

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. I just wanted to know. There will be no more votes. But will the discussion continue on this particular amendment tonight, or is it going to be continued also tomorrow?

Mr. BUMPERS. No. The amendment will be the subject of an hour and 15 minutes of debate tomorrow.

Does that answer the Senator's question?

Mr. CHAFEE. Yes. In other words, you are winding up the debate pretty soon here.

Thank you.

Mr. BUMPERS. We will debate tonight as long as anybody wants to say anything on this, and then we will shut the Senate down as soon as we run out of debate.

AMENDMENT NO. 3557 WITHDRAWN

Mr. BUMPERS. Madam President, I ask unanimous consent that the Jeffords amendment be withdrawn.

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

AMENDMENT NO. 3556, AS MODIFIED

Mr. BUMPERS. Madam President, I do not want to belabor these rich folks too long. The last one that I want to point out to for the edification of my colleagues is the gentleman by the name of J. R. Simplot from the great State of Idaho. He is 86 years old and has obviously been a great entrepreneur. I do not know a thing in the world about him. I assume he is a very fine man. In 1991, *Forbes* magazine identified him as one of the wealthiest individuals in the United States. Furthermore, he is on the cover of *Fortune* magazine in November 1995. Here is the magazine, if anybody would care to look at it.

His sales that year were \$3 billion. And Mr. Simplot, to his credit and to his ingenuity, controls 50,000 AUM's in Idaho, Oregon, and Nevada.

Finally, a Japanese named Kaiku controls 6,000 AUM's on 40,000 acres of Federal land in Montana.

What does our amendment do? I will not belabor the point because it is very simple. We make a distinction between that group of people that I showed you a moment ago. Look at this chart, colleagues. We make a distinction in what people in this category pay, and what people in this category pay.

Ninety-one percent of the permittees under our amendment will pay just a little bit more than they would pay under the Domenici proposal, and in some years less than the Domenici proposal. Ninety-one percent of them will pay just a few cents more than Senator DOMENICI's bill requires.

This other 9 percent, which control 60 percent of all the AUM's, will pay either the same amount as the small ranchers, plus 25 percent, or a weighted average of the State fees charged in the State in which the permit is located, whichever is higher.

That is as fair as a proposition could be. You can accept this amendment

and agree that these people have taken advantage of a generous Congress who passed this law and gave these permits to people thinking they were helping poor ranchers make a living. And now we find 60 percent of this land and AUM's are controlled by the richest people of America. Even under our proposal, to require these rich people to pay the weighted average of what the State charges, will still be in most instances around 100 percent less than what the private sector charges for grazing.

Madam President, why are we defending a system that promotes the use of the public lands for the wealthiest when it was intended for the poorest? Because it is an old law and we just simply have not been able to turn it loose and make it work the way it was supposed to.

When I came here in 1975, I found out that the Federal Government was leasing Federal lands for oil and gas leasing by lottery, like a bingo game. If you won the lottery, you got the land for \$1 an acre. When I began to raise questions about it, they said, "We are trying to make sure those little mom and pop operations get some of this Federal land."

We started checking the little mom and pop operations, and guess what was happening? They were retirees in Florida. They were elderly people who were snapping up these lottery chances because they were advertised all over America by a bunch of snake oil salesmen. And if they did happen to win the lottery, what do you think they did with it? They took it to Exxon, and if Exxon thought it had potential, they paid them a fortune for it.

That is what we did for mom and pop operators. We made people, who did not know what a drilling rig looked like, wealthy because we refused to change that old law. I just made my mining speech yesterday so I am not going to make that again, but how many times have I heard that old story about those poor little old mom and pop mining companies out there?

It turns out, as I began to examine it, that we are helping the biggest corporations in the world—not the United States, in the world. Now, here is *deja vu*. If someone argues that the State's rates are too high, I will answer that they have people standing in line wanting these permits. And when then they say, "But that mean old BLM hassles us. They make us sort of take care of the land." But you know something else that the BLM and the Forest Service do? They take 50 percent of the rent and put it back into the land. How many landlords do you know that take 50 percent of the rent they receive and put it back into improvements of your apartment or your house? Fifty percent goes back to improve the very land where these cattlemen are running their cattle.

Madam President, the Public Rangelands Management Act was passed in 1978. As I stated earlier, the fee under

that formula has declined. In 1980, the fee was \$2.36 and in 1996, the fee is \$1.35. Our amendment would use the same formula and simply raise the minimum.

My amendment requires 91 percent of the deserving ranchers to pay very little more than they are paying right now. In 1999, our rate would go to \$2 and under Senator DOMENICI's amendment the fee would be \$1.85—15 cents difference. Who is going to quibble about that? However, under our amendment these people, the wealthiest people in America, would have to pay more.

Madam President, two quick points, and I will conclude and let others speak who wish to. Karl Hess, a senior fellow at the Cato Institute, which is not exactly a citadel of liberalism, no bleeding heart liberals over at Cato, simply believes that the Government ought to get fair value for its assets. Here is a statement by Mr. Hess:

Domenici's bill is bad for ranchers, bad for public lands, bad for the American taxpayer. It will not improve management of public lands and it will not be a fix for the hard economic times now faced by ranchers. What it will do, however, is deepen the fiscal crisis of the public land grazing program by plunging it into an ever-deepening deficit. If western ranchers insist on supporting this bill and the additional costs associated with it, they should be prepared to pay the price. Tagging the majority of Federal grazing fees to state grazing rates is one essential step in that direction.

I yield the floor.

Mr. KYL. Mr. President, I rise today in support of S. 1459, the Public Rangelands Management Act of 1995. Rangeland reform is important both for the health of our public lands and the ranching industry in the Western States. I commend my colleague from New Mexico, Senator DOMENICI, for his work in bringing this bill to the Senate floor.

Let me make clear up front, S. 1459 is not an attempt to weaken existing environmental laws applicable to grazing. All major environmental laws continue to apply as written. This bill provides for better rangeland management by establishing standards and guidelines at the State or regional level, so that rangeland policy can take regional differences into account. Nothing is more important to me than the preservation of these multiple-use lands for present and future generations. I would not, and could not support anything to the contrary.

There continues to be debate about what is an appropriate fee for grazing on public land. It is important that the Government realize a fair return for the use of Federal lands. This legislation prescribes a new formula for calculating grazing fees. Under this formula, fees would rise approximately 30 percent over the present level.

For those who make their living from the land, and who put food on the table for all of us, we want to offer some certainty for the future. We must protect rancher's private property rights, provide stability on grazing allotments,

and offer sufficient incentives for sound long-term resource management practices.

Critics have suggested that S. 1459 provides for grazing and livestock activities as the dominant use on the allotments. That is simply not true. The bill explicitly provides that the public lands will continue to be accessible to all multiple-use activities.

It has also been suggested that this legislation will curtail public participation in the decisionmaking process. The public's opportunity to participate in the NEPA and FLPMA processes is not affected by this legislation. It does, however, address the problem of who can appeal allotment management decisions by limiting appeals to persons who have affected interests. This will enable Federal land managers to review appeals more expeditiously and will shorten the delays in achieving a final implementation plan. This process will allow permittees and lessees to carry out their business without the heavy financial losses usually associated with lengthy delays.

Most importantly, this legislation provides for periodic monitoring of rangeland resource conditions. The Secretaries of Agriculture and the Interior have the ability to amend allotment plans where resource conditions dictate. I believe that the bill therefore reflects a wide variety of environmental and user concerns; and I urge its favorable consideration.

Mr. CAMPBELL addressed the Chair. The PRESIDING OFFICER. The Senator from Colorado.

Mr. CAMPBELL. I thank the Chair.

Mr. President, I would like to take this opportunity to clarify the issue grazing fees on public lands. As I mentioned before in my opening statement, I believe there is a grave misperception about ranchers who utilize public lands. For those of you unfamiliar with ranchers or the ranching business, let me tell you that it is not a lucrative business. I believe it is this misperception that drives the efforts to try to hike up the grazing fees to unacceptable heights. Opponents of the new fee structure proposed in S. 1459, argue that ranchers don't pay fair market value. Well, I would like my colleagues to explain to the rest of us, how one can determine what fair market value is.

For example, when doing a fair market value appraisal, appraisers compare the value of similarly situated pieces of property—they compare apples with apples. When opponents of the proposed grazing fee compare the prices charged to lease private or State lands with the grazing fees ranchers pay for BLM or Forest Service lands, however they are comparing apples with oranges. They simply are not the same thing.

My friends from Arkansas and Vermont, are attempting to draw comparisons between apples—State lands, and oranges—Federal lands, to legitimize their logic. States fees are struc-

tured under an entirely different scenario than Federal fees. State lands are administered for completely different purposes and goals compared to Federal lands. To compare the fee dollars and cents on a chart is simply not fair.

With their amendments, my colleagues are attempting to utilize the State fee structure to create a more fair return to the Government and taxpayer. However, as I have stated before, this logic is flawed.

If we follow this rationale utilized in this amendment, by implementing the State rate fees, we might as well streamline the process and manage the public lands according to State management systems. Heck, if we charge a grazing fee according to State rates, manage the Federal lands like State lands, we might as well turn the whole operation and ownership over to the States. I suspect there are many Members in this body that would not agree with this type of logic.

Furthermore, the grazing fee structure in the Bumpers amendment is fundamentally unfair to ranchers. This proposal does not fully consider the investment that ranchers already have made in building their lots and stock ponds. In addition, the profit margins for many ranchers is small, and thousands of ranchers have already fallen into bankruptcy. Raising the fees as this amendment proposes to do will drive even more ranchers into economic insolvency.

Mr. President, the fee structure proposed by S. 1459 would establish a fair system. It is a very simple and straightforward method for calculating the grazing fee that would apply to western BLM and Forest Service lands.

Quite simply, you would take the 3-year average of the total gross value of production of beef cattle for the 3 years preceding the grazing fee year—based on data supplied by the Economic Research Service of the USDA—and multiply that number by the 10-year rolling average of 6-month Treasury bills. That number would be divided by 12, the number of months in a year. The dividend would be the grazing fee, expressed in dollars per animal unit month. S. 1459 would increase the fee by an average of about 50 cents per AUM.

Anyone who truly understands the grazing fees, will understand that there is only one agency that really attempts to compile data about private leased lands—it is the USDA's Economic Research Service—and that is why they are the source of the critical data used in this fee formula.

Mr. President, I am deeply concerned about this misperception of grazing fees that has become a symbol representing unfair subsidies and environmental degradation. Fee increases are imminent, and most people here understand that. However, these increases must be carefully structured with appropriate data. S. 1459 achieves this, by establishing a grazing fee formula that protects the rancher while allowing for

equitable returns to the Federal Government.

I would like to abbreviate my comments because I know my colleagues want to get out of here at a decent hour this evening. I was over in the office listening to the Senator from Arkansas and the Senator from Vermont, and I have to tell you I think they are just simply missing the target. I would ask my colleagues to oppose both their amendments.

As I understand the Jeffords amendment in the second degree, is attempting to put corporate interests in the same category as the family rancher, who has spent years and years of hard work to make his ranch grow. I think that is a mistake. It seems to me that we are confusing the issue of large and small ranchers and real ranchers with corporate operations.

I know in our State of Colorado we give special 100-year awards to ranchers and farmers. If the family has stayed with the land for 100 years, we give them an award at our State fair every year to try to encourage them to stay on the land. Many of those ranchers have sacrificed a great deal and their families have sacrificed too in order to make the ranch grow.

Some have done well over the years and invested in other things, but their primary income still comes from the ranch. This reality is a little different than the reality I have heard described by the two Senators and their amendments. I understand that the amendments that are being offered now are an attempt to try to get the corporate people out of ranching, and both Senator BUMPERS and Senator JEFFORDS mentioned Anheuser-Busch and Hewlett-Packard and a number of others, Simplot and Texaco, and so on.

I think most of us recognize that there are corporations in America that have bought ranches or bought permits to use as some kind of a tax shelter. I understand that. Most of us understand that. That is not who we are trying to protect. I know the Senator from Wyoming [Mr. THOMAS] and I have a lot of friends who fall into the first category that I was trying to describe. Those people who have worked the land, stuck to the land and sacrificed to keep the land are the ones we are concerned about. We are not in any way trying to protect the big corporations from using ranching legislation as a tax writeoff.

It would seem to me what they should introduce perhaps is an amendment to prevent nonranchers from buying permits, or to specify the criteria for permittees. It seems to me that is who they are trying to identify are those people who are abusing or misusing, if I can use their words, the system of ranching and the system of using permits.

Now, I wanted to also respond to the Senator from Arkansas question of quote, "Where does the money go?" I will tell you where the little money ranchers gain in profit goes. It goes