

108TH CONGRESS
1ST SESSION

S. 49

To reduce the deficit of the United States.

IN THE SENATE OF THE UNITED STATES

JANUARY 7, 2003

Mr. FEINGOLD introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To reduce the deficit of the United States.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Deficit Reduction Act
5 of 2003”.

6 **TITLE I—REFORMED BUREAU OF**
7 **RECLAMATION WATER PRICING**

8 **SECTION 101. SHORT TITLE.**

9 This Act may be cited as the “Irrigation Subsidy Re-
10 duction Act of 2001”.

11 **SEC. 102. FINDINGS.**

12 Congress finds that—

1 (1) the Federal reclamation program has been
2 in existence for over 90 years, with an estimated
3 taxpayer investment of over \$70,000,000,000;

4 (2) the program has had and continues to have
5 an enormous effect on the water resources and
6 aquatic environments of the western States;

7 (3) irrigation water made available from Fed-
8 eral water projects in the West is a very valuable re-
9 source for which there are increasing and competing
10 demands;

11 (4) the justification for providing water at less
12 than full cost was to benefit and promote the devel-
13 opment of small family farms and exclude large cor-
14 porate farms, but this purpose has been frustrated
15 over the years due to inadequate implementation of
16 subsidy and acreage limits;

17 (5) below-cost water prices tend to encourage
18 excessive use of scarce water supplies in the arid re-
19 gions of the West, and reasonable price increases to
20 the wealthiest western farmers would provide an eco-
21 nomic incentive for greater water conservation;

22 (6) the Federal Government has increasingly
23 applied eligibility tests based on income for Federal
24 entitlement and subsidy programs, measures that
25 are consistent with the historic approach of the rec-

1 lamation program’s acreage limitations that seek to
2 limit water subsidies to smaller farms; and

3 (7) including a means test based on gross in-
4 come in the reclamation program will increase the
5 effectiveness of carrying out the family farm goals of
6 the Federal reclamation laws.

7 **SEC. 103. AMENDMENTS.**

8 (a) DEFINITIONS.—Section 202 of the Reclamation
9 Reform Act of 1982 (43 U.S.C. 390bb) is amended—

10 (1) by redesignating paragraphs (7), (8), (9),
11 (10), and (11) as paragraphs (9), (10), (11), (12),
12 and (13), respectively;

13 (2) in paragraph (6), by striking “owned or op-
14 erated under a lease which” and inserting “that is
15 owned, leased, or operated by an individual or legal
16 entity and that”;

17 (3) by inserting after paragraph (6) the fol-
18 lowing:

19 “(7) LEGAL ENTITY.—The term ‘legal entity’
20 includes a corporation, association, partnership,
21 trust, joint tenancy, or tenancy in common, or any
22 other entity that owns, leases, or operates a farm
23 operation for the benefit of more than 1 individual
24 under any form of agreement or arrangement.

25 “(8) OPERATOR.—

1 “(A) IN GENERAL.—The term ‘operator’—

2 “(i) means an individual or legal enti-
 3 ty that operates a single farm operation on
 4 a parcel (or parcels) of land that is owned
 5 or leased by another person (or persons)
 6 under any form of agreement or arrange-
 7 ment (or agreements or arrangements);
 8 and

9 “(ii) if the individual or legal entity—

10 “(I) is an employee of an indi-
 11 vidual or legal entity, includes the in-
 12 dividual or legal entity; or

13 “(II) is a legal entity that con-
 14 trols, is controlled by, or is under
 15 common control with another legal en-
 16 tity, includes each such other legal en-
 17 tity.

18 “(B) OPERATION OF A FARM OPER-
 19 ATION.—For the purposes of subparagraph (A),
 20 an individual or legal entity shall be considered
 21 to operate a farm operation if the individual or
 22 legal entity is the person that performs the
 23 greatest proportion of the decisionmaking for
 24 and supervision of the agricultural enterprise on
 25 land served with irrigation water.”; and

1 (4) by adding at the end the following:

2 “(14) SINGLE FARM OPERATION.—

3 “(A) IN GENERAL.—The term ‘single farm
4 operation’ means the total acreage of land
5 served with irrigation water for which an indi-
6 vidual or legal entity is the operator.

7 “(B) RULES FOR DETERMINING WHETHER
8 SEPARATE PARCELS ARE OPERATED AS A SIN-
9 GLE FARM OPERATION.—

10 “(i) EQUIPMENT- AND LABOR-SHAR-
11 ING ACTIVITIES.—The conduct of
12 equipment- and labor-sharing activities on
13 separate parcels of land by separate indi-
14 viduals or legal entities shall not by itself
15 serve as a basis for concluding that the
16 farming operations of the individuals or
17 legal entities constitute a single farm oper-
18 ation.

19 “(ii) PERFORMANCE OF CERTAIN
20 SERVICES.—The performance by an indi-
21 vidual or legal entity of an agricultural
22 chemical application, pruning, or har-
23 vesting for a farm operation on a parcel of
24 land shall not by itself serve as a basis for
25 concluding that the farm operation on that

1 parcel of land is part of a single farm op-
 2 eration operated by the individual or entity
 3 on other parcels of land.”.

4 (b) IDENTIFICATION OF OWNERS, LESSEES, AND OP-
 5 ERATORS AND OF SINGLE FARM OPERATIONS.—The Rec-
 6 lamation Reform Act of 1982 (43 U.S.C. 390aa et seq.)
 7 is amended by inserting after section 201 the following:
 8 **“SEC. 201A. IDENTIFICATION OF OWNERS, LESSEES, AND**
 9 **OPERATORS AND OF SINGLE FARM OPER-**
 10 **ATIONS.**

11 “(a) IN GENERAL.—Subject to subsection (b), for
 12 each parcel of land to which irrigation water is delivered
 13 or proposed to be delivered, the Secretary shall identify
 14 a single individual or legal entity as the owner, lessee, or
 15 operator.

16 “(b) SHARED DECISIONMAKING AND SUPER-
 17 VISION.—If the Secretary determines that no single indi-
 18 vidual or legal entity is the owner, lessee, or other indi-
 19 vidual that performs the greatest proportion of decision-
 20 making for and supervision of the agricultural enterprise
 21 on a parcel of land—

22 “(1) all individuals and legal entities that own,
 23 lease, or perform a proportion of decisionmaking and
 24 supervision that is equal as among themselves but
 25 greater than the proportion performed by any other

1 individual or legal entity shall be considered jointly
 2 to be the owner, lessee, or operator; and

3 “(2) all parcels of land of which any such indi-
 4 vidual or legal entity is the owner, lessee, or oper-
 5 ator shall be considered to be part of the single farm
 6 operation of the owner, lessee, or operator identified
 7 under subsection (1).”.

8 (c) PRICING.—Section 205 of the Reclamation Re-
 9 form Act of 1982 (43 U.S.C. 390ee) is amended by adding
 10 at the end the following:

11 “(d) SINGLE FARM OPERATIONS GENERATING MORE
 12 THAN \$500,000 IN GROSS FARM INCOME.—

13 “(1) IN GENERAL.—Notwithstanding sub-
 14 sections (a), (b), and (c), in the case of—

15 “(A) a qualified recipient that reports
 16 gross farm income from a single farm operation
 17 in excess of \$500,000 for a taxable year; or

18 “(B) a limited recipient that received irri-
 19 gation water on or before October 1, 1981, and
 20 that reports gross farm income from a single
 21 farm operation in excess of \$500,000 for a tax-
 22 able year;

23 irrigation water may be delivered to the single
 24 farm operation of the qualified recipient or limited
 25 recipient at less than full cost to a number of acres

that does not exceed the number of acres determined under paragraph (2).

“(2) MAXIMUM NUMBER OF ACRES TO WHICH IRRIGATION WATER MAY BE DELIVERED AT LESS THAN FULL COST.—The number of acres determined under this subparagraph is the number equal to the number of acres of the single farm operation multiplied by a fraction, the numerator of which is \$500,000 and the denominator of which is the amount of gross farm income reported by the qualified recipient or limited recipient in the most recent taxable year.

“(3) INFLATION ADJUSTMENT.—

“(A) IN GENERAL.—The \$500,000 amount under paragraphs (1) and (2) for any taxable year beginning in a calendar year after 2002 shall be equal to the product of—

“(i) \$500,000, multiplied by

“(ii) the inflation adjustment factor for the taxable year.

“(B) INFLATION ADJUSTMENT FACTOR.—

The term ‘inflation adjustment factor’ means, with respect to any calendar year, a fraction the numerator of which is the GDP implicit price deflator for the preceding calendar year and the

denominator of which is the GDP implicit price deflator for 2002. Not later than April 1 of any calendar year, the Secretary shall publish the inflation adjustment factor for the preceding calendar year.

“(C) GDP IMPLICIT PRICE DEFLATOR.—

For purposes of subparagraph (B), the term ‘GDP implicit price deflator’ means the first revision of the implicit price deflator for the gross domestic product as computed and published by the Secretary of Commerce.

“(D) ROUNDING.—If any increase deter-

mined under subparagraph (A) is not a multiple of \$100, the increase shall be rounded to the next lowest multiple of \$100.”.

(d) CERTIFICATION OF COMPLIANCE.—Section 206

of the Reclamation Reform Act of 1982 (43 U.S.C. 390ff) is amended to read as follows:

“SEC. 206. CERTIFICATION OF COMPLIANCE.

“(a) IN GENERAL.—As a condition to the receipt of

irrigation water for land in a district that has a contract described in section 203, each owner, lessee, or operator in the district shall furnish the district, in a form prescribed by the Secretary, a certificate that the owner, lessee, or operator is in compliance with this title, including

1 a statement of the number of acres owned, leased, or oper-
 2 ated, the terms of any lease or agreement pertaining to
 3 the operation of a farm operation, and, in the case of a
 4 lessee or operator, a certification that the rent or other
 5 fees paid reflect the reasonable value of the irrigation
 6 water to the productivity of the land.

7 “(b) DOCUMENTATION.— The Secretary may require
 8 a lessee or operator to submit for the Secretary’s examina-
 9 tion—

10 “(1) a complete copy of any lease or other
 11 agreement executed by each of the parties to the
 12 lease or other agreement; and

13 “(2) a copy of the return of income tax imposed
 14 by chapter 1 of the Internal Revenue Code of 1986
 15 for any taxable year in which the single farm oper-
 16 ation of the lessee or operator received irrigation
 17 water at less than full cost.”.

18 (e) TRUSTS.—Section 214 of the Reclamation Re-
 19 form Act of 1982 (43 U.S.C. 390nn) is repealed.

20 (f) ADMINISTRATIVE PROVISIONS.—

21 (1) PENALTIES.—Section 224(c) of the Rec-
 22 lamation Reform Act of 1982 (43 U.S.C. 390ww(c))
 23 is amended—

24 (A) by striking “(c) The Secretary” and
 25 inserting the following:

1 “(c) REGULATIONS; DATA COLLECTION; PEN-
2 ALTIES.—

3 “(1) REGULATIONS; DATA COLLECTION.—The
4 Secretary”; and

5 (B) by adding at the end the following:

6 “(2) PENALTIES.—Notwithstanding any other
7 provision of law, the Secretary shall establish appro-
8 priate and effective penalties for failure to comply
9 with any provision of this Act or any regulation
10 issued under this Act.”.

11 (2) INTEREST.—Section 224(i) of the Reclama-
12 tion Reform Act of 1982 (43 U.S.C. 390ww(i)) is
13 amended by striking the last sentence and inserting
14 the following: “The interest rate applicable to under-
15 payments shall be equal to the rate applicable to ex-
16 penditures under section 202(3)(C).”.

17 (g) REPORTING.—Section 228 of the Reclamation
18 Reform Act of 1982 (43 U.S.C. 390zz) is amended by in-
19 serting “operator or” before “contracting entity” each
20 place it appears.

21 (h) MEMORANDUM OF UNDERSTANDING.—The Rec-
22 lamation Reform Act of 1982 (43 U.S.C. 390aa et seq.)
23 is amended—

24 (1) by redesignating sections 229 and 230 as
25 sections 230 and 231; and

1 (2) by inserting after section 228 the following:

2 **“SEC. 229. MEMORANDUM OF UNDERSTANDING.**

3 “The Secretary, the Secretary of the Treasury, and
4 the Secretary of Agriculture shall enter into a memo-
5 randum of understanding or other appropriate instrument
6 to permit the Secretary, notwithstanding section 6103 of
7 the Internal Revenue Code of 1986, to have access to and
8 use of available information collected or maintained by the
9 Department of the Treasury and the Department of Agri-
10 culture that would aid enforcement of the ownership and
11 pricing limitations of Federal reclamation law.”.

12 **TITLE II—TERMINATION OF THE**
13 **UNIFORMED SERVICES UNI-**
14 **VERSITY OF THE HEALTH**
15 **SCIENCES**

16 **SECTION 201. TERMINATION.**

17 (a) IN GENERAL.—The Uniformed Services Univer-
18 sity of the Health Sciences is terminated.

19 (b) CONFORMING AMENDMENTS.—

20 (1) Chapter 104 of title 10, United States
21 Code, is repealed.

22 (2) The table of chapters at the beginning of
23 subtitle A of such title, and at the beginning of part
24 III of such subtitle, are each amended by striking
25 out the item relating to chapter 104.

1 (c) EFFECTIVE DATES.—

2 (1) TERMINATION.—The termination of the
3 Uniformed Services University of the Health
4 Sciences under subsection (a)(1) shall take effect on
5 the day after the date of the graduation from the
6 university of the last class of students that enrolled
7 in such university on or before the date of the enact-
8 ment of this Act.

9 (2) AMENDMENTS.—The amendments made by
10 subsection (a)(2) shall take effect on the date of the
11 enactment of this Act, except that the provisions of
12 chapter 104 of title 10, United States Code, as in
13 effect on the day before such date, shall continue to
14 apply with respect to the Uniformed Services Uni-
15 versity of the Health Sciences until the termination
16 of the university under this section.

17 **TITLE III—TERMINATION OF**
18 **PRODUCTION UNDER THE D5**
19 **SUBMARINE-LAUNCHED MIS-**
20 **SILE PROGRAM**

21 **SECTION 301. PRODUCTION TERMINATION.**

22 (a) TERMINATION OF PROGRAM.—The Secretary of
23 Defense shall terminate production of D5 submarine-
24 launched ballistic missiles under the D5 submarine-
25 launched ballistic missile program.

1 (b) PAYMENT OF TERMINATION COSTS.—Funds
2 available on or after the date of the enactment of this Act
3 for obligation for the D5 submarine-launched ballistic mis-
4 sile program may be obligated for production under that
5 program only for payment of the costs associated with the
6 termination of production under this Act.

7 **SEC. 302. CURRENT PROGRAM ACTIVITIES.**

8 Nothing in this legislation shall be construed to pro-
9 hibit or otherwise affect the availability of funds for the
10 following:

11 (1) Production of D5 submarine-launched bal-
12 listic missiles in production on the date of the enact-
13 ment of this Act.

14 (2) Maintenance after the date of the enact-
15 ment of this Act of the arsenal of D5 submarine-
16 launched ballistic missiles in existence on such date,
17 including the missiles described in paragraph (1).

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