''(C) the Committee on Agriculture, Nutrition, and Forestry of the Senate; and

''(D) the Committee on Armed Services of the Senate.

''(2) CONTENTS OF REPORT.—The report under paragraph (1) shall include a description of participation rates, typical food packages, health and nutrition assessment procedures, eligibility determinations, management difficulties, and benefits of the program established under this section.

''(g) FUNDING.—

''(1) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall provide to the Secretary of Defense to carry out this section—

''(A) $8,000,000 for fiscal year 2000;

''(B) $12,000,000 for fiscal year 2001; and

''(C) $12,000,000 for fiscal year 2002.

''(2) RECEIPT AND ACCEPTANCE.—The Secretary of Defense shall be entitled to receive the funds and shall accept the funds, without further appropriation.''.

IMPORTED FOOD SAFETY ACT

Mr. FRIST. Mr. President, I rise to join with Senator COLLINS in introducing S. 1123, the Imported Food Safety Act of 1999. This legislation will address a growing problem that affects everyone in this nation, the safety of the food that we eat.

The Centers for Disease Control and Prevention estimates as many as 9,100 deaths are attributed to foodborne illness each year in the United States. In addition there are tens of millions of cases of foodborne illness that occur, the majority of which go unreported due to the fact that they are not severe enough to warrant medical attention.

The legislation that Senator COLLINS and I have crafted will target one of the most critical areas in helping to provide Americans with the safest food possible—the safety of imported food. The CDC has recognized that as trade and economic development increases, the globalization of food supplies is likely to have an increasing impact on foodborne illnesses.

Currently, one-half of all the seafood and one-third of all the fresh fruit consumed in the U.S. comes from overseas. In fact, since the 1980's food imports to the U.S. have doubled, but federal inspections by Food and Drug Administration have dropped by 50 percent.

Over the years there have been foodborne pathogen outbreaks involving raspberries from Guatemala, strawberries from Mexico, scallions, parsley and cantaloupes from Mexico, carrots from Peru, coconut milk from Thailand, canned mushrooms from China and others. These outbreaks have serious consequences. The Mexican frozen strawberries I have just noted were distributed in the school lunch programs in several states, including my home state of Tennessee, were attributed to causing an outbreak of Hepatitis A in March of 1997.

The Collins-Frist bill will do several vital things to safeguard against potentially dangerous imported food. The bill would allow the U.S. Customs Service, using a system established by FDA, to deny entry of imported food that has been associated with repeated and separate events of foodborne disease.

The bill would also allow the FDA to require food being imported by entities with a history of import violations to be held in a secure storage facility pending FDA approval and Customs release.

To improve the surveillance of imported food, we authorize CDC to enter into cooperative agreements and provide technical assistance to the States to conduct additional surveillance and studies to address critical questions for the prevention and control of foodborne diseases associated with imported food, and authorize CDC to conduct applied research to develop new or improved diagnostic tests for emerging foodborne pathogens in human specimens, food, and relevant environmental samples.

These are just a few of the many provisions in this bill that will help improve the quality and safety of the imported food that we consume every day. I applaud the leadership of my colleague, Senator COLLINS, who as Chairman of the Senate Permanent Subcommittee on Investigations held 4 comprehensive hearings last year on the issue of food safety. As Chairman of the Senate Subcommittee on Public Health, I look forward to working with Senator COLLINS and the rest of my colleagues on the issue of food safety and our overall efforts in improving our Nation's public health infrastructure. We must continue to fight infectious diseases and ensure that this legislation is enacted to help protect our citizens and provide them with the healthiest food possible.

AGRICULTURAL TRADE FREEDOM ACT

Mr. LEAHY. Mr. President, I would like to take a moment to voice my support for S. 566, the Agricultural Trade Freedom Act, which was passed out of the Senate Committee on Agriculture, Nutrition and Forestry this morning on a 17–1 vote. I appreciate Senator LUGAR's strong leadership on these trade and international issues.

More than any other industry in America, agriculture is extremely dependent on international trade. In fact, almost one-third of our domestic agricultural production is sold outside of the United States. Clearly, a strong international market for agricultural commodities is therefore of utmost importance to our agriculture economy.

As those of us who herald from agricultural states know, the business of agriculture in America reaches far beyond farmers alone. There are many rural businesses, such as feed stores, machinery repair shops and veterinarians, who depend on a strong agricultural economy. And when we discuss international trade, there are many national businesses, such as agricultural exporters, which are greatly impacted by our trade policies.

Despite the importance of these international markets, agricultural commodities are occasionally eliminated from potential markets because of U.S. imposed unilateral economic sanctions against other countries. These economic sanctions are imposed for political, foreign policy reasons. Yet there is little to show that the inclusions of agricultural commodities in these sanctions actually have had the intended results. The question now emerging from this policy is who is actually hurt by the ban on exporting commercial agricultural commodities, and should it continue?

American farmers and exporters obviously face an immediate loss in trade when unilateral economic sanctions are imposed. Perhaps even more devastating, however, is the long-term loss of the market. Countries who need agricultural products do not wait for American sanctions to be lifted; they find alternative markets. This often leads to the permanent loss of a market for our agriculture industry, as new trading partnerships are established and maintained.

Our farmers, and the rural businesses and agriculture exporters associated with them, are consequently greatly hurt by this policy. The Agricultural Trade Freedom Act corrects this problem by exempting commercial agricultural products from U.S. unilateral economic sanctions. The exemption of commercial agricultural products is not absolute; the President can make the determination that these items are indeed a necessary part of the sanction for achieving the intended foreign policy goal. In this situation, the President would be required to report to Congress regarding the purposes of the sanctions and their likely economic impacts.

Recently, the administration lifted restrictions on the sale of food to Sudan, Iran and Libya—all countries whose governments we have serious disagreements with. It did so, and I am among those who supported that decision, because food, like medicines, should not be used as a tool of foreign policy. It is also self-defeating. While our farmers lost sales, foreign farmers made profits.

Unfortunately, the administration did not see fit to apply the same reasoning to Cuba. American farmers cannot sell food to Cuba, even though it is only 90 miles from our shores and there is a significant potential market there. This contradiction is beneath a great and powerful country, and Senator LUGAR's legislation would permit such sales. The administration should pay more attention to what is in our national interests, rather than to a tiny, vocal minority who are wedded to a policy that has hurt American farmers and the Cuban people.

The Agricultural Trade Freedom Act maintains the President's need for flexibility in foreign policy while simultaneously recognizing the impact that sanctions may have on the agricultural economy. This legislation is

supported by dozens of organizations including the National Association of State Departments of Agriculture, the U.S. Dairy Export Council, the National Milk Producers Federation, and the National Farmers Union.

In closing, I would like to thank Senator LUGAR for his leadership on this issue. I was pleased to join with him, the ranking member, Senator HARKIN, the Democratic Leader, Senator DASCHLE, Senator CONRAD and others in this effort, and I look forward to working with them and all members of the Senate to see that this measure becomes law.

THE GUN SHOW LOOPHOLE

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that a copy of a letter from the International Brotherhood of Police Officers, in support of my amendment to close the gun show loophole, be printed in the RECORD.

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

INTERNATIONAL BROTHERHOOD
OF POLICE OFFICERS,
Alexandria, VA, May 19, 1999.

Hon. FRANK LAUTENBERG,
U.S. Senate, Washington, DC.

DEAR SENATOR LAUTENBERG: The International Brotherhood of Police Officers (IBPO) is an affiliate of the Service Employees International. The IBPO is the largest police union in the AFL-CIO.

On behalf of the entire membership of the IBPO, I am writing to express our support for your amendment that would close the gun show loophole. Every year, there are approximately 4,000 gun shows across the country where criminals can buy guns without a background check. This problem arises because while federally-licensed dealers sell most of the firearms at these shows, about 25 percent of the people selling firearms are not licensed and they are not required to comply with the background check as mandated by the Brady Law.

The ''Lautenberg amendment'' will close the gun show loophole and help law enforcement trace illegal firearms. The police officer on the street understands that this legislation is needed to help shut down the deadly supply of firearms to violent criminals.

Sincerely,

KENNETH T. LYONS,
National President.

FINANCIAL SERVICES MODERNIZATION ACT OF 1999

Mr. BRYAN. Mr. President, I want to voice my disagreement with a portion of Senate Report Number 106–44, which accompanied S. 900, the Financial Services Modernization Act of 1999. The Report describes an amendment that I offered that was adopted by a unanimous vote of the Senate Banking Committee during its consideration of S. 900. I want to explain what I intend that amendment to mean and how I intend its language to be interpreted.

At issue is the standard for determining whether State laws, regulations, orders and other interpretations regulating the sale, solicitation and cross-marketing of insurance products should be preempted by federal laws authorizing insurance sales by insured depository institutions and their subsidiaries and affiliates. Since the inception of the national banking system, the insurance sales powers of national banks have been heavily restricted. In addition, since the inception of the insurance industry in this country, the States have been the virtually exclusive regulators of that business. Although S. 900 seeks to tear down the barriers that separate the banking, insurance and securities industries, at the same time it seeks to preserve functional regulation. This means that the extensive regulatory systems that have been developed to protect consumer interests in each area of financial services should be retained.

For that reason, one of the principles of the proposed legislation is to ensure that the activities of everyone who engages in the business of insurance should be functionally regulated by the States. After all, the States are the sole repository of regulatory expertise in this area. During my review of the Committee Print before the mark-up and during my conversations with my Senate colleagues, it became evident that the Committee Print's provisions regarding the preemption of State insurance laws and regulations did not adhere to this principle. The Committee Print disregarded the Supreme Court's holding in *Barnett Bank of Marion County, N.A.* v. *Nelson*, 517 U.S. 25 (1996), regarding the standard for preempting State regulation of insurance sales activity.

I therefore introduced an amendment that replaced the Committee Print's insurance sales preemption provisions with substitute provisions based on the Supreme Court's Barnett standard. My amendment deleted all of the provisions in the Committee Print regarding the permissible scope of state regulation of the insurance sales activities of insured depository institutions, their subsidiaries and affiliates. My amendment substituted language that had been developed and analyzed during prior considerations of these issues in previous Congresses, in particular during senate consideration of H.R. 10 last year.

The core preemption standard included in my amendment now appears as Section 104(d)(2)(A) of S. 900. It states:

> In accordance with the legal standards for preemption set forth in the decision of the Supreme Court of the United States in *Barnett Bank of Marion County N.A.* v. *Nelson*, 116 U.S. 1103 (1996), no State may, by statute, regulation, order, interpretation, or other action, prevent or significantly interfere with the ability of an insured depository institution, or a subsidiary or affiliate thereof, to engage, directly or indirectly, either by itself or in conjunction with a subsidiary, affiliate, or any other party, in any insurance sales, solicitation, or cross-marketing activity.

The ''prevent or significantly interfere'' language was taken directly from the Supreme Court's Barnett decision and is intended to codify that decision. No further amplification of the standard was included because my colleagues and I intended to leave the development of the interpretation of that standard to the courts.

There is a great deal of disagreement among both regulators and members of the affected industries as to the manner in which the standard should be amplified. Indeed, State insurance regulators and significant portions of the insurance industry did not support the usage of the ''significant interference'' test at all but instead sought a clarification, supported by the Barnett opinion, that only state laws and regulations that ''prohibit or constructively prohibit'' an insured depository institution, or an affiliate or subsidiary of an insured depository institution, from engaging in insurance sales activities should be preempted.

Mr. SARBANES. I wish to associate myself with the statements of my colleague, Senator Bryan, the author of the amendment adopted by the Banking Committee. My understanding in voting for his amendment was that it codified the Barnett Bank standard for preemption of State laws. The Committee Report accompanying S. 900 seeks to amplify, or put a gloss on, the Barnett Bank standard. I would like to ask the Senator from Nevada whether the gloss put on the ''prevent or significantly interfere'' standard in the Committee Report is in keeping with his amendment.

Mr. BRYAN. My colleague from Maryland asks a perceptive question. The Committee Report attempts to clarify the core preemption standard in a way that is contrary to the meaning of the provision. Page 13 of the Report states that State laws are preempted not only if they '' 'prevent or significantly interfere' with a national bank's exercise of its powers'' but also if they '' 'unlawfully encroach' on the rights and privileges of national banks;'' if they '' 'destroy or hamper' national banks' functions;'' of if they '' 'interfere with or impair' national banks' efficiency in performing authorized functions.'' The clauses after the initial restatement of the standard are paraphrases of the holdings of the cases cited in Barnett.

As I noted earlier, I intentionally omitted any amplification of the Barnett standard. In addition, the last paraphrase (regarding ''efficiency'') is correct and harmful. It is incorrect because it implies that it applies to any authorized function. In fact, the case cited by the Supreme Court in Barnett said that a State cannot impair a national bank's ability to discharge its duties to the government. The last paraphrase is harmful because it could dramatically expand the scope of the preemption provision. It could do so if read to prohibit the application of any State law that impairs a national bank's or its affiliate's or subsidiary's efficiency in selling insurance. The Barnett opinion does not support any