with the Border Patrol, and Justice heading that Department up—you tend to have people who are functioning independent of each other, who, although they may have the good intentions to communicate with each other, really do not and do not work effectively as a result of that. We do not get the best responsiveness.

So it is just logic, it is just good governance, and, for that matter, good management—which I recognize maybe is anathema to government—that all the people who are responsible for one function of the Government, which is protecting our borders, be functioning under the same leadership structure

and, therefore, reading off of the same page. That is what this new Department will create.

This new Cabinet level Department will set up a structure where everybody who is responsible for the border will report to a single Cabinet leader and, as a result, will be functioning off the same page relative to the way the border is managed. Hopefully, then we will be getting the most efficient and effective use of those people who are making a genuinely good effort today but a lot of which is involving just the spinning of wheels because of the lack of coordination. Then we will get coordination into that good effort and, as a result, get better border protection.

This is a thought which is not necessarily original to me. However, it is obvious to me. As the ranking member and former chairman of the committee which has jurisdiction over a chunk of this area of responsibility, it is something I believe we need to do. I believe there are other groups who have looked at the border who have agreed with this approach.

The Third Annual Report to the President and the Congress of the Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction, which essentially was Governor Gilmore's commission, came to the same conclusion: that there had to be a better centralization. They did not do it in the terms of forming a new Department, but they came to the same substantive conclusion that there had to be a better coordination, collection, and organization of the information coming into the country and of the tracking of people coming into the country.

The Hart-Rudman Commission, Roadmap to National Security, Imperative for Change, which reported on February 15, came to the exact conclusion that I am proposing in the bill:

Steps must be taken to strengthen the three individual organizations themselves.

They were talking here about Customs, Border Patrol, and the Coast Guard.

We recommend the creation of an independent Homeland Security Agency with responsibility for planning, coordinating, and integrating various U.S. Government activities involving homeland security.

This does not go completely to that point, but it goes a long way in the area of border activity in that it creates a Centralized Border Center. They also suggested that that group, which they called the Homeland Security Agency, should include the Coast Guard, the Customs, the Border Patrol, and it should have Cabinet level operational effect.

Even the White House has acknowledged there is a lack of coordination in this area. It was interesting, in relation to that, Governor Ridge made the statement: If you asked me today who is responsible for the border, I would say to you, in response, what part of the border? The borders remain disturbingly vulnerable to terrorism.

There is no direct line of accountability for agencies charged with protecting them.

So I think Governor Ridge clearly sees the problem as I see it, which is that we do not have a coordinated central management point for all border crossing activity. It makes no sense to have Customs in Treasury, INS in Justice and DEA in Justice, and the Coast Guard over in Transportation with no coordinated central management point for all border crossing activity. When these agencies serve to protect the border as their primary responsibility, and with the threat of terrorism that we confront today, they should clearly be together managing the issue of protecting our border as a coordinated unit under a Cabinet level Secretary.

That is what the legislation which I am introducing today does.

By Mr. ENZI:

S. 2021. A bill to amend the Packers and Stockyards Act, 1921, to prohibit the use of certain anti-competitive forward contracts; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. ENZI. Mr. President, I appreciate this opportunity to speak this morning. I will speak on a favorite topic of our area of the country, the packer concentration. It is a huge problem for our ranchers in keeping them from getting what they should be getting for raising the livestock for this country. So I rise to introduce a bill that amends the Packers and Stockyards Act to reform livestock formula price contracts. This bill aims to rid the livestock industry of pricing schemes which take advantage of hard-working ranchers. It requires contracts to contain a fixed base price and to be traded in open public markets.

Currently, there are four packers that slaughter 80 percent of the cattle in the United States. They hold the supply of livestock captive in a number of ways.

Captive supply is when packers either own livestock or contract to purchase livestock more than 2 weeks before slaughter. Packers use captive supply to ensure their slaughter lines have consistent inventory. I will not argue with that original goal, for that goal. Captive supply makes good business sense. All businesses want to maintain a steady supply of inputs to ensure their production and control costs.

But packers go beyond good organization and business performance to market manipulation. I have been working on this problem for 5 years and, so far, all we have been able to do is prove that there is a packer concentration.

With captive supply, packers can purposefully drive down the market price by refusing to buy in the open market. This deflates all livestock prices and limits the market access of producers who have not aligned with specific packers.

Most of us have not signed a formula price contract to sell a load of live-

stock, but many of us have sold a house. To illustrate the seriousness of this problem, and make it a little easier to understand, let's explore how you would sell a house with a formula price contract in a market structured like the current livestock market.

It is March, and you know you will be selling your home in July. As a wise seller, you want to have a buyer for your home before that time. Now, what if it turns out that the other people do not really buy homes from each other anymore, and what if, in fact, you found out there were only four main companies that handled over 80 percent of all of the real estate transactions? You would have no choice but to deal with one of those companies.

Now, one of them would offer you a contract stating that you will receive \$10,000 over the average price of what other similar homes are selling for in your area in July. Sounds like a good deal, doesn't it?

To manage your risk and ensure a buyer, you have been practically forced to sign a contract that does not specify how much you will receive. It says you will receive \$10,000 over the average price at that time. There should be a tingle of fear in the pit of your stomach and it will mature to full-fledged panic when you close the deal in July. This is why. The four real estate companies have been planning. They decide to pull away from the market so all the home selling in July that is not contracted to these four companies floods the market and the price for homes in your area drops \$12,000.

What have you done? By trying to manage your risk in a limited market, you sold your home for \$2,000 less than what the average price should have been, if there would have been a normal open market such as we have in the housing market.

Livestock producers face that same problem. Yesterday there were 91,906 head of cattle arriving at packing plants for slaughter. Forty-four percent of those were bought by a formula price marketing arrangement. Now you know what that means.

Just like the housing example, the money that producers lose in formula price contracts adds up over a year. When totaled, captive supply costs producers an estimated average of \$1 billion per year, according to a study done by an Oregon State University professor.

I am sure you didn't notice when you went to the grocery store to buy your beef that the price was lower because it is not. The packer concentration controls the price at that end, too.

Another Senator from Wyoming faced the same concentration of market power in the packing industry 80 years ago. A predecessor to the Senate that held the seat I hold now, Senator John B. Kendrick, said:

[The packing industry] has been brought to such a high degree of concentration that it is dominated by a few men. The packers, so-called, stand between hundreds of thousands

of producers on one hand and millions of consumers on the other. They have their fingers on the pulse of both the producing and consuming markets and are in such a position of strategic advantage they have unrestrained power to manipulate both markets to their own advantage and to the disadvantage of over 99 percent of the people of this country. Such power is too great, Mr. President, to repose in the hands of any men.

This great power Senator Kendrick talked about resides in the hands of the packers once again.

My bill does two things to change the situation. It requires that livestock producers have a fixed base price in their contracts. It also puts these contracts up for bid in the open market where they belong. Under this bill, livestock contracts must contain a fixed base price on the day the contract is signed. This prevents packers from manipulating the base price at the point of sale and time of sale.

You may hear allegations that this bill ends quality driven production, but this bill does not prevent adjustments to the base price for quality grade or other factors that are outside of the packer control. It prevents packers from changing the base price based on factors that they do control. You also may hear that this bill ends traditional forward contracting. However, contracts that are based on the futures market are also exempted from the bill's requirements because the futures market is not controlled by the packers.

My bill also limits the size of contracts to the equivalent of a load of livestock, meaning 40 cattle or 30 swine. It doesn't limit the number of contracts that can be offered by an individual. This key portion prevents small and medium-sized livestock producers from being shut out of deals that contain thousands of livestock per contract.

In the past I have tried to get some transparency of reporting. The packer concentration has influenced the rules so they didn't have to report on the prices they are paying. You go into a market blind. We thought we had the problem solved, and they helped to influence a little 3/60 rule so if less than three packers or contracts were sold in a day, or if more than 60 percent of the market was by one of them, they didn't have to report. It virtually wiped out reporting in the sheep industry. We have some changes in that, but some changes for transparency need to be made.

There are a number of benefits accompanying this bill. It effectively increases buyer competition without resorting to increasing buyer numbers through a messy packer breakup. It gives fair access to all producers to compete for contracts on a level playing field with big producers. This bill encourages public and electronic trading of great numbers of livestock, providing greater price transparency. That is where we are trying to go on all of this.

Simply put, this bill makes packers and livestock producers bid against

each other to win a contract—no more secret deals. We know the packers are engaging in secret deals.

Mr. President, I ask unanimous consent to print in the RECORD this advertisement I have collected.

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

[From Argus Leader, Sioux Falls, SD, Feb. 3, 2002]

SENATOR JOHNSON'S FARM BILL AMENDMENT
IMPERILS THE JOB SECURITY OF HIS OWN
CONSTITUENTS AND WOULD DESTROY THE
PORK AND BEEF INDUSTRY

To The Argus Leader Editor and the People of Sioux Falls and South Dakota: We want to call your attention to and correct certain misleading and untrue statements that have been made by or attributed to Senator Tim Johnson and published in the Argus Leader on January 27, 2002 about Smithfield Foods, John Morrell, and our plant in Sioux Falls.

SENATOR TIM JOHNSON FALSE STATEMENT
NUMBER ONE

"The bipartisan Johnson-Grassley Amendment does not negatively affect the John Morrell pork slaughter and processing plant in Sioux Falls."

Fact: The Johnson Amendment (S. Amdt. 2534) to the Senate Farm Bill (S. 1731) prohibiting meat packers from owning livestock farms or controlling livestock for more than 14 days would have a huge negative impact on the future of the Morrell plant in Sioux Falls and its 3,200 employees. Our company is both a meatpacker and a producer and we have made major investments in our system to provide a healthy product to consumers at the lowest possible price and to assure them of food safety, uniformity, and consistency in those products. The Johnson Amendment, if it becomes law, would have a major negative impact on our company and the red meat industry as it exists today. A clear choice for packers that own livestock or contract for livestock would be to sell or close facilities. The Sioux Falls plant, which is nearly 100 years old, and the oldest hog processing plant in our system by far, would head the list of candidates. Critical to this plant's future and continued operation is an assured and stable supply of high-quality hogs grown to our demanding specifications as to care, quality and food safety. Hogs represent the "fuel" that drives the plant. Without an assured and stable quality livestock supply, we cannot meet the demands and requirements of our customers.

Restrictive laws such as the Johnson-Grassley-Wellstone Amendment already have had a major negative impact on the agri-business economy of South Dakota. As a result of the state's restrictive farming practices (Amendment E), the hog supply to our plant now comes 20% from South Dakota, 40% from Minnesota, 20% from Canada, and the remaining 20% from other midwestern states. As a result of unnecessary government regulations such as Amendment E, hog production in South Dakota declined 50% during the period 1995 to 2001.

Senator Johnson and his staff have offered no study or analysis of the impact that his Amendment would have on the agri-business economy not only of South Dakota but also on the entire country. On the other hand, eight leading agri-business economists from the country's leading land-grant universities, led by Wayne Purcell (Alumni Distinguished Professor of Agricultural and Applied Economics, Virginia Tech University) and including Dillon Feuz (Professor of Agricultural Economics, University of Nebraska),

Glenn Grimes (Emeritus Professor of Agricultural Economics, University of Missouri), Marvin L. Hayenga (Professor of Economics, Iowa State University), Stephen R. Koontz (Professor of Agriculture and Resource Economics, Colorado State University), John D. Lawrence (Professor of Economics and Director ISU Beef Center, Iowa State University), Ted C. Schroeder (Professor of Agricultural Economics, Kansas State University), and Clement E. Ward (Professor of Agricultural Economics, Oklahoma State University), have recently published an independent study that concludes that the Johnson Amendment would have disastrous effects on major sectors of the agri-business economy.

Their study says that the amendment would actually lower hog prices because of the great glut of supply that would result from divestiture; that it would give back the advantage and gain that the U.S. industry has made over the last 15 years to foreign countries such as Argentina, Brazil, Canada and Australia; that it would cause companies like ours to essentially forfeit billions of dollars of investments that we have made to move the U.S. to the forefront of the industry; that it would have a major negative impact on credit availability of farmers who would no longer be able to rely on firm contracts with packers to use as security with their bank lenders; and that it would give the efficient, vertically-integrated poultry industry an even greater competitive advantage over the pork and beef industries than it now currently enjoys.

Had Senator Johnson bothered to conduct any study or analysis, or reviewed any public USDA figures, he would have found that in the last ten years, producers have been profitable in 8 of those years, and the division of the pork dollar shows retailers with the greatest share, producers with the second greatest share, and the packers in a distant third position.

SENATOR TIM JOHNSON FALSE STATEMENT
NUMBER TWO:

"Johnson said he has been assured by Morrell and its parent company, Virginia-based Smithfield Foods Inc., that the Sioux Falls plant operates within the restrictions of the amendment."

Fact: This is a false statement and we are astonished that Senator Johnson would place his name behind it. Senator Johnson has never extended the courtesy or taken the time to meet with senior officers of Smithfield Foods. In recent years, I personally traveled to Washington, once with Richard Poulson, another senior officer of Smithfield Foods, and on another occasion with Patrick Boyle, president and chief executive officer of the American Meat Institute, to meet with Senator Johnson by prior scheduled appointment to discuss issues in South Dakota. On both occasions, Senator Johnson was "too busy" to meet with us and delegated a junior staffer to attend the meeting in his stead.

Despite the fact that Senator Johnson has had no interest in meeting with Smithfield officials, his staff was fully advised of the precarious nature of the Sioux Falls plant prior to his introducing his Amendment to the Farm Bill. Our Sioux Falls plant manager traveled to Washington on December 28, 2001 to meet with Senator Johnson and his aides and told them that the greatest negative impact of his Amendment would be on his own constituents and that the Amendment in the end will benefit no one but the poultry industry. Smithfield Foods wants to make it quite clear to Senator Johnson that he can take full credit for putting 3,200 jobs at peril by causing South Dakota's third-largest employer to reconsider its prior decision to pursue a major renovation, update, and expansion of the Sioux Falls plant, or to

build a new, more modern plant in South Dakota to take advantage of the strong local work force and rural ethic that is so important to our business.

Smithfield Foods will dedicate its resources and make its future investments in states and countries where we are welcomed by the elected and appointed state, federal or other governmental officials. We consider Senator Johnson's actions in pursuing his Amendment to be hostile to the survival of the pork industry, Smithfield Foods, the Morrell plant, and to our employees in Sioux Falls because he was made fully aware of the consequences of his amendment before he introduced it.

It is unfortunate that Senator Johnson would sponsor such an ill-conceived piece of legislation even after the Senate Agriculture Committee had voted it down in December by a vote of 12-9. He doesn't seem to understand that his state's anti-corporate farming laws have already delivered a near fatal blow to South Dakota's hog growing industry and that his current action is simply another nail in the coffin. One of the more puzzling things about Senator Johnson's Amendment is that he apparently seeks to destroy the red meat industry while leaving the poultry industry untouched. For years the poultry industry has taken major market share away from the red meat industry because of its ability to own and control by contract the quality of its livestock supply.

Background: Smithfield Foods' involvement with John Morrell and the Sioux Falls Plant.

After all the other major industry players had for years rejected the opportunity to buy John Morrell and to keep the plants open, Smithfield Foods agreed to purchase the company in 1995. The Sioux Falls plant was losing money at the time Smithfield purchased it and would have closed had we not purchased it. Today, the plant is profitable. It contributes in excess of \$1 billion a year to the South Dakota economy. How did this transformation happen? The answer is quite simple: Smithfield has invested over \$65 million in the Sioux Falls plant since 1995. Studies have shown that every new job at John Morrell creates several additional new jobs in South Dakota.

While the plant today is stable and profitable, we are faced with the reality that we need to make improvements to the nearly 100-year-old facility or to build a new plant in Sioux Falls or elsewhere. Prior to Senator Johnson's ill-conceived Amendment, our planning was focused on maintaining the plant location in South Dakota. But we will not invest our resources in states where we cannot have a responsible relationship with elected and appointed officials.

Conclusion: We are not certain whose interests Senator Johnson thinks he represents with his Amendment to the Farm Bill. He certainly does not represent the interests of the 3,200 workers at our John Morrell plant. He has taken no steps to acquaint himself with the true facts, nor has he commissioned any studies to determine the true impact and cost of his Amendment, and he has totally ignored the considered decision and vote (12 to 9) of the Senate Agriculture Committee not to approve his Amendment.

We want Senator Johnson to understand the true impact of his ill-conceived Amendment and it is as follows:

If the Johnson Amendment becomes law, Smithfield Foods will neither rebuild the Sioux Falls plant, or build a new plant in South Dakota, nor will we make any further investment in South Dakota, or for that

matter in any other state whose public officials are hostile to our ongoing operations and our industry.

Very Truly Yours,

JOSEPH W. LUTER III,
Chairman and Chief Executive Officer,
Smithfield Foods, Inc.

Mr. ENZI. This ad was run on February 3, 2002, in the Sioux Falls, SD, newspaper, the Argus Leader, in response to an amendment banning packer ownership of livestock that we did on the farm bill recently. It was paid for by Smithfield Foods, Inc., a large hog producing and pork processing company. The advertisement claims that the company wants Senator JOHNSON to understand the true impact of his ill-conceived amendment. I also supported his amendment and was a cosponsor, and I voted for it along with 50 of my colleagues. The advertisement, as you can see, from the Argus Leader, states:

If the Johnson amendment becomes law, Smithfield Foods will neither rebuild the Sioux Falls plant, or build a new plant in South Dakota, nor will we make any further investment in South Dakota, or for that matter in any other state whose public officials are hostile to our ongoing operations and our industry.

If the packers are dealing fairly, why would they resort to scare tactics such as this? Does this mean my State will be blacklisted, too? Let me tell you what has happened in Wyoming. When we were doing this amendment, people who had contracts were being called, saying, you are going to lose 3 cents per pound on your beef if this goes through. They are buying all the beef. They are paying the prices, and they are setting them.

Packer ownership of livestock is only a small portion of the packer captive supply problem. My bill would put an end to the rest of the packers' manipulative power. What they are referring to there takes care of 5 percent of the problem. It is the best we have been able to do against the packers. What I am proposing will only take care of another 35 percent of the problem. There is a long way to go. Eventually the consumer should get the best prices and the people taking the most risk ought to get a fair price.

It is important to remember why we are doing this. All producers should have a fair chance to compete against each other in an honest opportunity to get the highest price for their product. Cattle grown on family ranches in Wyoming help to feed the entire United States. I value the small and medium-sized producers' ability to provide quality products for consumers. Big business may be more efficient, but it lacks the loyalty to a locale that our small producers have. We can see this in the advertisement I have just added to the RECORD.

The packers are threatening to leave an area that has been economically dependent upon them for over 90 years. That isn't loyalty to a community. That is the behavior of a bully. In Wyoming, we must encourage our small

producers to remain in business and compete. The loyalty to small communities that our small and medium-sized businesses have ensures they will continue to enrich our main streets.

Some of my colleagues may be wondering why this bill is needed after we passed the amendment banning packer ownership of livestock. The ban on packer ownership of livestock would address one small portion of the captive supply problem—about 5 years—but it would not address the large number of contracts based on the formula prices that I explained using the housing market example. Formula contracts provide the packers with monopolistic power over the livestock market.

I ask my colleagues to rid the livestock industry of pricing schemes which take advantage of hard-working ranchers and farmers. I mentioned that this amendment only affects 5 percent of the market. It is a very important start. I am hoping the people on the conference committee will make sure this provision remains in the bill and makes a start toward fairness in the livestock industry—fairness for the small producer versus the packing concentration.

We need to end the secret deals and the unfair contracts. I ask my colleagues to give your constituents the opportunity to compete on a level playing field.

By Mr. BOND (for himself and Mr. GRASSLEY):

S. 2022. A bill to amend the Internal Revenue Code of 1986 to modify the unrelated business income limitation on investment in certain debt-financed properties; to the Committee on Finance.

Mr. BOND. Mr. President, I rise today to introduce the Small Business Investment Company Capital Access Act of 2002, whose purpose is to increase the amount of venture capital available to small businesses. I am pleased that my good friend from Iowa, Senator GRASSLEY, the ranking member on the Senate Finance Committee, has agreed to be the principal cosponsor of this important bill.

During the past 18 months, there has been a significant contraction of the private-equity market. During this same period, the Small Business Administration's Small Business Investment Company program has taken on a significant role in providing venture capital to small businesses seeking investments in the range of \$500,000 to \$3 million.

Small Business Investment Companies, SBICs are government-licensed, government-regulated, privately managed venture capital firms created to invest only in original issue debt or equity securities of U.S. small businesses that meet size standards set by law. In the current economic environment, the SBIC program represents an increasingly important source of capital for small enterprises.

While Debenture SBICs qualify for SBA-guaranteed borrowed capital, the government guarantee forces a number of potential investors, namely pension funds and university endowment funds, to avoid investing in SBICs because they would be subject to tax liability for unrelated business taxable income, UBTI. More often than not, tax-exempt investors generally opt to invest in venture capital funds that do not create UBTI. As a result, 60 percent of the private-capital potentially available to these SBICs is effectively "off limits."

The Small Business Investment Company Capital Access Act of 2002 would correct this problem by excluding government-guaranteed capital borrowed by Debenture SBICs from debt for purposes of the UBTI rules. This change would permit tax-exempt organizations to invest in SBICs without the burdens of UBTI record keeping or tax liability.

In 1958, Congress created the SBIC program to assist small business owners in obtaining investment capital. Forty years later, small businesses continue to experience difficulty in obtaining investment capital from banks and traditional investment sources. Although investment capital is readily available to large businesses from traditional Wall Street investment firms, small businesses seeking investments in the range of \$500,000–\$3 million have to look elsewhere. SBICs are frequently the only sources of investment capital for growing small businesses.

Often we are reminded that the SBIC program has helped some of our Nation's best known companies. It has provided a financial boost at critical points in the early growth period for many companies that are familiar to all of us. For example, when Federal Express needed help from reluctant credit markets, it received a needed infusion of capital from two SBA-licensed SBICs at a critical juncture in its development stage. The SBIC program also helped other well-known companies, when they were not so well-known, such as Intel, Outback Steakhouse, America Online, and Callaway Golf.

What is not well known is the extraordinary help the SBIC program provides to Main Street America small businesses. These are companies we know from home towns all over the United States. Main Street companies provide both stability and growth in our local business communities. A good example of a Main Street company is Steelweld Equipment Company, founded in 1932, which designs and manufactures utility truck bodies in St. Clair, Missouri. The truck bodies are mounted on chassis made by Chrysler, Ford, and General Motors. Steelweld provides truck bodies for Southwestern Bell Telephone Co., Texas Utilities, Paragon Cable, GTE, and GE Capital Fleet.

Steelweld is a privately held, woman-owned corporation. The owner, Elaine Hunter, went to work for Steelweld in 1966 as a billing clerk right out of high school. She rose through the ranks of

the company and was selected to serve on the board of directors. In December 1995, following the death of Steelweld's founder and owner, Ms. Hunter received financing from a Missouri-based SBIC, Capital for Business, CFB, Venture Fund II, to help her complete the acquisition of Steelweld. CFB provided \$500,000 in subordinated debt. Senior bank debt and seller debt were also used in the acquisition.

Since Ms. Hunter acquired Steelweld, its manufacturing process was redesigned to make the company run more efficiently. By 1997, Steelweld's profitability had doubled, with annual sales of \$10 million and 115 employees. SBIC program success stories like Ms. Hunter's experience at Steelweld occur regularly throughout the United States.

In 1991, the SBIC program was experiencing major losses, and the future of the program was in doubt. Consequently, in 1992 and 1996, the Committee on Small Business worked closely with the Small Business Administration to correct deficiencies in the law in order to ensure the future of the program.

Today, the SBIC Program is expanding rapidly in an effort to meet the growing demands of small business owners for debt and equity investment capital. And it is important to focus on the significant role that is played by the SBIC program in support of growing small businesses. When Fortune Small Business compiled its list of 100 fastest growing small companies in 2000, 6 of the top 12 businesses on the list received SBIC financing during their critical growth year.

The Small Business Investment Company Capital Access Act of 2002 is important for one simple reason: once enacted it paves the way for more investment capital to be available for more small businesses that are seeking to grow and hire new employees. According to the National Association of Small Business Investment Companies, NASBIC, a conservative estimate of the effect of this amendment would be to increase investments in Debenture SBICs by \$200 million from tax-exempt investors in the first year and \$400 million in the second year. Government-guaranteed SBIC leverage commitments equal to \$400 million in year one and \$800 million in year two would be added to the private capital. Thus, total year one capital available for investment would equal \$600 million and total year two capital would equal \$1.2 billion.

Data developed by Venture Economics for the period 1970-1999 indicates that one job is created for every \$22,600 investment in a small company. At that rate, this bill could be responsible for the creation or support of as many as 62,000 jobs within the next two years, whether within companies receiving investments directly or within those firms benefiting indirectly through increased sales of goods and services to the former companies.

And the cost? Industry experts estimate that if the change were effective

now, there would be less than a \$1 million in lost tax revenues. About \$1.5 billion in private capital is invested in Debenture SBICs. A NASBIC poll of Debenture SBICs indicates \$30.3 million of that amount is from tax-exempt investors. For the previous 10 years, Debenture SBIC returns have averaged 7.78 percent. Applied to the \$30.3 million, that would result in lost taxable income of \$2.36 million per year. If all of that were taxed at the top 39 percent rate, the tax revenue loss would be \$922,000 per year.

The cost is low and the potential for economic gain is great. Passage of the bill will make the Government's existing SBIC program more effective in providing growth capital for America's small business entrepreneurs.

And most importantly, it will provide sorely needed capital for the sector of our economy that provides about 75 percent of the net new jobs, small businesses. That is a real stimulus that would cause new investments to be made and the creation of critically needed new jobs. Our economy is primed for this kind of support, and I urge my colleagues to support this important bill.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2022

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 "Small Business Investment Company Capital Access Act of 2002".

SEC. 2. MODIFICATION OF UNRELATED BUSINESS INCOME LIMITATION ON INVESTMENT IN CERTAIN DEBT-FINANCED PROPERTIES.

(a) IN GENERAL.—Section 514(c)(6) of the Internal Revenue Code of 1986 (relating to acquisition indebtedness) is amended—

(1) by striking "include an obligation" and inserting "include—

"(A) an obligation",

(2) by striking the period at the end and inserting "; or", and

(3) by adding at the end the following:

"(B) indebtedness incurred by a small business investment company licensed under the Small Business Investment Act of 1958 which is evidenced by a debenture—

"(i) issued by such company under section 303(a) of such Act, or

"(ii) held or guaranteed by the Small Business Administration."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to acquisitions made on or after the date of the enactment of this Act.

By Ms. COLLINS (for herself, Mr. BOND, Mr. HUTCHINSON, and Mr. SMITH of Oregon):

S. 2023. A bill to amend the Internal Revenue Code of 1986 to provide for an increase in expensing under Section 179; to the Committee on Finance.

Ms. COLLINS. Mr. President, I rise today to introduce legislation to benefit our Nation's small businesses—the

backbone of our economy. I am very pleased to be joined by several of my colleagues, including Senator BOND, Senator TIM HUTCHINSON, and Senator GORDON SMITH. All of these Senators have been steadfast proponents and supporters of small businesses throughout their Senate career. Today, we are introducing legislation to allow small businesses to expense more of their investments in equipment and property. In short, we are introducing legislation to help small businesses grow.

The importance of small businesses to our economy cannot be overstated. According to the Small Business Administration, small firms account for three-quarters of our Nation's employment growth and almost all of the net new jobs. That is certainly true in my home State of Maine. These are good jobs, jobs that make our communities strong.

Mr. President, last Friday the Senate overwhelmingly passed a critical piece of legislation designed to boost our economy. The legislation extends benefits for an additional 13 weeks to an estimated 3 million unemployed workers who have exhausted, or will soon exhaust, their regular unemployment benefits before being able to find new work. This program will help put food on the table for an estimated 23,000 unemployed workers in Maine by providing money for extended benefits.

The economic recovery legislation also includes "bonus depreciation" provisions that will encourage mostly larger firms to invest in new property and equipment. Again, that is another provision I support. It includes a number of other important proposals, including one that is near and dear to me providing tax relief to teachers who reach deep into their own pockets to buy supplies and materials for their students. Yet my biggest regret about the economic recovery package we passed last week is that it does very little for smaller businesses. I think that is disappointing and I think that is wrong because it is small businesses that tend to lead our economy out of recession.

Often, I think we take smaller businesses for granted. When times are good, we expect small businesses to create vast numbers of good, new jobs for American workers, and when times are tough, we count on small businesses to resuscitate our sluggish economy. Time and time again, entrepreneurs lead the Nation down avenues of new economic opportunity, and our expectations rise with each remarkable success story. But if we expect so much from small businesses, if we count on them to this degree, we owe it to them to create a climate that nurtures and rewards entrepreneurship.

That is why we have come together to introduce this straightforward legislation. Under section 179 of the Tax Code, a taxpayer with a relatively small amount of annual investment may elect to deduct up to \$24,000 of the cost of qualifying property and equipment placed in service in any given

year. The deduction is phased out for taxpayers who invest over \$200,000 per year.

Our bill would permit small businesses to expense their new equipment purchases up to \$40,000 per year. In other words, we would be increasing the section 179 expensing limit from \$24,000 to \$40,000. That is a fairly significant increase, but it should be; the last time Congress increased the small business expensing limit was back in 1996. An adjustment is well overdue.

Section 179 is critically important to small businesses. Direct expensing allows a small employer to avoid the complexities of the depreciation rules as well as unrealistic recovery periods for many assets. For example, under current law, a computer must be depreciated over 5 years. Now, all of us know that the useful life of most computers is only 2 or 3 years, at best.

Expensing also addresses a top concern of small businesses that has been exacerbated by the recent recession. The concern is access to capital.

I served for a time as the New England Administrator of the Small Business Administration, and I know there are so many small companies where the owner of the company has a wonderful concept, a workable business plan, yet lacks access to capital to get the business underway or to grow it to the next level. The concern is access to capital, which the Small Business Administration has called the "greatest economic policy challenge" for rapidly growing businesses.

One indication of the need for additional financing is the amount of venture capital invested into the United States. In the year 2000, a record \$103 billion was invested. But in 2001, that total fell by 65 percent, to \$36.5 billion. When we see this decrease in access to venture capital, inevitably, it seems, women-owned companies and minority-owned firms are disproportionately affected and are shut out of the capital market.

By raising the section 179 limit, our bill, in effect, will reduce the cost of capital for small businesses nationwide and it will free up additional capital for small businesses to purchase more plant and equipment.

I have spoken to small business owners in my home State of Maine, and they have told me time and again that an increase in the small business expensing limit would make a real difference to them. It would allow them to expand their businesses, thus create more good, new jobs.

Terry Skillins of Skillins Greenhouses is a fourth-generation Maine family business founded in 1885. It is a good example of what I am talking about. Skillins Greenhouses employs between 70 and 120 employees, depending on the season, in its landscaping, greenhouse, and floral businesses. Terry told me the company is looking to expand but that to do so takes money. From tractors, to conveyor belts, to specialized machinery, the equipment needed to expand is expensive. Terry said raising the small busi-

ness expensing limit to \$40,000 would help tip the scales in favor of his proceeding with an expansion, particularly if the increase were made permanent. Terry said his business plan extends over a number of years and, hence, knowing the expensing limit would be increased permanently, he could and would use a significant multiyear savings to expand his business.

We offered a small business expensing amendment to the economic recovery bill back in January. The amendment was offered by my colleague from Missouri, Senator BOND, and myself. It included exactly the same increases as I am proposing in the bill we are introducing today. I point out that our amendment passed the Senate by an overwhelming vote of 90 to 2. So, clearly, there is an understanding among our colleagues that this tax change is long overdue and that it would make a real difference to the small businesses in our country.

Today, I am inviting all of our colleagues to join us in cosponsoring this bill, which is strongly supported and has been endorsed by the National Federation of Independent Business, our Nation's largest small business organization. In that regard, I ask unanimous consent that a letter from Dan Danner, senior vice president of the NFIB, be printed in RECORD.

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

NATIONAL FEDERATION OF
INDEPENDENT BUSINESS,
Washington, DC, March 14, 2002.

Hon. SUSAN COLLINS,
U.S. Senate,
Washington, DC.

DEAR SENATOR COLLINS: On behalf of the 600,000 members of the National Federation of Independent Business (NFIB), I commend you for introducing The Section 179 Small Business Expensing Bill. The Collins-Bond-Hutchinson-Smith bill will increase the amount of equipment purchases, allow small businesses to expense each year from the current \$24,000 to \$40,000 and most importantly, make this language permanent.

Many small businesses are currently struggling to cope with the recession and the events of September 11th. Increasing the expensing limit would provide small and growing firms with the funds to make critical investments and keep their firms running and growing, creating new jobs.

This legislation will also help small business by eliminating burdensome record keeping involved in depreciating equipment. And it adjusts the investment limit on expensing from 200,000 to \$325,000.

Small business is the major job generator for the economy. Let's give them the tools to grow, hire more employees, and lead this country out of recession.

Sincerely,

DAN DANNER,
Senior Vice President, Public Policy.

Ms. COLLINS. Mr. President, this is a change that makes sense. I hope we will adopt it this year. It is long overdue to change our tax policy to reflect the modern-day realities of running a small business.

Mr. BOND. Mr. President, the bill offered by Senator COLLINS today is intended to simplify the tax rules for small businesses as they purchase new equipment to sustain and expand their

businesses. I am pleased to be the lead co-sponsor on this important small business legislation.

The bill parallels the amendment that Senator COLLINS and I offered to the economic-stimulus legislation considered on the floor in January and makes the increase in the expensing limits permanent. The Bond-Collins amendment was approved by the Senate by a vote of 90-2.

While some may think that small business is not that important, let's be clear about the role they play in our economy. Small business: represents 99 percent of all employers; employs 51 percent of the private-sector workforce; provides about 75 percent of the net new jobs; contributes 51 percent of the private-sector output; and represents 96 percent of all exporters of goods.

In short, size is the only "small" aspect of small business.

Our bill would permit small businesses to expense their new equipment purchases up to \$40,000. The current annual limit is \$24,000.

The bill also increases the limitation on the total amount of property that a small business can place in service during a year before triggering a phase-out of the annual expensing amount. Under the amendment, a business would be able to claim the full \$40,000 in expensing if it purchased no more than \$325,000 of property during the year. Under current law, the phase-out limitation is only \$200,000. To the extent that a business exceeds the phase-out limit, the annual expensing amount declines.

Direct expensing allows small businesses to avoid the complexities of the depreciation rules as well as the unrealistic recovery periods for most assets. For example, under current law a computer must be depreciated over 5 years even though the useful life is most likely 2-3 years at best.

These provisions have several important advantages, especially in light of the current economic conditions.

By allowing more equipment purchases to be deducted currently, we can provide much needed capital for small businesses.

With that freed-up capital, a business can invest in equipment, which will benefit the small enterprise and, in turn, stimulate other industries.

In addition, that's more money available to keep employees working and hopefully hire new employees.

Moreover, new equipment will contribute to continued productivity growth in the business community, which Federal Reserve Chairman Alan Greenspan has repeatedly stressed is essential to the long-term vitality of our economy.

Finally, these modifications will simplify the tax law for countless small businesses. Greater expensing means less equipment subject to the onerous depreciation rules.

In short, the equipment-expensing change I propose are a win-win for small businesses consumers, equipment manufacturers, and our national economy as a whole.

Mr. SMITH of Oregon. Mr. President, I rise today to respond to the urgent needs of small businesses in my home State of Oregon. Oregon small businesses are in need of help as the state's economy deals with poor growth and high unemployment.

In an effort to boost both small business and the Oregon economy I am proud to introduce legislation with Senator COLLINS that will provide tax relief for small firms, the section 179 small business expensing bill.

Economic recovery must include job creation. In Oregon most new jobs are created by the State's 270,000 small businesses. Small businesses have a broad impact on Oregon's economy and are essential to its well-being.

Oregon ranks third in the Nation in small businesses per capita. Oregonians are independent and creative and much of this creativity goes into the wide diversity of small businesses that exist in my State. Therefore it is imperative that we bolster and strengthen the small business community in Oregon.

One critical way in which we can help small firms is by raising the threshold for expensing equipment purchases.

Currently, companies may expense equipment purchases up to \$24,000 of the cost of equipment and depreciate the remainder.

This legislation will increase the amount small businesses can expense per purchase to \$40,000 and increase the total investment from the current \$200,000 to \$325,000 annually.

This limit of \$325,000 on total purchases of equipment in a single year applies to the smallest of companies.

Only the smallest of firms that are struggling to stay afloat and seek to grow by buying equipment would be able to take advantage of this expensing.

This would provide a greatly needed boost to small businesses in Oregon, allowing them to move forward on job hiring and capital investment plans that they have had to put aside during the downturn of recent days.

This legislation is strongly supported by the National Federation of Independent Businesses and I would like to enter into the RECORD a letter from Dan Danner expressing the importance of this increase to small businesses.

I believe these changes will ease the record-keeping burden of depreciating such equipment and fill free up capital that can be used to create and sustain new jobs, expand current small businesses, and encourage the creation of new businesses as well.

All of these economic actions will boost the Oregon economy at a time it is still sorely needed. Businesses will use the extra money to purchase new equipment, which will help an economic expansion.

Creating new jobs for Oregonians who were laid off last year lessens the burden on the State economy and puts unemployed Oregonians back to work.

In conclusion, I would like you to know that this critical legislation that would boost small businesses in Oregon was initially part of the economic stimulus legislation that the Senate passed overwhelmingly in January. I call on all of my colleagues to support this legislation and swiftly give small businesses across the Nation and in my State this important boost.

I ask unanimous consent that the letter to which I referred previously be printed in the RECORD.

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

NATIONAL FEDERATION OF
INDEPENDENT BUSINESS,
Washington, DC, March 15, 2002.

Hon. GORDON SMITH,
U.S. Senate,
Washington, DC.

DEAR SENATOR SMITH: On behalf of the 600,000 members of the National Federation of Independent Business (NFIB), I commend you for introducing The Section 179 Small Business Expensing bill. Your bill will increase the amount of equipment purchases, allow small businesses to expense each year from the current \$24,000 to \$40,000 and most importantly, make this language permanent.

Many small businesses are currently struggling to cope with the recession and the events of September 11th. Increasing the expensing limit would provide small and growing firms with the funds to make critical investments and keep their firms running and growing, creating new jobs.

This legislation will also help small business by eliminating burdensome record keeping involved in depreciating equipment. And it adjusts the investment limit on expensing from \$200,000 to \$325,000.

Small business is the major job generator for the economy. Let's give them the tools to grow, hire more employees, and lead this country out of recession.

Sincerely,

DAN DANNER,
Senior Vice President, Public Policy.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON HEALTH, EDUCATION, LABOR AND PENSIONS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet for a hearing on "Child Care: Helping Parents Work and Improving the Well-being of Children" during the session of the Senate on Friday, March 15, 2002, at 9:30 a.m.

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

ORDERS FOR MONDAY, MARCH 18, 2002

Mr. REID. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 3 p.m. on Monday, March 18; that following the prayer and the pledge, the Journal of pro-

ceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate begin consideration of H.R. 2356, the Campaign Finance Reform Act; further, that at 5:30 p.m., the Senate proceed to executive session to consider Calendar No. 705, with 30 minutes for debate, equally divided between the chairman and ranking member of the Judiciary Committee, prior to a vote on the nomination, with no intervening action or debate; further, that it be in order to request the yeas and nays on the nomination at this time.

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

Mr. REID. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. REID. Mr. President, I ask unanimous consent that following the disposition of the nomination, the motion to reconsider be laid upon the table, any statements relating to the nomination be printed in the RECORD, the President be immediately notified of the Senate's action, and the Senate return to legislative session.

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

EXECUTIVE SESSION

NOMINATIONS DISCHARGED AND EXECUTIVE CALENDAR

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to executive session and that the HELP Committee be discharged from further consideration of the nominations of Amy Apfel Kass, Andrew Ladis, Wright Lassiter, Jr., to be members of the National Council on the Humanities, and Maribeth McGinley to be a member of the National Council on the Arts. I further ask unanimous consent that the Senate proceed to the consideration of Calendar No. 727, the nomination of Sally Stroup to be an Assistant Secretary for Postsecondary Education; that the nominations be confirmed, the motions to reconsider be laid upon the table, any statements relating to the nominations be printed in the RECORD, the President be immediately notified of the Senate's action, and the Senate return to legislative session.

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

The nominations considered and confirmed are as follows:

NATIONAL COUNCIL ON THE HUMANITIES

Amy Apfel Kass, of Illinois, to be a Member of the National Council on the Humanities for a term expiring January 26, 2004.

Andrew Ladis, of Georgia, to be a Member of the National Council on the Humanities for a term expiring January 26, 2006.

Wright Lassiter, Jr., of Texas, to be a Member of the National Council on the Humanities for a term expiring January 26, 2006.