

for patients to drive 100 miles or more to the closest tertiary care center. An alternative must be available.

Mr. President, our bill presents communities with a viable option. It accommodates different levels of medical care throughout a state while providing stabilization services needed in remote areas. It is one in a series of measures that the Rural Health Caucus is working on designed to improve quality medical care in rural America, and I look forward to working with my colleague from Alaska to pass this important piece of legislation.●

STUDY OF THE IMPACT OF THE NORTHEAST INTERSTATE DAIRY COMPACT

● Mr. FEINGOLD. Mr. President, the Agriculture appropriations bill, H.R. 2160, which the Senate has approved today contains a provision, section 732, requiring the director of the Office of Management and Budget to conduct a comprehensive economic evaluation of the direct and indirect economic impacts of the Northeast Interstate Dairy Compact on consumers within the six-state compact region and on producers outside of the region. The Senator from Minnesota [Mr. GRAMS] and I offered this amendment with Senators KOHL, LEVIN, ABRAHAM, and WELLSTONE during Senate consideration of the bill, because, to date, there has been no comprehensive analysis of the short and long-term impacts of the Compact from this perspective.

Wisconsin farmers, and many farmers throughout the nation, are extremely concerned that the artificially high milk prices under the Northeast Dairy Compact will place noncompact farmers at an unfair competitive disadvantage. Compact producers, who on July 1 of this year began receiving a Class I price of \$16.94, have been insulated from the market prices which farmers throughout the country have faced in 1997.

Wisconsin farmers are concerned about surplus production the inflated Compact price is likely to generate about the impact of potential milk surpluses on national milk prices. Furthermore, there is concern that this Compact, while ostensibly affecting only Class I milk, will result in surplus Class I milk being processed into cheese, butter and other products which are sold nationally. If the supply of manufactured dairy products rises due to increased manufacturing in the Northeast, national markets for manufactured products will be negatively affected and milk prices to producers may fall nationally. In addition, if milk production rises in the Compact region due to artificial production incentives, excess milk may be shipped out of the Compact region to fill cheese vats elsewhere, further depressing cheese and milk prices. So these secondary effects of the Compact must be examined.

Section 732 of this bill is very specific. It directs OMB to carefully exam-

ine changes and projected changes in levels of milk production, the number of cows, the number of dairy farms and milk utilization in the Compact region due to the Compact. OMB must compare changes in those factors resulting from the Compact to levels of production, cow numbers, dairy farms, milk utilization and disposition of milk that would have occurred in the absence of the Compact. It is extremely important that OMB compare Compact effects not with national averages, but rather with production, cow numbers, and other effects that would have occurred had Compact producers been subject to the market conditions facing dairy farmers nationally.

Section 732 also directs OMB to look at a number of economic indicators, such as changes in disposition of milk produced in the Compact region and changes in utilization of Compact milk, that will aid them in determining the impacts of the Compact on farmers outside of the Northeast.

There is also substantial concern about the consumer impacts of the Northeast Interstate Dairy Compact which taxes 14 million Northeast consumers to benefit just over 4000 dairy farmers in the six states. It is not surprising that consumer prices for fluid milk have risen since the Compact price has been in effect. The Compact raises Class I prices specifically because demand for Class I milk is less responsive to price than other dairy products and more revenue can be extracted from the consumer's pocket. OMB must examine the effects of milk price increases on consumers and, in particular, on low-income consumers.

The study must also examine the impacts of the Compact on USDA's vital nutrition programs that provide milk and dairy products to low-income women, children, infants and the elderly. OMB is directed by section 732 to study the impact of the Compact on both actual and projected changes in program participation, on the value of benefits offered under these programs and on the financial status of the institutions offering the programs. Will the purchasing power of food stamps fall because of the higher milk prices? Will schools offering school lunch and breakfast suffer from an effective lower per meal reimbursement rate? Will participation in the WIC program offered by the six northeastern states fall due to increased milk prices? Is the reimbursement scheme established by the Compact Commission adequate to compensate WIC for increased milk costs? These questions should be answered by OMB's analysis.

Finally, OMB must evaluate the impact of adding additional states to the Northeast Dairy Compact on all of the factors mentioned above. The Northeast Dairy Compact allows Delaware, New Jersey, New York, Pennsylvania, Maryland, Virginia, and any additional states contiguous to participating states, to join the Compact and benefit from inflated Class I milk prices. If

that happens, a much larger volume of milk, perhaps over 20 percent of national production, will be priced under the Compact and a much larger number of farmers will have artificial incentives to increase milk production. Congress must have information about the potential economic impact of adding more states to the Compact on farmers in Wisconsin, Minnesota, Idaho, California, New Mexico and other major milk producing states. Furthermore, consumer impacts will be magnified if additional states are added and we need to be able to quantify that impact.

Mr. President, the amendment which Senator GRAMS and I offered, which was adopted by the Senate and included in the final bill by the Conference Committee, lays out very clear direction for OMB on the issues they should evaluate regarding the Northeast Interstate Dairy Compact.

However, the Senator from Vermont [Senator LEAHY] made a statement shortly after this provision was adopted as part of the Senate FY 1998 Agricultural Appropriations Bill that implied that OMB should study issues much broader than stipulated by section 732. The Senator from Vermont [Mr. LEAHY] was not a cosponsor of the amendment adopted in the Senate and he is incorrect with respect to the issues the bill directs OMB to evaluate. There was no agreement between the authors of section 732 of this bill and the Senator from Vermont, or any other Senators, that any of the items he mentioned in floor statements subsequent to the passage of the amendment were to be included in the study. OMB should look at the requirements of section 732 and at the statements made by the amendment authors in setting the parameters of this study and the intent of Congress.

As a principal coauthor of the provision requiring OMB to study the impact of the Northeast Dairy Compact, I want to make clear what the Agriculture Appropriations Bill requires and what it does not require of OMB's evaluation.

The study does not require that OMB conduct a comprehensive evaluation of retail, wholesale, and processor milk pricing in New England and OMB should not include such a broad analysis in their study. The authors of the study provision did not intend for OMB to examine farm-retail asymmetry issues. OMB's study should not address whether those in the marketing chain should be passing on all or a portion of the increase in farm level milk costs to consumers. This study should provide an objective analysis of the direct impacts of the Northeast Compact on the wholesale and retail cost of fluid milk not a subjective review of how Compact associated price increases compare to price increases or decreases resulting from market conditions in the past.

OMB should not evaluate broader issues of what the appropriate profit margin for those in the marketing chain could or should be or what level

of price increase is justifiable or appropriate. That is a question far exceeding the scope of this study. OMB should not look at regional variations in pricing as they have little relevance to the impact of price increases in New England. OMB should not examine all the factors that affect the price of milk. The amendment offered by Senator Grams, myself and others directs OMB to examine only the impact of the Compact on consumer prices, not the price of feeds, transportation costs or other factors. In the absence of the Compact, those factors would not have changed, and have no bearing on this study. The only change in the status quo is the Compact milk price increase and that is what the study directs OMB to evaluate. The study requirement in this bill merely requires the OMB to report on what impact the inflated Compact Class I price has had on wholesale and retail prices and on consumers generally.

OMB cannot and should not, based on the directive of the study provision in this bill, compare increases in retail milk prices to consumers resulting from the Compact to benefits they might receive by using coupons, shopping at discount stores, or other methods consumers use to reduce overall food bills. Consumers should not have to utilize coupons or other methods to reduce food costs in order to offset milk price increases caused by the Compact as the Senator from Vermont has suggested.

OMB should not compare the impact of the Compact on USDA nutrition programs to the impact of the recently passed welfare reform bill on these same programs. Welfare reform is being implemented differently by each state. It would divert OMB resources to undertake a comprehensive review of the impact of welfare reform on each of these programs in each of the Compact states relative to the overall impact of the Compact on consumers. That issue is well beyond the scope of this study.

OMB should focus their evaluation on the impact of increased Compact milk prices on the purchasing power of USDA's nutrition programs, the number of recipients served, and the institutions offering the programs in terms of increased costs or financial burdens.

Lastly, OMB should not evaluate the supposed direct and indirect "positive benefits" the Compact may bring to farmers, land use patterns and tourism in participating Northeastern states. There is no mention of this in the study provision in this bill and OMB should not evaluate these issues. Presumably, the Secretary of Agriculture and policy makers in the Northeast have already examined these factors and duplicating such efforts will be a waste of taxpayer dollars.

Section 732 of FY 1998 Agriculture appropriations bill requiring OMB to study the impact of the Northeast Interstate Dairy Compact on Compact-consumers and on non-Compact dairy farmers and manufacturers is very spe-

cific. OMB should stick to the directives of this Section and provide Congress with an objective and unbiased analysis of the Northeast Dairy Compact's impact on these stakeholders.

Mr. President, there will likely be efforts to politicize this study and I will work with OMB and the analysts conducting this analysis to be sure that doesn't happen. I plan to meet with OMB Director Franklin Raines on this subject. Consumers and non-Compact farmers and manufacturers have a right to know how the Compact will impact them without interference by Compact proponents who wish to downplay the negative impacts of this price fixing scheme. This is especially critical given that farmers outside of the Compact region have suffered from extremely low milk prices throughout this year. If the Compact will further drive down milk prices nationally and increase milk supplies, farmers, consumers and taxpayers have a right to know. I, and the other cosponsors of section 732, will hold OMB accountable for the accuracy and objectivity of this study.●

PETER J. MCCLOSKEY POSTAL FACILITY LEGISLATION

● Mr. SPECTER. Mr. President, this legislation designates the U.S. Post Office in Pottsville, PA as the Peter J. McCloskey Postal Facility. This measure is cosponsored by my distinguished colleague, Senator SANTORUM. A companion measure, H.R. 2564, passed the House last week and was cosponsored by all 21 members of the Pennsylvania delegation.

Following service in the U.S. Army Air Corps during World War II, where he served with distinction as an aerial gunner instructor in the European Theater, Peter McCloskey worked for the Metropolitan Life Insurance Co. and was later appointed as the supervisor for the Pennsylvania Bureau of School Audits, where he served until 1967.

In 1968, he was appointed postmaster of the Pottsville, PA, post office and served in that capacity for 23 years until his retirement. During that time he earned the respect and admiration of not only the employees he supervised over the years, but the entire community as well. Since leaving the Postal Service, Mr. McCloskey continues to be active in his community, having served on the Pottsville Housing Authority Board of Directors.

The legislation will serve as a fitting tribute to an individual who has given so much to the cause of public service.●

IN MEMORIAM—DAVID H. KRAUS

● Mr. BIDEN. Mr. President, David H. Kraus, assistant chief of the European Division of the Library of Congress, died on October 27 in Lanham, MD. In a career at the Library of Congress that spanned a quarter-century, Mr. Kraus played a pivotal role in developing the library's unparalleled Euro-

pean collections and in advising the Congress in a variety of ways, most recently in the training of parliamentarians and librarians from the newly independent, former Communist States of Europe.

A native of Minnesota, Mr. Kraus received his undergraduate education at the University of Wisconsin and did graduate work at Harvard University. A consummate bibliographer and administrator, he was also a remarkable linguist who attained reading fluency in most of the major languages of Eastern and Western Europe. Mr. Kraus was nationally prominent in library circles and ably represented the Congress at scores of professional meetings.

David Kraus was a wise and gentleman, possessed with a ready wit to go with his enormous erudition. He served the Congress long and faithfully, and he leaves many friends on Capitol Hill where he will be sorely missed.●

NATIONAL DEFENSE AUTHORIZATION ACT

● Mr. COATS. Mr. President, I support the National Defense Authorization Act for fiscal year 1998. I congratulate the chairman, Senator THURMOND, and the ranking member, Senator LEVIN, for their leadership in the bipartisan effort which attained this substantive and far reaching conference agreement. And they reached this agreement with the unanimous support of the Senate Armed Services Committee, all 18 committee members signed the conference report. Most importantly, this agreement was able to produce significant compromise in policy on key issues related to Bosnia, the B-2 bomber, and depot provisions.

DEPOT PROVISIONS

I would like to take a few moments to elaborate on the great accomplishment of this depot compromise. This is a compromise that was very difficult to achieve and I appreciate the very strong views of Senators on both sides of this issue. Earlier in this authorization conference process, I opposed the depot provisions which were originally recommended by the readiness panel because they explicitly precluded competition for the resolution of workloads at Kelly and McClellan Air Logistics Center. So we went back to work and through the significant efforts of many members with key interests in this depot issue, we were able to develop a substantive set of provisions that promote competition, and I support them. This compromise protects the integrity of the BRAC process and will serve the best interests of the Department of Defense and the U.S. taxpayer.

First, this bill provides for an open and fair competition for the workloads at Kelly and McClellan Air Force Base by ensuring that consistent practices are used to value the bids of private and public sector entities. Furthermore, we have been able to incorporate a major initiative in public-private