that are covered to a select few—either by limiting the diseases that qualify for treatment, or by limiting the number of prescriptions that may be filled each month. The insurer can choose to keep the benefit the same from year to year, or the insurer can choose to change the benefit each year or to discontinue coverage.

The Democrats have tried to pass a bill this year that would provide choices for beneficiaries, while our colleagues on the other side of the aisle have advocated a bill that would provide choices for insurers.

Given the cost of a prescription drug benefit, it is critical that we spend those federal dollars in a way that will ensure that the benefit and the choices are going to the Medicare beneficiaries—not to the insurers.

I am also deeply troubled by the way the majority leadership is allocating federal dollars in the ''BBA-relief'' bill. While members of the Finance Committee have not been allowed to participate in the development of this package, I understand that about $10 billion out of a total of $28 billion is to go to Medicare HMOs over the first 5 years. That is over one-third of the money in this package, when only 16 percent of Medicare beneficiaries are enrolled in Medicare HMOs.

The HMOs tell us that they need this level of funding to ''stabilize'' the market, and that without it they will have to withdraw from the program, or reduce benefits. But we know from the General Accounting Office that we are already overpaying the HMOs—by nearly $1,000 per enrollee.

And yet, our colleagues on the other side of the aisle are not requiring any accountability on the part of the managed care plans in exchange for this huge influx of funding. They don't require them to stay in the market, and they don't require them to commit to a benefit package.

Managed care plans should be provided a reasonable portion of the funds in this package. But the majority has provided funds for HMOs at the expense of reducing beneficiary cost-sharing for preventive benefits and outpatient visits, at the expense of expanding health options for legal immigrants, at the expense of patients with Lou Gehrig's disease, at the expense of uninsured children, and at the expense of persons with Alzheimer's disease.

This is too great an expense.

I have a letter signed by 23 senior groups opposing this large payment of funds to Medicare+Choice HMOs.

I ask unanimous consent that this letter be printed in the RECORD.

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

LEADERSHIP COUNCIL
OF AGING ORGANIZATIONS,
Washington, DC, October 18, 2000.

Hon. RICHARD H. BRYAN,
U.S. Senate,
Washington, DC.

DEAR SENATOR BRYAN: The undersigned organizations oppose the large payment of funds to Medicare+Choice HMOs rather than using these dollars to help Medicare beneficiaries in the proposed Medicare Balanced Budget Act (BBA). The pending leadership proposal reportedly spends about $10 billion on HMOs and only a small fraction on America's seniors.

The proposed restoration of funds to HMOs is out of balance with the rest of the bill. Currently less than 16 percent of beneficiaries are enrolled in HMOs, yet one-third of the funds go to these entities. The increase in funds is of particular concern since HMOs are not being held accountable for their participation in Medicare. The plans have not committed to maintaining their benefits or to staying in the program for any length of time. Additionally, the proposed increase flies in the face of the fact that independent experts, such as the General Accounting Office, have found that these plans currently are paid too much.

Earlier in the year, Congress's budget resolution committed to spending $40 billion on a new Medicare prescription drug benefit. This has not been done. And now rather than spend this $40 billion on direct beneficiary improvements, Republican leaders are proposing only a small fraction of the original amount promised for beneficiaries.

There are many other senior concerns that are being shortchanged by this legislation including those that relate to quality of care. The bill would not provide sufficient funding to address a number of serious problems Medicare beneficiaries and their families currently face. The priorities related to the balance of payments in this bill must be changed to assure that the group that Medicare is supposed to serve—America's seniors—receive their fair share of the funds.

Sincerely,

AFSCME Retirees.
American Association for International Aging.
American Federation of Teachers Program on Retirement and Retirees.
Association for Gerontology and Human Development in Historically Black Colleges and Universities.
Association of Jewish Aging Services.
Eldercare America.
Families USA.
Meals on Wheels Association of America.
National Academy of Elder Law Attorneys.
National Association of Area Agencies on Aging.
National Association of Foster Grandparent Program Directors.
National Association of Nutrition and Aging Services Programs.
National Association of Retired and Senior Volunteer Program Directors.
National Association of Retired Federal Employees.
National Association of Senior Companion Project Directors.
National Association of State Units on Aging.
National Caucus and Center on Black Aged.
National Committee to Preserve Social Security and Medicare.
National Council of Senior Citizens.
National Council on the Aging.
National Senior Citizens Law Center.
National Senior Service Corps Directors Associations.
OWL.

Mr. BRYAN. Mr. President, finally, let me conclude by saying that the administration has indicated the President may veto this legislation because of the heavy tilt toward managed care plans, the lack of accountability, and the lack of provisions that would directly help Medicare beneficiaries—our intended audience. I would support that veto.

I thank the Presiding Officer. I yield the floor.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCY PROGRAMS APPROPRIATIONS ACT, 2001—CONFERENCE REPORT—Continued

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I ask the Senator from Mississippi for 10 minutes or less on the bill.

Mr. COCHRAN. Mr. President, I am happy to yield to the distinguished Senator the time he requested.

Mr. LEAHY. Mr. President, I ask unanimous consent that following the comments of the distinguished Senator from Washington, I might be recognized under the normal division of time for about 6 minutes.

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

The Senator from Washington is recognized.

Mr. GORTON. Mr. President, it has taken a considerable period of time to reach the happy conclusion of the debate over the appropriations bill for the Department of Agriculture. None of that delay is due to the distinguished chairman or to his ranking member, the Senator from Wisconsin, who have worked with extraordinary diligence and I think immense success in bringing this bill before us.

I can't even begin the major portion of my remarks without thanking him for his thoughtfulness to the particular concerns of my own State—first, of course, the field of agricultural research. There is research money in this bill for wheat, apples, asparagus, animal diseases, small fruit, barley, and potatoes, to name a few. In each and every case, that money will help our farmers meet the demands of the market in the future—both here in the United States and overseas.

In addition, without precedent, there is a considerable and most indispensable relief for the tree fruit industry in my State and others—formerly a highly profitable occupation that has fallen on bad times. A bridge is provided in this bill until more successful times in the future. The cranberry industry falls into exactly the same situation. And, of course, with respect to low farm prices in many other commodities nationwide in scope, relief is included in this bill, again with the hope that we will soon have better times in the future for our agricultural products.

There are, however, two subject matter areas of this bill that are of particular importance. The first has to do with sanctions—the unilateral sanctions that the United States has imposed on itself barring the export of our agricultural commodities and for that matter medicines to a number of

countries around the world for some form of foreign policy reasons.

Those sanctions by and large are canceled by this bill, and the President is deprived of the power in the future to impose them unilaterally without dealing with us in Congress. This may be very important in the immediate future with the threat that sanctions will be taken against even our good friend Japan with our agricultural products by reason of its whaling practices. I disagree vehemently with its whaling practices. But I don't think we should deal with them by punishing our farmers, ranchers, and agricultural producers. Personally, I would have preferred the more sweeping language of the original Senate bill in this respect. There was vehement opposition to some of its provisions in the House of Representatives.

My colleague from the State of Washington, Congressman NETHERCUTT, worked diligently, and often in opposition to his own party's leadership, in crafting this compromise. This compromise, I guess, I would describe as being 80 percent of what we need. It includes what I think are some unwise provisions related to travel to Cuba. But, in my view, we should take this three-quarters, or 80 percent, of what we need, and we should begin to restore the opportunity to secure these markets to our farmers. And we should take care of the rest of the controversy next year.

Will we immediately begin to see huge sales of our wheat, for example, to Iran and to other former major customers? I am not at all sure we will. It may take years to repair the damage we have created by these unilateral sanctions. But this is a start. This gives our farm community, at a time of very low prices, once again the ability to compete in the world markets, and not just in some of those markets.

Finally, and most importantly, are the provisions of this bill dealing with the price of prescription drugs. My colleague from Nevada, who just concluded his remarks, had a number of points, with which I don't entirely agree, but I certainly do agree with him on that one. He was one of the cosponsors of the Jeffords-Dorgan proposal on the reimportation of drugs.

Simply stated, we face a situation in which American pharmaceutical manufacturers that are benefiting from huge tax subsidies through research and development tax cuts, and benefiting from the immense research that we do in the National Institutes of Health, nevertheless, sell their products outside of the United States in Canada, in Europe, and in Latin America for prices half or less the price they charge for those drugs in the United States. That is outrageous. It is a form of discrimination without any justification whatsoever.

Six months or so ago, I introduced a bill to directly ban price discrimination in prescription drugs in the same way it has been banned in almost every other commodity in the United States in interstate commerce for some 65 years.

A Congressman from New York, Congressman HINCHEY, made a similar proposal in the conference committee. Personally, I would prefer a more direct approach.

Once again, the perfect was the enemy of the good. We have the ability not only for individuals to go into Canada or Mexico and buy drugs that are manufactured in the United States, but under the same circumstances they are manufactured in the United States, and then they are reimported to the United States for individuals to use. It is something that I think is very important for people who need to use drugs and find them far too expensive here; but also for our pharmacists to do the same thing to the extent that their wholesale prices are the result of discrimination against them and in favor of Canadians and Europeans and others.

Some of those costs will be passed back to the purchasers of prescription drugs here in the United States who can't travel to Canada or to Mexico or to someplace else to make their own purchases.

Is this a perfect solution? No. It is not. First, it is indirect rather than direct.

Second, there are opportunities, I am convinced, in the way their bill was written, in spite of all of the efforts of its proponents, through which the pharmaceutical manufacturers may find loopholes and may be able to frustrate the proper desire of Americans to lower drug prices.

If that happens, we will certainly be back next year at the same time and at the same place to see to it that a discrimination which is entirely unjustifiable is ended. American companies benefiting from American society, from American tax credits from American research should not discriminate against Americans. We have taken a major step forward in this bill to at least reducing and I hope eliminating that kind of discrimination.

I want to express my enthusiastic support for the passage of this bill.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I will vote for the Agriculture appropriations conference report. I want to support our farmers. They deserve our support. But I will do so with a great deal of reluctance because of what the House of Representatives did. They inserted a provision which goes directly counter to the views that were expressed in rollcall votes of a bipartisan majority of both the House and the Senate.

I probably shouldn't be that surprised that the House of Representatives, under the Republican leadership, has, once again, abused the legislative process. It has occurred too often. We had very strong votes in both the House and the Senate to lift sanctions on the sale of food and medicine to Cuba. After we had those votes, the House Republican leadership included a provision which prohibits any kind of public financing. What they have said is: Sure, you can have these sales. But we are going to make sure there is no way to pay for them.

We go back home and say how generous we are and how we are helping our farmers, at the same time chuckling all the way out, saying it will never happen.

That is bad for America's farmers. It is very bad for the Cuban people. It is certainly bad foreign policy.

In fact, they even went so far as to codify the restrictions on travel to Cuba. This strikes at the fundamental right of every American to travel freely. Some of the same people who jingoistically say we are Americans; we can go wherever we want, will say, but not to Cuba.

Senator DODD and I introduced legislation to lift this ban. He spoke eloquently about this. It is ironic, actually outrageous, that Americans can travel to North Korea or Syria or Vietnam but not to Cuba. What a hypocritical, self-defeating, and anachronistic policy. What a policy so beneath a great, good nation as ours, a nation of a quarter billion people, the most powerful, wealthiest nation on Earth. How small-minded. How petty. How beneath this great Nation.

It is a terrible decision, a blatantly partisan decision, a decision driven by politics, and one of the many reasons why the elections on November 7 are so important. It is time we inject intelligence and bipartisanship into our foreign policy. Congress has had its chance, but it has fallen short in too many ways to count. The decision on Cuba is another example of the failure of the 106th Congress to do what is right for America, what is right for America's farmers, what is right for the majority of the American people.

As one who opposes the dictatorial policies of Fidel Castro, I also oppose anybody telling me as an American, or my family, or the people of my State, that we cannot travel anywhere in the world where we might be accepted. It is so beneath a great and good nation. I hope this is something we will correct next year. The majority of Senators and House Members, Republicans and Democrats, have already voted. A small band of the Republican leadership should not be able to thwart that.

I yield the floor.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I am pleased to yield 15 minutes to the distinguished Senator from Arizona, Mr. MCCAIN.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. MCCAIN. Mr. President, I regret that I have to come forward once again to oppose another of the annual appropriations bills, particularly one that is vitally important to our nation's farmers and to support social service programs for women and children.

However, this bill once again fails to responsibly appropriate funding to the highest agricultural and resource management priorities, and instead doles out $300 million in pork-barrel spending. This amount is close to $70 million more than was included in the Senate-passed bill, and the total overall spending for this bill exceeds the Senate and House passed bills by close to $2.8 billion.

Mr. President, there are several problems with this final conference agreement.

First, the inclusion of $300 million in special interest earmarks that either have not been properly reviewed or authorized through the legislative process. Much of this spending is earmarked for towns, universities, research institutes and a myriad of other entities that appear only vaguely related, at best, to addressing the dire situation of farmers, women and children.

A number of policy riders are also tacked on, without any consideration by either body, that reverse a number of 1996 farm bill reforms and violate trade policies.

Let's first take a look at the ''Top Ten Porkbusters'' in this year's agriculture bill:

No. 10, An add-on of $300,000 is provided to a laboratory in East Lansing, Michigan to map and identify genes in chickens;

No. 9, An amount of $680,000 will be provided to test the ''competitiveness'' of agricultural products solely from the state of Washington;

No. 8, Despite millions provided for salmon restoration through other appropriations bills this year, $645,000 is earmarked for research on alternative salmon products in guess where—Alaska; you will find Alaska pops up quite frequently in these pork barrel bills.

No. 7, An add-on of $1.05 million will pay for sunflower research in Fargo, North Dakota.

Sunflower research, obviously, is unable to be carried out in any other part of America, so we have to add $1 million to pay for sunflower research in Fargo, ND.

No. 6, $300,000 is earmarked for the Pineapple Growers Association in Hawaii, whose three members of the Pineapple Growers Association are the impoverished organizations, Dole Food, Del Monte Fresh Produce, and Maui Pineapple Company. These impoverished three corporations are badly in need of $300,000 of the taxpayers' money so they can deliberate as the Pineapple Growers Association of Hawaii.

A whopping $5 million is earmarked for an insect rearing facility in Stoneville, MS. That must be an interesting place.

No. 4, an add-on of $300,000 will pay for manure management systems in Florence, SC. I have spent a lot of time in South Carolina. I hope this $300,000 will pay for the manure management systems in Florence, SC.

No. 3, a $250,000 earmark is included for potato research in Prosser, WA, to develop improved varieties of potatoes. Only in Prosser, WA, do we need to do this kind of research.

No. 2, the popular National Center for Peanut Competitiveness in Georgia will receive a healthy endowment of $400,000. That ever popular National Center for Peanut Competitiveness, in Georgia, will receive this $400,000.

And No. 1, an earmark of $100,000 is provided for the Trees Forever Program in Illinois, the vitally important purpose of which is to encourage and provide information on the use of trees. Trees Forever in Illinois is to encourage and provide information on the use of trees.

In my State of Arizona, except in the northern part of my State, we don't have a lot of trees, but we certainly have a lot of cactus. Perhaps we could have next year an earmark for the ''Cactus Forever Program.'' That might be an enjoyable exercise. I urge my pork barreling friends to consider, next time they have Trees Forever, perhaps ''Cactus Forever.''

Mr. President, this is just a small sample from the 32-page list of earmarks I compiled from this agriculture appropriations conference report. Many are recurring earmarks, year after year, for projects that appear to be either duplicative or, as GAO had found when reviewing agricultural spending, pay for projects not related to basic research or high-priority areas, or which already receive substantial private sector investments.

Mr. President, I am sure that many of these objects may be meritorious and helpful to the designated communities. What I object to is the way these projects have been selectively identified and prioritized for earmarks, mostly for purely political interest, rather than for the national interest.

This agriculture appropriations measure is intended to provide assistance to farmers, women, children and rural communities with the greatest need. Yet, by diverting millions for parochial spending, we fail in this responsibility, forcing Congress to once again attach ad-hoc emergency spending, adding up so far to $23 billion over the past three years, for farm relief and other disaster assistance. This time around, about $3.6 billion is designated as emergency spending for farmers and communities who have suffered critical losses due to severe drought and difficult market conditions.

I realize that many of America's family farms are in crisis, and some form of assistance is needed to responsibly address real economic hardship faced by many of our nation's farmers and their families. However, it is quite interesting to note that among those that the budget negotiators consider the most in need are the tobacco, sugar and honey industries.

For example, a last minute provision was added to reverse the limited reforms to the federal sugar program. Behind closed doors, powerful sugar interests have been able to chip away at the few reforms required by them by the 1996 Freedom to Farm bill.

First, through last year's omnibus appropriations bill, a provision was tacked on in conference to remove the responsibility of sugar producers to pay small marketing assessments on sugar to help pay down the federal debt.

By the way, a large family of sugar growers is one of the major reasons why we are having to pay billions of dollars to clean up the Everglades.

Earlier this year, sugar interests pressured the Agriculture Secretary to spend more than $60 million to purchase more than 150,000 tons of surplus sugar to prevent mass forfeitures, paid for by the taxpayers once again. An additional 934,000 short tons of sugar was forfeited once again this month, thereby eliminating the responsibility for sugar growers to pay back $352 million in loans. Many of these sugar growers are capable of making enormous political contributions in soft money to both parties.

And, now, sugar interests have adeptly worked behind the scenes to add another never-before-seen provision, not previously included in the Senate or House bill, to overturn federal sugar policy. This change will reverse the recourse loan provision in the 1996 farm bill that obligates full repayment of the loan in cash. Despite loopholes already existing in current law to allow sugar producers to sidestep loan repayments, this new conference provision directs that all federal price support loans be made permanently ''non-recourse'' loans, which is a fancy way of saying the loans will not have to be repaid.

Another provision added in conference allows burley tobacco producers to forfeit their crops, much in the same manner that sugar producers are allowed to do. Not only are we letting sugar and tobacco growers off the hook for repayment of Federal loans, the Federal Government will be responsible for selling off tobacco crops that are forfeited to the Federal Government. Such a movement may encourage the overproduction of tobacco, at a time when, thank God, the tobacco demand is lessening and the American people are urging more responsible federal policies toward tobacco because of its impacts on our children and public health. However, once again, special interests win, and the taxpayers will foot the bill, at a cost of $50 million.

Other egregious last-minute provisions added in conference include:

A new provision that reinstates the federal subsidy for honey producers, previously repealed by the 1996 farm bill. The cost? $20 million.

The controversial dairy price support program will be extended, while also delaying implementation of the dairy recourse loan program that requires full repayment of federal loans.

$500,000 is earmarked solely for the State of California for crop insurance,

despite the $8 billion crop insurance reform bill passed earlier this year.

$2.5 million is directed to capitalize the South Carolina Grain Dealers Guaranty Fund, under the guise of emergency spending; and,

$7.2 million in emergency funds will pay for sugar transportation costs for the State of Hawaii.

Other provisions are tacked onto this report that clearly do not belong in this particular bill and, therefore, could be subject to budget points-of-order.

A provision, which the Wall Street Journal called a ''unique steel-friendly provision,'' was inserted into this conference report that diverts anti-dumping and countervailing duties from the Treasury to affected domestic industries. This provision is an almost one-half billion dollar giveaway to U.S. corporations that had not been considered previously by the Senate. As our nation begins to pay down our $5 trillion debt, we should consider the effect of this provision very carefully. Instead, we will not consider it at all. No member, except those among the negotiators, will have any say about the effects of this policy.

Another equally troubling provision in this report once again concerns legislation that has not been considered by the House or Senate. This provision sets up a Hass Avocado Board for avocado research and promotion. While on its face, it may not sound objectionable, such a provision may unfairly give domestic producers more representation than U.S. importers, thereby violating our WTO obligations by not granting national treatment to avocado imports and acting as an export subsidy.

In addition, this provision currently forces an assessment of avocados at a rate of $.025 per pound. This rate must be paid by exporters at the time of entry into the United States. However, U.S. domestic producers will not have to pay these taxes until 60 days after the last day of the month that the sale is made. In addition, no tax is collected on Hass avocados that are exported.

Again, these two provisions clearly violate our WTO obligations, and I believe we should study this issue more before passing it into law. I am concerned that this provision will give 85 percent of the fees collected from a state back to the state avocado board. This seems like unnecessary pork for state avocado boards. However, once again, we will not be able to vote up or down on this provision.

The Congress has certain rules that apply to its budget process. One of those rules states that, once a Senate-House conference convenes, negotiations are limited to only the funding and provisions that exist in either bill. Adding funding that is outside the scope of the conference is not in order, nor is the inclusion of legislative provisions that were not in the preexisting bills.

The final agreement clearly violates our established rules over and over again. Yet, no one pays attention to these violations because Congress appears to favor spending that benefits the special interests of a few, rather than spend the taxpayers' dollars responsibly and enact laws and policies that reflect the best interests of all Americans.

It is all taxpayers who have to shoulder the burden to pay for the pork-barrel spending in this appropriations conference report and the others that will follow, and I will not vote to place that burden on American families.

Mr. President, in conclusion I want to refer to a column by David Broder in this morning's Washington Post. The title of it is, ''So Long, Surplus.'' That is what I have to say this morning and what I have been saying for several weeks now: So long, surplus.

I notice a lot of the Presidential debate is devoted to what we will do with the surplus, whether we cut taxes; whether we pay down the debt; whether we save Social Security; whether we save Medicare. It is not going to be there. We are spending it at an incredibly huge rate.

As a result, said Congressional Quarterly, the nonpartisan, private news service, spending for fiscal 2001, which began on Oct. 1, is likely to be $100 billion more than allowed by the supposedly ironclad budget agreement of 1997.

More important, the accelerated pace of spending is such that the Concord Coalition, a bipartisan budget-watchdog group, estimates that the $2.2 trillion non-Social Security surplus projected for the next decade is likely to shrink by two-thirds to about $712 billion.

Let me repeat. The Concord Coalition, which is a bipartisan organization, predicts that the surplus is not going to be $2.2 trillion in the next decade; it is going to be about $712 billion. And that is with the rosiest of scenarios.

What are we doing here? What are we doing here? We are spending the surplus; we are earmarking, pork barrel spending; we are calling things emergencies that are not. We are frivolously and irresponsibly spending this surplus which is so vital to our ability to meet our entitlement obligations in this century, obligations to Social Security and to Medicare and other entitlement programs.

I quote from David Broder again, from this morning.

To grasp what is happening—those now in office grabbing the goodies before those seeking office have a chance—you have to examine the last-minute rush of bills moving through Congress as it tries to wrap up its work and get out of town.

I ask unanimous consent the article by David Broder of this morning be printed in the RECORD.

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

[From the Washington Post, Oct. 18, 2000]

SO LONG, SURPLUS

(By David S. Broder)

Between the turbulent world scene and the close presidential contest, few people are paying attention to the final gasps of the 106th Congress—a lucky break for the lawmakers, who are busy spending away the promised budget surplus.

President Clinton is wielding his veto pen to force the funding of some of his favorite projects, and the response from legislators of both parties is that if he's going to get his, we're damn sure going to get ours.

As a result, said Congressional Quarterly, the nonpartisan, private news service, spending for fiscal 2001, which began on Oct. 1, is likely to be $100 billion more than allowed by the supposedly ironclad budget agreement of 1997.

More important, the accelerated pace of spending is such that the Concord Coalition, a bipartisan budget-watchdog group, estimates that the $2.2 trillion non-social Security surplus projected for the next decade is likely to shrink by two-thirds to about $712 billion.

As those of you who have been listening to Vice President Al Gore and Texas Gov. George W. Bush know, they have all kinds of plans on how to use that theoretical $2.2 trillion to finance better schools, improved health care benefits and generous tax breaks. They haven't acknowledged that, even if good times continue to roll, the money they are counting on may already be gone.

To grasp what is happening—those now in office grabbing the goodies before those seeking office have a chance—you have to examine the last-minute rush of bills moving through Congress as it tries to wrap up its work and get out of town.

A few conscientious people are trying to blow the whistle, but they are being overwhelmed by the combination of Clinton's desire to secure his own legacy in his final 100 days, the artful lobbying of various interest groups and the skill of individual incumbents in taking what they want.

Here's one example. The defense bill included a provision allowing military retirees to remain in the Pentagon's own health care program past the age of 65, instead of being transferred to the same Medicare program in which most other older Americans are enrolled. The military program is a great one; it has no deductibles or copayments and it includes a prescription drug benefit.

Retiring Democratic Sen. Bob Kerrey of Nebraska, himself a wounded Congressional Medal of Honor winner, wondered why—in the midst of a raging national debate on prescription drugs and Medicare reform—these particular Americans should be given preferential treatment. Especially when the measure will bust the supposed budget ceiling by $60 billion over the next 10 years.

''We are going to commit ourselves to dramatic increases in discretionary and mandatory spending without any unifying motivation beyond the desire to satisfy short-term political considerations,'' Kerrey declared on the Senate floor. ''I do not believe most of these considerations are bad or unseemly. Most can be justified. But we need a larger purpose than just trying to get out of town.''

The Republican chairman of the Senate Budget Committee, Pete Domenici of New Mexico, joined Kerrey in objecting to the folly of deciding, late in the session, without ''any detailed hearings . . . [on] a little item that over a decade will cost $60 billion.'' Guess how many of the 100 senators heeded these arguments? Nine.

Sen. Phil Gramm, a Texas Republican, may have been right in calling this the worst example of fiscal irresponsibility, but there were many others. Sen. John McCain of Arizona, who made his condemnation of pork-barrel projects part of his campaign for the Republican presidential nomination, complained that spending bill after spending bill is being railroaded through Congress by questionable procedures.

''The budget process,'' McCain said, ''can be summed up simply: no debate, no deliberation and very few votes.'' When the transportation money bill came to the Senate, he said, ''the appropriators did not even provide a copy of the [conference] report for others to read and examine before voting on the nearly $60 billion bill. The transportation bill itself was only two pages long, with the barest of detail, with actual text of the report to come later.''

Hidden in these unexamined measures are dozens of local-interest projects that cannot stand the light of day. Among the hundreds of projects uncovered by McCain and others are subsidies for a money-losing waterfront exposition in Alaska, a failing college in New Mexico and a park in West Virginia that has never been authorized by Congress. And going out the window is the ''surplus'' that is supposed to pay for all the promises Gore and Bush are making.

Mr. MCCAIN. Mr. President, the Congress has not always acted this way. As a matter of fact, in fiscal years 1997 and 1998, when we still had deficits, the Congress spent less money than the actual budget caps allowed. But since the era of surpluses began in 1999, the Congress and the president have taken this to mean they now have a license to spend freely and irresponsibly without any adherence to limits. We have gradually spent in excess of the discretionary spending limits.

But now, for the fiscal year 2001, the spending has exploded to at least $33 billion above the spending cap, consuming nearly one-third of fiscal year 2001's projected on-budget surplus, and we still have several appropriations bills yet to go. Our continuing fiscal irresponsibility in threatening to consume a substantial portion of the projected on-budget surpluses before they are actually realized—and, according to a recently released CBO report, even if we are to save all of today's projected surpluses, we still face the possibility of an uncertain long-term fiscal future as adverse demographics and lengthening lifespans lead to surging entitlement costs.

CBO projects that the three main entitlement programs—Social Security, Medicare, and Medicaid—will rise from roughly 7.5 percent of GDP today to 17 percent by 2040 absent programmatic reforms. The CBO also warns that ''Projections of future economic growth and fiscal imbalances are quite sensitive to assumptions about what policymakers will do with the budget surpluses that are projected to arise over the next decade.''

Therefore, it is imperative that not only do we avoid squandering the projected surpluses, but the meaningful reforms of entitlement programs be undertaken not to avoid budget deficits and unsustainable levels of debt in the future.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. COCHRAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SESSIONS). Without objection, it is so ordered.

Mr. HARKIN. Mr. President, is it correct that I am allotted 45 minutes?

The PRESIDING OFFICER. The Senator is correct.

Mr. HARKIN. Mr. President, before getting into my main comments on the Agriculture Appropriations conference report, I want to make a few comments in response to the Senator from Arizona, who spoke about various items that are in this bill and criticized them.

I am very proud of my service on the agriculture appropriations subcommittee, and I am very proud of our chairman and ranking member for the bill they put together. It is a good bill. I am going to vote for it because it provides needed funding for a range of programs and activities important not only to farm families and rural communities but to consumers and our Nation generally.

I thank our agriculture appropriations chairman, Senator COCHRAN, and the ranking Democratic member, Senator KOHL, for their hard work on this bill. I appreciate the opportunity to have worked with them, and I thank them for their cooperation in responding to my views on various items in this legislation. I commend them for their work in putting this bill together. Overall, it is a good bill.

The Senator from Arizona cited a number of items in the bill. I did not hear him mention some research grants for the fruit and vegetable market analysis for Arizona. There was a produce pricing item in there for Arizona. There was a Federal administration research grant for shrimp aquaculture for several States, including Arizona. Also in the conference report, there is a $5 million item for Water Conservation and Western Cotton Laboratory in Maricopa, AZ.

I do not know a lot about those facilities. I know our colleague, Senator KYL, is on the committee. I am sure he has looked at these items and may have had something to do with them being in there. I do not know. But I believe the Senator from Arizona, who just spoke, is off the mark because most of the items in this bill are there because Senators pay attention to the needs of their constituents and they pay attention to the needs of our country.

I am not cognizant of this Water Conservation and Western Cotton Laboratory in Maricopa for $5 million, but it probably has something to do with cotton production, which is important to our country. It probably has something to do with cotton production in Arizona, which is obviously important to the people of Arizona and Western States.

I don't know. Maybe this has something also to do with the large amounts of Federal subsidies that our Government provides for water and for irrigation for cotton in Arizona. I listened in vain to hear my colleague from Arizona decry the use of subsidized water in his State of Arizona. Well, I'm not here today going after it. It is probably necessary for the people of Arizona, probably necessary for western cotton production, and could be important for western animal production.

So I think my friend from Arizona, in taking after a lot of the items in the Agriculture appropriations bill, is just simply off the mark. Oh, I know it probably makes good press. You can probably get a good column written once in a while about pork barrel spending and all that kind of stuff, but when you go down these items, these are items that are important to the people of those constituencies in those States, important to agriculture in those States and, as such, it is important to agriculture for the entire country.

So that is why I commend the chairman and the ranking member for putting this bill together. It is a good bill.

In fact, if you want to talk about items that are in the bill that pertain to States, let me talk about one in my own State. One of my highest priorities was to obtain funding for the planning and design of new facilities at the Department of Agriculture's National Animal Disease Laboratory in Ames, IA. I am pleased that the bill has the full $9 million that was requested for this purpose in the President's budget.

These new facilities are absolutely critical for biocontainment and work with animals with highly contagious diseases. The National Animal Disease Laboratory is one of—of course, in my opinion, it is the preeminent animal disease research facility in the United States. But the conditions of this facility are very poor. The main facility there was constructed beginning in the 1950s. Now we face threats from new animal diseases; some that are highly contagious, some that can be used by terrorists for bioterrorism. Yet the facilities, some that were built some 40 years ago, are not built to contain them adequately, safely, and securely. We need to move forward to improve the National Animal Disease Laboratory facilities as quickly as possible, to protect against emerging, highly contagious, highly infectious animal diseases, many of which, if not contained, if let loose in the environment, could cause tremendous numbers of illnesses and deaths. So the NADL funding is not just about protecting animal life and health; it is also for protecting human life and health as well. Sure, this facility is located in Iowa—I am very proud of it; it predates my service in Congress—but it is a national laboratory. This is another example where money has gone to a State, but it has gone for a national purpose. It is just like any of the other national laboratories that we have. This is the preeminent one for animal disease.

I also want to point out some other priority items of particular interest in Iowa that are in the bill. They are particular to Iowa, but they are broader than the State, including funding for research that will help block the use of anhydrous ammonia to make methamphetamine. That is one that is in this bill. It helps us in Iowa, but it helps us in many other States.

There is an item in the bill for addressing serious erosion problems in Iowa's Loess Hills. The Loess Hills in Iowa make up the only geologic formation of its kind anywhere in the world outside the nation of China. These are a national treasure. There is some money in here to address some of the serious erosion problems in this very unique geologic formation.

There is money in here for research into industrial lubricants made from soybeans and other commodities, for farm safety education, and for dairy research and education.

I see my friend from Minnesota is here. I just joined him in Minnesota yesterday. We traveled around the State. I was reading an article—I think it happened in Minnesota, but if it didn't happen in Minnesota, it happened in Iowa—where a little 3-year-old boy got one arm and his other hand caught in a farm auger. I was reading the tragic story of how the doctors tried to reattach his arm and were unsuccessful in doing so. So this young 3-year-old boy has lost his right arm and, I believe, his left hand because of an accident on a farm.

Do we need funds for better research and education so that farmers and their families can be more safe in their occupations? You bet we do. And that is very worthwhile funding.

This bill also includes major increases in funding for food safety activities at USDA and FDA. This has been a priority of mine for a number of years. For USDA, food safety funding will increase by $28.3 million; and for FDA, the funding will increase by $30 million. That means that for USDA and FDA we are fully funding the President's food safety initiative. That is good, but there is a lot more we have to do in the way of food safety.

Last month, we had a hearing in the Agriculture Committee on food safety. Chairman LUGAR and I worked together to help set it up. In that hearing we gathered some very telling information about the resources that we are putting into food safety. The General Accounting Office testified that in fiscal year 1999, about $1 billion was spent on USDA and FDA food safety activities combined. Of that amount, USDA received $712 million to inspect some 6,000 meat, poultry, and egg establishments.

FDA, however, received only $260 million with which it had to inspect over 57,000 food establishments and 9,000 animal drug and feed establishments. So USDA gets $712 million. They have 6,000 establishments to inspect. FDA got only $260 million. They had to inspect over 66,000 establishments.

Here is the twist. About 85 percent of the instances of foodborne illness are linked to foods that fall under FDA's jurisdiction, and only 15 percent of them fall under USDA's jurisdiction. So clearly, we have our work cut out for us in the area of food safety.

We need more resources for the Food and Drug Administration. But, in reality, we really need a more unified and coordinated structure for federal food safety. Next year, this Congress should work to that end. I know my colleague, Senator DURBIN from Illinois, has a bill on that. Obviously, all the bills will die at the end of this session of this Congress, but we need to join forces in a bipartisan fashion next year. I believe there will be broad support among food producers and consumers to have a unified coordinated structure for food safety here at the Federal level.

I was also pleased to be able to work with Congressman WALSH of New York to include in this conference report important hunger relief measures. The provisions in this bill will significantly help in making sure Americans who have high rent and utility costs, or who just happen to have a modest, reliable automobile, can still receive food stamp benefits they need to feed their families. The vehicle provision is especially important in rural areas where people need to have a decent car to get to town or to get to work. They should not be disqualified from food stamps just because they own a modest, dependable vehicle.

I am also pleased that there were significant increases in rural housing, sewer, and water assistance, and economic development support important for rural America. I am, however, concerned about an increase in the fee for rural housing. For the rural housing loan assistance program, the fee was increased from 1 percent to 2 percent. That was included in the final measure. I believe this hurts the ability of modest-income families to become homeowners in rural areas. I will be working to reverse that.

This legislation also includes a substantial amount of additional emergency spending to respond to the needs arising from various types of economic and natural disaster losses. Overall, there is approximately $3.6 billion in emergency assistance, including compensation for crop production and crop quality losses, livestock and dairy assistance, and funding for the important emergency conservation and emergency watershed programs. This emergency assistance will be very important to farmers who have suffered from drought and severe weather in Iowa and many other States.

Over the past several years, Congress has provided a good deal of emergency assistance to farmers. In the past 3 years, the emergency assistance has amounted to over $22 billion. As I said, in this bill there is an additional $3.6 billion. For the most part, that assistance was clearly needed—in fact, critically needed. It helped keep many farm families on the land who otherwise would have been forced out of business. Keep in mind, these emergency payments were on top of the spending under provisions of the existing farm bill.

For fiscal year 2000, USDA made some $28 billion in direct payments of one kind or another to U.S. farmers. That is a record. And the overall cost of farm programs was $32.3 billion, another record. Looking at it another way, in calendar year 2000, U.S. farmers will receive $23.3 billion in direct payments from the Federal Government, but they will have a net farm income of only $45.6 billion. Over 50 percent—over half—of U.S. net farm income this year will come from direct Government payments. In fact, last year in Iowa, USDA payments exceeded our net farm income.

I can't help but ask, whatever happened to the promises made by the backers of the so-called Freedom to Farm bill? They were going to ''get the Government out of agriculture and let the free market work.'' What do we have? Commodity prices have crashed. Farm program spending by the Government is at record levels, and farmers are still being driven off the land by the thousands. Get the Government out? Farmers today are every bit, if not more, reliant on the Government than they have ever been before. Freedom to Farm did not get the Government out of agriculture, but it sure has been successful in getting family farmers out of agriculture.

Today our farmers plant for the Government program. They market for the Government program. They rely on the Government program for over half their net farm income. Already, Freedom to Farm has cost $29 billion more than its backers promised when it was passed in 1996. The emergency assistance we have passed went to help a lot of farmers. But it is a serious indictment of the current Freedom to Farm bill that Congress has had to provide emergency farm income assistance 4 years in a row. And the way things are going, we are going to have to add more in this fiscal year beyond what is in this bill.

We cannot any longer tolerate a farm policy that lurches from one emergency spending measure to the next. It is time for Congress to recognize that Freedom to Farm has become ''freedom to fail.'' It has failed. We need to write a new farm bill, one that maintains the planning flexibility and the environmental programs we all support—but that restores the income protection, the farm safety net, the countercyclical programs that farmers need.

I listened to the debate last night. What I heard was Vice President GORE say we need to change our farm program, we need a better safety net, we need better conservation programs that are voluntary, that we can put

more money into conservation, but to provide a better income protection and a countercyclical program for farmers. To the best of my knowledge and information, Governor Bush has said he wants to stick with Freedom to Farm.

I think those who live in rural America and on our farms should know that, should know the data, the facts I have just laid out. Farm program spending is at an all-time high, yet thousands of farmer are still going out of business. We need a new direction and a new farm bill. We need it soon.

Here is another aspect of the failure of the Freedom to Farm bill. Because farmers are so heavily reliant on direct payments, Congress has stepped in this year and last year to raise the payment limitation for loan deficiency payments, what are known as LDPs, and marketing loan gains. We have raised the payment limitation for loan deficiency payments and marketing loan gains to $150,000 instead of $75,000 which was in the farm bill. It was done last year, and it is done again this year in this bill.

But there is a wrinkle that deserves more attention. If an individual sets up partnerships or corporations, that individual can actually double the effective payment limitation. That means that, in reality, the payment limitation for the largest farms is now $300,000 for an individual.

I have to ask: How can we justify paying out such large amounts of money to the largest farms while family farms are struggling to survive and going out of business? We are told that this payment limitation relief was absolutely necessary, even to help family-size farms. But in reality, only a very small share of farms actually receive any benefit from this increase in the payment limit.

The Environmental Working Group analyzed the USDA data and determined that fewer than five-tenths of 1 percent of farms and farm businesses that are receiving USDA payments actually benefited from the payment limitation increase Congress approved in 1999. These 3,400 individuals and farm businesses received an average of $148,000 under this program last year, 14 times higher than the $7,200 received by the average farmer.

We have similar numbers from the Office of the Chief Economist at USDA. Based on data collected in the 1997 census of agriculture, they found that the number of farmers who might benefit for that year with the change included in this conference report is about 13,000, which is perhaps about 1.5 percent of the total participants in the Federal commodity programs.

So again, this doubling of farm payment limitations went to help just a very small percentage of farms of the largest size. It seems to me, if we are going to provide these amounts of money, we should put it in to help the family size farms that are struggling, the kind of farms Senator WELLSTONE and I visited yesterday in southern Minnesota. These are not huge farms, these are family farms, yet they are the ones being squeezed. The big ones that are perhaps farming thousands of acres of land are getting huge payments of up to $300,000. That doesn't make sense. These large farms can protect themselves, take care of themselves. If we are going to put the money in for farmers, let's help the struggling family farms first.

I also want to talk about the Cuba provisions. I believe what is in this conference report on Cuba was really a step backward. There is a superficial sham opening of the embargo on agricultural shipments to Cuba from the United States, but the restrictions are so great that I do not believe it will amount to anything. Keep in mind that no direct financing can be provided by any U.S. financial institution to anyone who wants to sell products to Cuba. Well, financing is a critical part of agricultural exports. Anyone knows that. Yet no direct financing can be provided. You have to go to some third country to get it. Also, the bill locks into statute the travel restrictions that have been in place regarding Cuba, which are administrative. This locks them into law. It will make it just that much harder to bring down the barriers to change in Cuba.

We have had a failed policy on Cuba for 40 years now—a failed policy. This bill keeps us on the same path. Actually, what we are doing in this bill is the best thing we could ever do to keep Fidel Castro in power. If you want to change things in Cuba, open it up and let people travel there. Open it up for exports. Let our farmers travel there and sell our goods and products in Cuba without the restrictions this bill writes into law. That would be the single best thing we could do. But, no, we are doing the same thing we have done for 40 years. Someone once described insanity as doing the same thing over and over again and expecting a different result. We keep doing the same thing year after year after year with Cuba, and we expect some different results. It is time we change our Cuba policy.

Lastly, I want to talk about the issue of drug reimportation. There was a provision in this bill that would have allowed pharmacists and wholesalers to reimport prescription drugs.

The cost of prescription drugs is a critical issue. I have had meetings with seniors across Iowa to talk about the rising prices of medicines and their prescription drugs. First of all, I must add that the most urgent and important thing I believe we can do here is to enact a meaningful Medicare drug benefit for all seniors. We have it pending, but the Republican leadership will not bring it up and let us vote on it. I think it is a disgrace that we have not acted on this issue before leaving this year.

The drug reimportation amendment, offered by Senators DORGAN and JEFFORDS, which would allow pharmacies and wholesalers to import FDA-approved prescription drugs, was well intentioned and began as a creative way to try to get lower cost drugs to seniors with important safety precautions. If done correctly, this proposal would have been a real help to seniors, many of whom already travel to Canada and Mexico to buy medications at a fraction of their U.S. price. But not every senior in Iowa or in other States is able to travel to Canada or to Mexico to get those drugs.

Unfortunately, the provision in the bill now is the product of a closed-door discussion. We were kept out. At the last minute, we got some paper handed to us and we voted on it. I believe the authors have rendered it unworkable with language that will prevent any importation of affordable FDA-approved drugs.

In spite of months of bipartisan work to craft this language, the Republican leadership decided abruptly to take a partisan approach that is riddled with loopholes to minimize the impact of the new system. In fact, I think it may be completely unworkable.

The language includes a provision that reads as follows:

> The provisions of this section only become effective if the Secretary demonstrates to the Congress that the implementation of this section will: (1) pose no additional risk to the public health and safety; and (2) result in a significant reduction in the cost of covered products to the American consumers.

What does all that language mean? I asked in the conference: What does this mean? How is this to be done? I could get no answer. Unfortunately, the way the language was finally crafted, it may not be possible to ''demonstrate'' that the public will be adequately protected or to ''demonstrate'' that prices will be substantially reduced.

The language has other weaknesses in labeling and marketing that I believe undermine its ability both to protect the public from unsafe drugs and to lower costs.

In addition, the language crafted by the Republican leadership requires the program to be terminated after 5 years. This is going to have a chilling effect on any private investment necessary to set up the distribution systems and the lab testing facilities necessary to carry out the program and to make sure they are safe.

In short, the drug reimportation system in this bill is a charade. I hope the American public will see right through this and recognize it for what it is: a figleaf for the Republican leadership, desperate to disguise the fact that they have done nothing this year to enact a meaningful Medicare prescription drug benefit, which really is the only way we can effectively provide access to affordable prescription drugs for our senior citizens.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 10 minutes 45 seconds.

Mr. HARKIN. I yield whatever time he needs of that remaining to the Senator from Minnesota.

Mr. WELLSTONE. I say to my colleague, I will only take 5 minutes if that is all right with him.

Mr. HARKIN. How much time is the Senator going to use?

Mr. WELLSTONE. I would rather the Senator keep some time, so 5 minutes will be fine.

Mr. HARKIN. I have a couple of other things I need to say.

Mr. WELLSTONE. Mr. President, I rise to speak in support of this agriculture appropriations bill. While it is clear there are some significant shortfalls with regard to the prescription drug re-importation issue, which I will speak about later, on balance this legislation will provide much needed help to family farmers, rural communities, and low income families.

I am pleased this legislation includes substantial emergency assistance, $3.6 billion, directed to family farmers in Minnesota, and across the nation, who are suffering from natural disasters, historically low prices and increasingly concentrated markets which have largely been brought on by the failed 1996 Freedom to Farm Bill, or as I call it the Freedom to Fail Act.

Specifically this legislation will provide $1.6 billion to producers who have been devastated by lost crops due to natural or weather related disasters. In my state of Minnesota, 7 to 10 inches of rain fell in early June in the Red River Valley, which destroyed what promised to be a bumper crop, and has forced hundreds of family farmers to clean up flood damages for the eighth consecutive year. The Minnesota Farm Service agency tell us that almost 400,000 acres of crops have been destroyed in Minnesota. While crop insurance will cover some of the losses, this additional emergency assistance will be necessary for many family farmers in the region.

This part of Minnesota, largely dependent on a poor farm economy, has been devastated by successive years of floods that have forced many off the farm. And this rain storm affected other areas of my state including localized portions of Southeast Minnesota. Overall twelve counties in Minnesota have been affected by major disasters and experienced major crop losses.

It is vitally important that this disaster aid get out to producers quickly. However, it is also vitally important that we take some action to deal with the root problems in agriculture policy.

As many of my colleagues know, the 1996 farm bill has proven to be a total failure. By destroying any safety net for family farmers and capping loan rates at artificially low levels, the 1996 bill has left farmers vulnerable to the sever economic and weather related events of the past three years, resulting in devastating income losses. And while the premise of the Freedom to Farm bill was to ''get the government out of agriculture'' the Federal government has been forced to spend more on disaster packages—over $25 billion—over the last four years than was supposed to be spend through the seven year life of the law.

Again this year, Congress has failed to address the impact of plummeting farm incomes and the ripple effect it is having throughout rural communities and their economic base. I can assure my colleagues that if we do not write a new farm bill early next year, if the only help family farmers get from Washington is unreliable, long delayed emergency aid bills that are distributed unfairly, family farmers are not going to survive.

Family farmers deserve a targeted, counter-cyclical loan rate that provides a meaningful level of income support when the market price falls below the loan rate. Lifting the loan rate would provide relief to farmers who need it and increase stability over the long term. We also need to institute farmer-owned reserve systems to give farmers the leverage they need in the marketplace, and conservation incentives to reward farmers who carry out conservation measures on their land. We need a new farm bill.

In addition to the failed farm bill, I have found that family farmers rank the lack of competitive markets as a major factor to explain the price crisis that is devastating rural America. While there can be no argument that the majority in Congress has failed to pass, or even consider, legislation, such a I and others have proposed, to deal with the rash of agribusiness megamergers, this appropriations bill has taken some positive steps.

Included in this legislation is an increase in the Grain Inspection, Packers and Stockyard Administration's, GIPSA, budget to fund essential programs that ensure competitive markets and fair prices for our independent livestock producers. I am pleased to say that this increase, which I had proposed during Senate consideration of the Agriculture appropriations bill, will result in an increase of $4.151 million over the Senate approved bill.

As many of my colleagues know, this is essential funding that will help bolster GIPSA's market concentration activities. For several years, livestock producers have expressed their concern over evermore concentrated markets, as well as extreme frustration over what they perceive as inadequate governmental action to ensure fair and competitive markets. Consequently, GIPSA has been asked to assume a more prominent role in ensuring competitiveness and fairness in the livestock industry. GIPSA is conducting a growing number of investigations on market concentration in agriculture, within shorter time frames, using increasingly sophisticated economic and legal analysis.

Examples of what this money will be used for include: anti-competitive behavior investigations; rapid response teams that are utilized for time sensitive issues that require expeditious investigations to protect small family producers; and a contract library that will be used to catalogue each type of contract offered by packers to producers.

This appropriations bill also contains vital emergency assistance for small independent dairy producers. H.R. 4461 will provide $473 million in direct income relief payments to family dairy farmers throughout the nation. The money is targeted to small- and medium-scale farms who are in the midst of a price crisis as a result of the wild price fluctuations we have been seeing for the past few years.

Mr. President, in my state of Minnesota, dairy production is truly one of the cornerstones of our economy. We have 8,700 dairy farms in Minnesota, ranking us fifth in the nation in dairy production. The average herd size of a Minnesota dairy farm is about 60 cows. Family agriculture is not just an important element of our states heritage, it is vital to our future. But right now, dairy farmers in Minnesota and throughout the country need relief. Therefore, I am pleased this legislation includes a provision, which I joined the Senators from Wisconsin in proposing, to provide $473 million in targeted emergency payments to dairy farmers nationwide.

I continue to see the urgency of this is aid, especially as we in Minnesota lose dairy farms at a rate of three per day. This will put money in the pockets of dairy farmers soon, when they need it, not a year from now when many of them will have already sold their cows. However, it is, like last year's funding, merely a bandage to stop the bleeding. Dairy farmers everywhere need meaningful policy reform. In order to achieve a fair, sustainable and stable long term price, we need a dairy price support program that is set at a level sufficient to curb the current market volatility.

In addition, H.R. 4461 contains significant increases in rural development programs to help rural communities make it through these difficult economic times. Furthermore, I am pleased the bill contains a provision I added to provide $3 million in grants to promote employment of rural residents through teleworking. Telework is a new method of doing work that will allow information technology jobs to be a part of diverse, sustainable rural economies while helping IT employers find skilled workers. Specifically, telework is the use of telecommunications technology, like the Internet, to perform work functions over a distance instead of at the traditional workplace of the employer. This provision will allow rural communities to access federal resources to implement locally designed proposals to use telework as a tool for rural development. This represents a critical opportunity for diversification and revitalization of rural economies.

This bill also takes some important first steps to ensure that all low-income families receive the food stamps they need to prevent hunger and ensure

adequate nutrition. The bill incorporates an amendment I offered to require a study in the next 180 days so we can learn what obstacles families face when they try to get food stamps, as well as why the rolls have declines so dramatically in recent years. There is a growing sense that the Food Stamp Program is not functioning adequately in assisting working poor families and helping to ''make work pay.'' Although eligibility for food stamps is no longer tied to welfare receipt, the dramatic declines in the cash assistance rolls appear to have resulted in large numbers of eligible low-income families failing to receive the food stamp assistance for which they qualify, including many families who have moved from welfare to work. This study will help us understand the kinds of policy and program implementation decisions we need to make in order to better ensure that working poor families in this country are not going hungry.

The bill also includes two provisions from the Hunger Relief Act—one which will raise the vehicle allowance, and one which will raise the shelter cap deduction, for families receiving food stamps. This provision means that working parents who are dependent on a car to get to and from work will still be able to get the food stamps that they need, and parents who spend more than 50 percent of their income on rent because they live in communities that lack available affordable housing will also now be better able to get the food stamps that provide critical nutritional supports for themselves and their children. This is a very important first step, and I now hope that we will see the remaining provisions in the Hunger Relief Act enacted before the end of this session. In particular, it is critical that we restore food stamp benefits to post-96 legal immigrants as soon as possible.

Mr. President, now let me turn to the prescription drug import provision which is included in this conference report. This is legislation designed to correct the injustice that finds American consumers the least likely of any in the industrialized world to be able to afford drugs manufactured by the American pharmaceutical industry because of the unconscionable prices the industry charges only here in the United States.

Mr. President, I meet with many constituents, but none with more compelling stories than senior citizens struggling to make ends meet because of the high cost of prescription drugs—lifesaving drugs that are not covered under the Medicare program. Indeed, it is shameful that this Congress has failed to enact a prescription drug benefit under Medicare available to all beneficiaries.

But the issue is not just Medicare's lack of coverage. The unfairness which Minnesotans feel is exacerbated by the high cost of prescription drugs here in the United States—the same drugs that can be purchased for frequently half the price in Canada or Mexico or Europe. These are the exact same drugs, manufactured in the exact same facilities with the exact same safety precautions. Minnesotans know this because they can drive to Canada and see the price differentials for themselves.

Driving to Canada every few months to buy prescription drugs at affordable prices isn't the solution, nor is it an option for most Americans.

That is why I introduced with Senator DORGAN the International Prescription Drug Parity Act, and with Senator JEFFORDS the Medicine Equity and Drug Safety Act, two bills designed to amend the Food, Drug, and Cosmetic Act to allow American pharmacists and distributors to import prescription drugs into the United States as long as the drugs meet the Food and Drug Administration's (FDA) strict safety standards. Under these proposals, pharmacists and distributors would be able to purchase these drugs—often manufactured right here in the U.S.—at lower prices overseas and then pass the huge savings along to American consumers.

This legislation has evolved quite a bit through the legislative process. Early in that process there had been two constants: bipartisanship in seeking lower prices for American consumers and opposition every step of the way by a pharmaceutical industry bent on preserving profits.

We were on the verge of producing a strong bipartisan final result until the process was hijacked by the Republican leadership. Rather than a bipartisan bill that would guarantee Americans the opportunity to share in lower drug prices which are available everywhere else in the world, Republicans fell in line with the pharmaceutical industry and shut the door on closing loopholes which would protect the rights of American consumers to affordable, safe prescription drugs.

Following after their leadership, Republican members of the Agriculture appropriations conference committee ditched the bipartisan process, jettisoned legislative language that would have assured American consumers access to affordable drugs, and left open for the pharmaceutical industry loopholes that could defeat the purpose of this legislation.

What language was unilaterally rejected by the Republicans? First, was a provision that would have required manufacturers to provide access to their FDA-approved U.S. labels. Currently, when drugs are reimported to the United States by drug companies, they must be relabeled with the FDA approved label. This new provision would have assured other importers access to those required labels. Without that requirement, manufacturers could stonewall importation by not providing the labels. Second, was a provision that prevents manufacturers from entering into agreements with their foreign distributors that interfere with the resale of prescription drugs back into the United States.

Either of these loopholes could prevent the reimportation of prescription drugs, which is why they should never have been allowed to remain in the final bill. The Secretary of Health and Human Services is given broad authority to draft regulations to facilitate importation of FDA-approved prescription drugs, which gives me some hope. But the Secretary's authority does not lessen my outrage or that of my Democratic colleagues about the process which resulted in those major loopholes going unaddressed. It is unfortunate that the productive bipartisanship which had prevailed during the past year to pass this bill was discarded in the last, critical hours.

This needn't have happened. There was an effort when the conference met to close the loopholes, ensuring that the pharmaceutical industry could not make en end run around the effective implementation of this bill. But, given the choice of standing with American consumers, especially America's senior citizens, or the most profitable industry in America, Republicans chose the industry that has sought to undermine this bill from the start.

While I am saddened about the missed opportunity to produce a stronger, water-tight legislative product, I do believe the present bill is an improvement over the status quo, and continues to have the potential for lowering prescription drug prices here in the United States. If however, the pharmaceutical industry takes advantage of the Republican-tolerated loopholes, then I will be back next year with legislation to close those loopholes and make this law work.

Mr. President, again, I intend to support this agriculture appropriations bill. I thank my colleagues on the floor, Senator COCHRAN, Senator KOHL, Senator HARKIN, and others for their very good work.

I speak as a Senator from an agricultural State. I want mention the emergency assistance. It is much appreciated. We have gone through some difficult times. We have had flooding and we have had scab disease, and that on top of record-low prices and record-low farm income, which has led to a lot of economic pain. I thank my colleagues for their very good work.

Second of all, let me especially thank Senator KOHL and Senator HARKIN for their work. I had an amendment on the floor to get some additional money for GIPSA. They helped me in conference committee. I thank Senator COCHRAN as well. I really want GIPSA to be about the work of looking at the problem of concentration of power. So many of our livestock producers are not getting a fair shake. The IBPs and ConAgras of this world are muscling their way to the dinner table and muscling family farmers off the farm. I think it is important that GIPSA be able to look at this whole problem of an increasing concentration of economic and, I argue as well, political power.

Third of all, let me thank Senator KOHL, in particular, for his fine work on some direct income relief payments for dairy farmers. I think we have about 473 million nationwide. We have 8,700 dairy farmers in the State of Minnesota. Again, record-low prices have been a nightmare for these farmers. I thank Senator KOHL for his good work. I am proud to be a part of this.

There is also in this bill a provision that I think is historically significant. It only starts out with $3 million, and this is going to be done within USDA, obviously. This is going to be a telework program where we will try to set up some models, centers of distance learning, whereby farmers and other rural people with strong ethics and who want to work are going to be able to get training and be connected with information technology companies and find employment at good wages but do it out of farm, out of home, or satellite office—do the telework.

I think this is one of the most important things we have in this bill. I am very excited about it. Many people in Minnesota who transcend all political boundaries helped on this.

Let me also thank in particular Senator HARKIN. He fought it out in conference committee, getting us back to the Food and Nutrition Service—going out there and after 180 days in the field came back with a report telling us why there has been such a steep decline in food stamp participation. The Food Stamp Program is a major safety net program to make sure children do not go hungry. We want to know why there has been such a severe decline in participation. I wish there had been a 30-percent decline in poverty in this country. There has been no such decline. There has been a dramatic rise in food shelters and pantries. We know a lot of people are not getting the help they need.

I thank my colleagues for supporting this issue. I thank Senator KENNEDY for his fine work on the Hunger Relief Act.

Senator COCHRAN has a longstanding commitment to these issues as well.

I think it is important that we do some revisions when it comes to shelters, as well as dependency on car and transportation in allowing more people to be eligible for food stamp assistance.

Finally, on the International Prescription Drug Parity Act, I don't know that I am in complete agreement with Senator HARKIN, but I know what he is saying.

I did this amendment with Senator JEFFORDS and Senator DORGAN, originally. I think when it went to the conference committee there was some effort to make sure we would tighten it up. In particular, I think there is a concern that the pharmaceutical companies will make it difficult, for example, for the Canadians to be involved in a reimportation of those drugs back to this country. I think we could have done better on the language. I think there are too many loopholes.

I am disappointed the way this conference was done. I think this is a step forward. But I would like to have seen much more.

I certainly think you have to have prescription drug benefits added onto Medicare if you are going to really provide the help people need. I think we should have done more.

I thank Senator JEFFORDS for the work he has done on this amendment. I was proud to be a part of it.

We have to write a new farm bill. We have to focus on getting farmers a decent price in the marketplace.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I thank my colleague from Minnesota. We always run out of time around here when we get into a good debate.

THE BONNIE CAMPBELL NOMINATION

Mr. HARKIN. Mr. President, as I have done repeatedly every day we have been here for the past few weeks, I want to talk about the stalled nomination of Bonnie Campbell for the Eighth Circuit Court of Appeals.

I understand the Judiciary Committee of the Senate has again scheduled an executive meeting for tomorrow morning at 9:30 a.m.—I guess to talk about subpoenas for the Department of Energy, and something else.

I had my staff do an inquiry, and I found out that Bonnie Campbell's name is not on the agenda.

We are in session. We are in session tomorrow. We are going to be in Friday. We are going to be here next week, yet the Judiciary Committee again refuses to allow Bonnie Campbell's name to come out for a vote. It is bottled up.

All we want is a vote.

Bonnie Campbell has strong bipartisan support. Both Senators from Iowa support her. Senator GRASSLEY, a Republican; I, a Democrat.

She has great support from law enforcement and service groups. We just had a big debate and an overwhelming vote last week to reauthorize the Violence Against Women Act. Senator after senator got up to speak about how great it was. It has been a good law. It has done a lot of good. The one person who has been primarily responsible for the implementation of that act since its inception has been the head of the Office of Violence Against Women in the Justice Department. Who has that been? Bonnie Campbell. She has done a great job. She is the former attorney general of the State of Iowa, now standing in glory in her own right. Yet her nomination is bottled up in the Judiciary Committee.

I ask again: Why is she being bottled up?

Look. In 1992, when we had a Republican President and a Democratic Senate, we had 14 nominations for circuit court judges in 1992 during an election year. Nine of them had hearings. Nine of them were referred, and nine were confirmed, including one in October right before the election. Yet we are told no; Bonnie Campbell's nomination came too late. It is too late when we have a Democratic President and a Republican Senate. But it wasn't too late when we had a Republican President and a Democratic Senate.

Nine hearings; nine referred; nine confirmed in 1992. Here we are in the year 2000: Seven nominated; two had hearings; one referred; and one confirmed.

Who is the one who had the hearing that has not been referred? Bonnie Campbell. What a disgrace. What a shame. What a slap in the face to an outstanding individual who has done well in the field of law. I haven't heard anyone—Republican or Democrat—say that she hasn't performed superbly in running the Office of Violence Against Women. Her performance is reflected in the House's 415 to 3 vote to reauthorize the act and the Senate's 95 to 0 vote on that legislation.

I will, as I do every day, ask unanimous consent to discharge the Judiciary Committee on further consideration of the nomination of Bonnie Campbell, the nominee for the Eighth Circuit Court, that her nomination be considered by the Senate immediately following the conclusion of action on the pending matter, that the debate on the nomination be limited to 2 hours equally divided, and that a vote on her nomination occur immediately following the use or yielding back of that time.

Mr. COCHRAN. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. HARKIN. Mr. President, I knew it would be objected to. But I am going to do it every day to make the point that her name is unfairly being bottled up in the Judiciary Committee. No one has said she is unqualified, or anything such as that.

I can only assume it's that the Republicans figure maybe their nominee will win the Presidency, and all of these will fall by the wayside, and, rather than Bonnie Campbell, we will have somebody else. Maybe that is the way they feel. But that is not the way to run this place.

Once you go far down that road, it may be pretty hard to turn back. Times change. There will be a time when there will be a Republican in the White House and the Senate will be Democratic. Do we want to repeat the same thing this year? Do we want to go down that road? Is that what this place has become? If you start it on that side, that is what is going to happen, because when the Democrats take charge, they'll look back at what happened in the year 2000. We shouldn't go down that road.

ALTERNATIVE DISPUTE RESOLUTION

Mr. LEVIN. Mr. President, we have before the Senate the fiscal year 2001 Agriculture Appropriations conference report (H.R. 4461). Included in this bill is funding which will, among other things, assist our Nation's farmers, aid

rural development, preserve delicate ecosystems and provide food assistance to our Nation's most needy individuals. However, I am concerned about several recent reports conducted by the USDA's Office of Inspector General, and a report by the General Accounting Office (GAO) that criticizes the ability of USDA's Office of Civil Rights to process and resolve civil rights cases in a timely fashion. I recognize that Secretary Glickman has done much to remedy the civil rights problems he inherited when he became Secretary, and I encourage him to continue these efforts.

Mr. TORRICELLI. I share the concerns held by the Senator from Michigan about USDA's ability to address civil right cases in a timely fashion. Failure to resolve civil rights cases involving access to USDA farm programs delays justice and threatens the affected farmer's well-being. The Secretary of Agriculture needs to use his authority to provide independent and neutral alternative dispute resolution (ADR).

Mr. KOHL. Both Senators make important points. The Senate has acknowledged the important role that alternative dispute resolution plays in addressing civil rights matters.

Mr. LEVIN. Both the distinguished Senator from New Jersey and myself have constituents who have encountered significant delays from USDA in addressing their civil rights cases. We want to do all we can to be certain that, when applicable, the Secretary of Agriculture will ensure the Department's participation in an independent and neutral ADR process as expeditiously as possible.

Mr. TORRICELLI. I agree with my good friend from Michigan that the Secretary of Agriculture has the authority to resolve these matters.

Mr. KOHL. I appreciate these comments and agree that this is a serious matter that ought to be addressed by USDA.

TELEWORK

Mr. WELLSTONE. Mr. President, will my friend form Wisconsin yield for the purpose of a colloquy regarding the telework provision of the conference report.

Mr. KOHL. I yield to my colleague from Minnesota for that purpose.

Mr. WELLSTONE. The Senate adopted an amendment to the Agriculture appropriations bill that directed $3 million to be spent for employer outreach, education, and job placement under the USDA/Rural Utilities Service Distance Learning and Telemedicine Program (DLT). The conferees have changed this provision to report language.

We have a tremendous need in our rural communities to take advantage of today's technology and information revolution. I believe, because it essentially allows distance to be erased, telework is a promising tool for rural development and for making rural and reservation economies sustainable. I would ask my colleague if it is his understanding that the Senate's intent can be carried out by USDA Rural Development under existing authority.

Mr. KOHL. I am happy to clarify this for my colleague. He is correct. The Distance Learning and Telemedicine Loan and Grant Program was designed by Congress to enable rural communities to improve the quality of educational opportunities and medical service. I believe strongly that educational opportunities include worker retraining and transitional education. Applicants can partner with local businesses or businesses considering moving into a rural area. Schools, community colleges, and other teaching institutions partner with the private sector today. Within that mandate, this is a program that is truly limited only by the innovation of the rural communities it serves.

Mr. WELLSTONE. I appreciate this clarification, and I ask my colleagues' indulgence for one further question. Would it also be correct that USDA Rural Development should promote employment of rural residents through teleworking not only through the use of the DLT Program, but also through other programs such as the rural business and the Community Facilities Program? These programs might allow funds to be used to provide employment-related services or high speed communications services which may be necessary to make telework a reality in rural communities.

Mr. KOHL. My colleague is correct. Again, USDA Rural Development should be encouraged to be innovative, within their statutory authority, in making grants for the purpose of promoting telework. In addition, USDA should use rural development programs in a manner that will allow rural communities to best take advantage of the potential of new technology and new methods of doing work, such as telework, in building sustainable, diverse rural economies.

WATERMELON SUDDEN WILT DISEASE

Mr. LUGAR. Mr. President, section 804 of H.R. 4461, the conference report on the fiscal year 2001 agriculture appropriations bill, provides the Secretary of Agriculture with emergency authority to compensate growers for crop losses due to new and emergent pests and diseases, including watermelon sudden wilt disease.

Senator COCHRAN, I want to thank you for including watermelon sudden wilt disease in the list of problems addressed by section 804. This disease, which is characterized by wilting leaves and collapsing vines, often results in the death of mature watermelon plants. The disease became a problem in southwestern Indiana last year and has become a much more serious problem in the region this year. Last year, Indiana farmers grew $11 million worth of watermelons, ranking sixth in the nation. This year production will likely be significantly less. On September 19, 2000 USDA's Farm Service Agency office in Indianapolis estimated that the disease may be responsible for Indiana watermelon losses of up to $4.7 million.

Despite ongoing study, scientists at Purdue University have not yet determined what causes the disease, including whether or not adverse weather is a contributing factor. As a result, it appears unlikely that Hoosier watermelon growers affected by this problem will be eligible for assistance under USDA's existing disaster programs or for assistance provided by other sections of the agriculture appropriations conference report. Assistance in these cases is generally limited to weather-related crop losses. As a result, full implementation by the Secretary of Agriculture of the emergency compensation authority provided by section 804 is important.

I must note, however, that section 804 permits, but does not require, the Secretary of Agriculture to provide compensation to growers due to watermelon sudden wilt disease and other new and emergent pests and diseases. Is it the intent of the bill's managers that the Secretary of Agriculture fully implement the authority provided by section 804?

Mr. COCHRAN. Yes, the managers intend that the Secretary of Agriculture fully implement section 804 which provides authority to compensate growers for crop losses due to new and emergent pests and diseases: including Mexican fruit flies, plum pox virus, Pierce's disease, grasshoppers and Mormon crickets, and watermelon sudden wilt disease. Senator LUGAR, as you noted, section 804 is designed to provide compensation to growers for crop losses due to several new and emergent pests and diseases, none of which may necessarily be a weather-related problem. Full implementation of section 804 is necessary for growers to receive compensation for these various problems.

FRUIT FLY EXCLUSION AND DETECTION PROGRAM

● Mrs. FEINSTEIN. Mr. President, I rise today with the chairman and ranking member of the Agriculture Appropriations Subcommittee to discuss one of the greatest threats facing California growers and farmers across the nation—infestations of disease-carrying pests which can potentially destroy entire crops. Just this past year, California has been victimized by a number of pest infestations that have resulted in significant quarantine and eradication programs. California's $1 billion nursery industry is being threatened by red imported fire ants. The $2.8 billion grape industry faces complete destruction due to an infestation of the glassy winged sharpshooter which spreads Pierce's disease, and there is no known cure.

Mr. KOHL. I am aware of concerns expressed by the senior Senator from California that several months ago a 72 square mile quarantine affecting 1,470 growers of at least 20 specialty crops

was finally removed. I am told that no pre or post harvest treatment for many of these crops was provided by the USDA and that two fruit flies caused almost 150 growers to loss virtually their entire harvest, costing almost $3 million. The Fiscal Year 2001 Agriculture Appropriations Bill contains language directing the Secretary of Agriculture to use funds from the Commodity Credit Corporation to compensate these growers. I expected that this assistance will be provided in a timely and efficient manner.

Mrs. FEINSTEIN. I appreciate both the chairman and ranking member's willingness to work with me on this issue. Due to this loss of income, a number of growers are currently unable to pay their bills or prepare for next year's crop.

This assistance is desperately needed, but I believe that more emphasis must be placed on preventing future infestations. I am heartened to see that in Fiscal Year 2001, the USDA will hire 17 new agriculture inspectors for the San Diego ports of entry. This is a badly needed first step. We also need to increase the federal investment in California's Medfly Preventive Release Program. If California's fruits were quarantined from all foreign markets because of Medfly infestations, the State estimates that 35,000 jobs would be lost and economic output would be reduced by $3.6 billion.

Mr. COCHRAN. I understand the challenges facing California's growers. The Administration's budget request of $31.91 million for the Program earmarks only $300,000 for equipment and maintenance of the State's Preventive Release Program. The fiscal year 2001 Agriculture appropriations bill provides $32.61 million for the Fruit Fly Exclusion and Detection Program. The $700,000 above the Administration's request is to be used to enhance the release program and detection trapping in California.

Mrs. FEINSTEIN. Again, I thank the chairman and ranking member for their courtesy and understanding. On behalf of California's growers, I want to express my appreciation for your efforts to help shield the State from future fruit fly infestations.●

AMERICAN HERITAGE RIVERS

Mr. KERRY. Mr. President, I would like to clarify for the record the intent of language included under funding for the National Resources Conservation Service (NRCS) of the Agriculture Appropriation fiscal year 2001 bill. I want to point out that interagency coordination of federal resources is desirable and certainly something many of us have been supporting as a way to eliminate unnecessary activities and spending. We don't want to spend money in Washington duplicating positions and processes. We want money in the field helping local communities. The NRCS ''Conservation Operations'' and ''Watershed Surveys and Planning'' funding sections contain specific language that refers to the American Heritage Rivers Initiative, which is coordinated by an interagency committee to assist communities seeking technical assistance and opportunities for Federal grants. I would like to point out that this initiative has proven to work well for participating communities in my state and others.

Mr. L. CHAFEE. While the language in this conference report places a limitation on assistance by NRCS for activities related to the American Heritage Rivers, it should not be intended to penalize or disadvantage communities that seek or apply for grants and technical assistance. There is no specific limitation in this conference report that would preclude the NRCS from undertaking other authorized activities that are similar to those provided under the American Heritage Rivers Initiative. Would the Chairman and the Ranking Member agree with this interpretation?

Mr. COCHRAN. Yes.

Mr. KOHL. Yes, that is correct.

AMERICAN HERITAGE RIVERS

Mr. COCHRAN. Mr. President, the conference report includes funding for American Heritage Rivers program under the Conservation Operations and Watershed Surveys and Planning accounts of the Natural Resources Conservation Service, NRCS. Funding for this program is limited to that requested in the President's budget. It is my understanding that there are communities which are in the final stages of being included in the American Heritage Rivers program, including Vicksburg and Natchez, Mississippi.

It is not our intention to limit these funds to those communities that were included in the program when the budget was submitted. Further, if additional communities are added during fiscal year 2001, they should be eligible for all funds available for the American Heritage Rivers program. Also, technical assistance can be provided, without limitation, by the NRCS to farmers or communities in an American Heritage River designated area.

NATIONAL RURAL DEVELOPMENT PARTNERSHIP

Mr. CRAIG. Mr. President, first I would like to thank Chairman COCHRAN and Senator KOHL for the hard work they have put into the Fiscal Year 2001 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations bill. It is a challenging process, and they have done an excellent job balancing competing interests within the confines of a balanced budget.

I wish to engage in a colloquy with the distinguished Chairman of the Subcommittee regarding the funding for the National Rural Development Partnership (NRDP) and state rural development councils (SRDCs). As you may be aware, NRDP and SRDCs have always depended on allocations of discretionary funds from USDA and four other federal agencies. They have never had a stable and predictable source of funds.

Earlier this year, the Committee on Agriculture's Subcommittee on Forestry, Conservation, and Rural Revitalization, which I chair, held an oversight hearing on the operations and accomplishments of the NRDP and SRDCs. The Subcommittee heard from a number of witnesses, including officials of the U.S. Departments of Agriculture, Transportation, and Health & Human Services, state agencies, and private sector representatives. The hearing established the need for some legislative foundation and consistent funding. I was recently joined by 27 Senators in introducing legislation to accomplish this.

The legislation formally recognizes the existence and operations of the Partnership, the National Rural Development Council (NRDP) and SRDCs. In addition, the legislation gives specific responsibilities to each component of the Partnership and authorizes it to receive Federal appropriations.

This legislation was not passed in time for the FY2001 appropriations process, so funding is necessary to keep the program viable until the legislation can be passed. Mr. Chairman, it is my understanding that there is no funding earmarked or specified within the Agriculture Appropriations conference report for this program. However, the Secretary has made discretionary funds available for this program in the past and it is my hope he would continue to do so, and that we can encourage him in this regard, until freestanding legislation can be passed.

Mr. BURNS. I would like to join Senator CRAIG in support of the National Rural Development Partnership. This program is extremely important to states like Montana, where we have a large rural population and long distances between our towns. I would hope that the Secretary of Agriculture will continue to fund the NRDP and provide additional funds for the future expansion of this very important program.

Mr. GORTON. Washington state's rural communities have also benefited by the National Rural Development Partnership, particularly those regions that have been forced from their natural resource-based economies. For the sake of those who have come to rely on the NRDP, I would sincerely hope the Secretary of Agriculture would take into consideration the few remaining resources available to these communities when allocating discretionary funds in the future.

Mr. JEFFORDS. I would like to echo my colleagues' support of the National Rural Development Partnership and its affiliates, state rural development councils. These councils, in Vermont and over 35 other states, are playing an important role bringing together the many governmental and non-governmental entities that work to improve conditions in rural areas. I sincerely hope that Secretary of Agriculture will continue to support this program while authorization legislation is finalized by the Congress.

Mr. COCHRAN. I commend the Senators for their interest in this program.

I want to assure the gentlemen that it is the Committee's belief that the Secretary of Agriculture should continue to provide funding from discretionary amounts for this program.

THE INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS

Mr. HARKIN. Mr. Chairman, I note the language in the bill specifying certain institutions that may receive grants under the Initiative for Future Agriculture and Food Systems. I would ask the distinguished chairman if it is his understanding that the program may continue to be carried out in the same manner as during fiscal year 2000 as authorized by law.

Mr. COCHRAN. This language does not intend to create any additional restrictions beyond the restriction on which institutions are eligible to receive grants.

SOLID WASTE MANAGEMENT GRANT PROGRAM

Mr. WELLSTONE. Mr. President, I ask consent to engage in a colloquy with my colleague, Senator KOHL, the ranking member of the Appropriations Subcommittee on Agriculture, Rural Development and Related Agencies. In particular, I would like to discuss the Department of Agriculture's solid waste management grant program, funded as a line item within the utilities section of the Rural Community Advancement Program. Authorized in section 310B(b) of the Consolidated Farm and Rural Development Act, these grants allow public agencies and nonprofit organizations to provide technical assistance to local communities for reducing water pollution and improving solid waste management.

I ask the Senator, whose State is a neighbor of mine, whether he agrees with, and whether it is his understanding that the subcommittee would support, my urging USDA to direct up to $1 million of the solid waste management grants to the regional, nonprofit, technical assistance organizations known as Rural Community Assistance Programs. These organizations have done an outstanding job serving the smallest, poorest and hardest to serve rural communities in the Midwest and across the country. The Rural Community Assistance Programs are key partners within USDA's Rural Community Advancement Program. Their nationwide network of technical assistance providers—serving water and wastewater system needs for thousands of rural communities—is highly qualified and well placed to improve the effectiveness of rural solid waste management.

For example, the regional Rural Community Assistance Program which serves my State of Minnesota is the Midwest Assistance Program (MAP). Based in New Prague, MN, MAP serves nine midwestern States. The organization has carried out solid waste projects in collaboration with USDA, the Indian Health Service, and with individual tribes in communities throughout the region. MAP is now beginning to target assistance to Minnesota communities for the development of small transfer stations, to improve recycling and better manage solid waste.

Mr. KOHL. Mr. President, I appreciate the Senator's attention to this issue. He is correct to point out the positive role of the Rural Community Assistance Programs in helping carry out this and other important activities in rural areas. The Senator is aware that the President requested $5 million for these solid waste grants for fiscal year 2001. But whereas there is a general acknowledgment of the effectiveness of the program, we are abe to fund the program only to a level of $2.7 million in this bill, due to broader fiscal constraints. In view of that limitation, I think the Senator is correct to urge the Department to give special consideration to those very small, often poor, rural communities which can be the hardest to serve. For that reason, I agree, and I believe the subcommittee would agree, that the Department should be urged to consider directing up to $1 million of the solid waste grants to the regional Rural Community Assistance Programs, which have an excellent record of serving such communities.

Mr. DODD. Mr. President, I rise today to speak once again about the Agriculture appropriations conference report, and specifically to comment on two major provisions that cause me grave concern. One relates to several aspects of U.S.-Cuba policy, and the other to the reimportation of prescription drugs from abroad. I spoke on October 6, when the language first became public, at some length about my opposition to the Cuba provisions in the conference report. At that time, I also expressed support for other provisions of this legislation that dramatically loosen the licensing and financing restrictions on sales of food and medicine to other countries that have been designated as terrorist states—North Korea, Iran, Sudan, and Libya.

I continue to find it appalling that Cuba has been singled out for more restrictive treatment than the other countries I have just mentioned, who are far more of a potential threat to U.S. foreign policy and national security interests than Cuba has ever been.

I would call my colleagues' attention to a remarkable photo that appeared on the cover of the the New York Times on October 11. This photo showed President Clinton meeting with high ranking North Korean General Jo Myong-Nok—the first official meeting of its kind in more than 50 years. The purpose of the general's visit to Washington was to begin a dialogue on ways to enhance relations between our two countries. Secretary Albright has announced she will visit North Korea in the next several weeks. And I won't be surprised if President Clinton also decided to go there before leaving office. How the world has changed.

Let me be clear. I am not opposed to diplomatic efforts to ease tensions on the Korean Peninsula. But I think it is fair to say that North Korea, with its missile programs and hostile government, represents a much greater threat to the United States than Cuba. Cuba no longer seeks to export revolution to its neighbors and is no longer financed by the Soviet Union. Yet there have been no high level meetings of Cuban and American officials held to explore the possibility of improving relations between two close neighbors. In fact, it has been quite the opposite—no one above the rank of Deputy Assistant Secretary in our government can visit Havana or conduct discussions with Cuban officials about such matters. To say that our policy is incredibly skewed when it comes to matters related to Cuba is an understatement.

Emotions and raw domestic politics prevent us from having normal discourse with a small island 90 miles off our coast while, at the same time, we are trying to normalize relations with communist North Korea. A contradiction? I think so.

We cannot have our cake and eat it too. By singling out Cuba for highly restrictive treatment, while throwing the door wide open for countries like Iran and Sudan, we are casting ourselves as hypocrites in the realm of foreign policy, and we are arbitrarily rewarding one oppressive regime while castigating another.

American farmers will not be deceived for very long by supporters of this language who are assuring them that they will indeed be able to sell their crops in Cuban markets. It will quickly become apparent the first time they try to put together a deal that the complexity of the law makes it virtually impossible to complete a sale to that country.

Furthermore, the codification of existing travel restrictions on Americans wishing to travel to Cuba is shameful and irresponsible. By passing this bill, we take away the administration's discretion to grant licenses on a case-by-case basis in circumstances that do not fall into the now codified categories of permissible travel, significantly harming our ability to work to change Cuban society. These restrictions are unfair, hypocritical, and inexplicable to average Americans who believe that their right to travel is a fundamental freedom enshrined in the Constitution.

I also take issue with another major provision that was jammed into this legislation by the Republican leadership—I am speaking of a provision which will allow the reimportation of pharmaceuticals from foreign countries back into the United States. This provision is of concern for several reasons, not the least of which is that it ignores the larger question of whether Congress is going to give all seniors an affordable, reliable drug benefit through Medicare. This provision is far from a comprehensive solution to the very real problem millions of seniors face all over the country in affording their medicines. It is my hope that the

enactment of this legislation does not distract us from working toward the goal of providing all seniors with real Medicare drug coverage.

Having laid out my objections, I must state that I am prepared to vote for this bill because it contains funding for many programs that are beneficial to American families and American farmers. These provisions include financial relief for hard hit farmers who have suffered economic and natural disasters, funding for the Women, Infants, and Children Program for school lunches, and food stamps for our less fortunate. These are all vital programs and deserve the support of this body.

The situation we find ourselves in today speaks volumes about those who would slip objectionable language into a bill as important as this one and put in jeopardy its passage. Fortunately, the legislative process does not end with the passage of a single bill. Next year I will be back in this Chamber seeking to put our relations with the Cuban people on the same footing as those of other peoples around the world, and to restore every American's right to travel freely—even to Cuba if they so choose. I will also be working to enact truly meaningful legislation that will ensure that prescription drugs are available and affordable for every American family. These issues are not going to go away with the adjournment of this Congress and in time, reason will prevail on these matters. The American people will demand it.

Mr. CRAIG. Mr. President, I rise in support of the FY2001 Agriculture Appropriations bill. First I would like to thank Chairman COCHRAN and Senator KOHL for the hard work they have put into the Fiscal Year 2001 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations bill. It is a challenging process, and they have done an excellent job balancing competing interests. While I don't agree with everything in this bill, I believe this bill provides vital funding for several programs in my state and across the nation.

This conference report includes much needed emergency spending to deal with the fires and drought in the West. As you all know, the West was hit hard this year by wild fires. In Idaho alone over 1.2 million acres were burned. I visited a ranch where, within a couple of hours time period, a fire had destroyed the rancher's business. Of this rancher's 800 head of cattle, close to 600 were killed or had to be destroyed because they were so badly burned. I think this is an emergency, and it is only right that Congress provide funding to assist producers who have been impacted by such a natural disaster. That is why I support the livestock indemnity payments included in this conference report. Ranchers that were lucky enough to get their cattle out of the fires path are now searching for feed for their cattle and are working to rehabilitate the pastures that were destroyed. This conference report helps them by providing livestock feed assistance, as well as Emergency Conservation, Watershed and Flood Prevention Operations and Pasture Recovery Program funding to help defray the costs of rehabilitating the pasture lands. I also support this.

However, I do not believe that all of the spending called emergency in the conference report is really emergency. I am disappointed to see the size of the emergency spending as well as some of the authorizing contained in this conference report. This and some of the other bills represent a bad omen for the future. We need to have a realistic budget resolution every year and we need to enforce it. We need fiscal discipline to maintain an adequate surplus. We will need that surplus to protect and modernize Social Security, to save and reform Medicare, to meet high priorities we know will be there in defense and other areas, and to provide some relief to the most heavily taxed generation in American history.

The bills we are considering at the end of session do not represent a disaster but they are a bad start in terms of planning for our future. I am not pointing fingers. I think our current process is not responding well to the new idea of surpluses. But we need to start now to do a better job.

I am also concerned with some of the legislative provisions contained in this bill. I do not support a rollback of welfare reform, and I am concerned that some of the provisions contained in this conference report are a start at doing just that. While I am strongly opposed to these provisions, this bill contains many things that benefit my state as well as help that is sorely needed. On balance, I have been forced to conclude that I cannot, in good conscious vote against this bill even though I do not agree with each and every item included in this conference report.

I hope the Senate passes this bill today and the President signs it into law. However, I hope that we will reform the process so next year we are not in the same situation we find ourselves in today.

Mr. HARKIN. Mr. President, I would like to make a few more points on the hunger relief provisions.

The centerpiece of this package would allow states to reform their treatment of cars and trucks when determining whether a household meets the food stamp resource eligibility limits. Rural families need to look for and travel to employment, to get groceries, and for a host of other purposes. Rural roads and seasonal driving hazards make a dependable vehicle a real necessity. Particularly in an era of welfare reform, we should not be forcing households to choose between reliable transportation and needed food assistance, as current rules effectively do.

States have recognized this, and a great many of them have greatly reformed their treatment of cars in their TANF-funded programs. This is particularly true of the first car that a household has. Under this provision, states would be free to apply a more realistic TANF policy to a household's primary vehicle even if its policy is to exclude that vehicle completely from evaluations of the family's resources. If the household had an additional car or truck and its TANF policy was stricter than food stamp rules for second vehicles, that additional car or truck should then be evaluated under the usual food stamp procedures.

This change in the law gives a state the broadest flexibility to adopt a policy that effects vehicles from any assistance program it operates under the TANF statute. The Secretary has appropriately interpreted similar language already contained within the Food Stamp Act as applying to any program that receives support either from federal TANF block grant funds or from the funds that the TANF statute requires states to spend as ''maintenance of effort'' in order to draw down the TANF block grant. A similar construction is appropriate here. All that would be required is that the program get TANF block grant or maintenance of effort funds that it provide a benefit that can meet the definition of assistance, not necessarily cash assistance. For example, a state could apply the policy it uses in a child care program because HHS's regulations define child care as assistance when provided to non-working families.

Once a state decided to apply the policies from a state program to evaluating cars for food stamp purposes, those policies would apply to all food stamp households in the state, whether or not they receive or even are eligible to receive TANF benefits of any kind.

The other Hunger Relief Act provision would raise the cap on the food stamp excess shelter cost this March and then adjust it for inflation beginning October 1, 2001. The shelter deduction reflects the commons sense principle that the same money cannot be spent on both housing costs and food. It provides that when a household is spending more than half of its income on food or mortgage, utilities, and similar costs, the amount of those costs that exceed half of its income will be deducted when calculating how much the household can be expected to be able to spend on food. The shelter deduction is also important in rural America, in part because fewer people in rural communities receive housing subsidies and in part because housing costs can easily exceed half of the relatively modest wages that some low-income families receive in rural areas.

Unfortunately, the shelter deduction is arbitrarily capped at $300 for households that do not contain an elderly or disabled member. This means that low-income families that are not getting housing subsidies and that are struggling under the burden of extremely high shelter costs are getting unrealistically low food stamp allotments.

This provision should help, in particular by making sure that the cap does not lose ground to inflation. I hope that in reauthorization, we can revisit this issue and fully provide fair and equitable treatment to these hard-pressed households the vast majority of which have children.

Mr. DORGAN. Mr. President, I want to take a few moments to share my thoughts on the prescription drug reimportation provision included in the Agriculture appropriations conference report before the Senate. As my colleagues know, I have been concerned for a long while that American consumers are charged two to three times more for prescription drugs than consumers in other countries pay. In fact, in June of 1999, I introduced bipartisan legislation, the International Prescription Drug Parity Act, to address this unfair pricing situation by allowing U.S. pharmacists and drug wholesalers to reimport FDA-approved prescription drugs from other countries at a fraction of the cost.

Ten months ago on a cold, snowy day, I accompanied a group of North Dakota senior citizens and pharmacists on a trip to Emerson in Manitoba, Canada. Emerson, Canada, is a tiny one-horse town just 5 miles from the North Dakota-Canadian border. In Emerson, I watched as my North Dakota constituents saved hundreds of dollars each on the exact same prescription drugs available to them in the United States.

One of the folks who went with me was a 70-year-old Medicare beneficiary from Fargo, ND, named Sylvia Miller. Sylvia has diabetes, heart problems, and emphysema, and she takes at least seven different medications each day for her various ailments. Sylvia told me that last year she received $4,700 in Social Security benefits and paid $4,900 for her prescription drugs. ''Things don't add up, do they?'' she asked.

By making the short trip across the border to Canada, Sylvia was able to cut her monthly prescription drug bill in half. As Sylvia said in a Fargo Forum article about this trip, ''It sure would be nice if I could just go over to my own drug store and get those prices.''

Sylvia couldn't be more right. No American should be forced to travel to Canada or Mexico just to get more affordable prices for his or her prescription drugs. Yet a prescription drug that costs $1 in the United States costs only 64 cents in Canada, 65 cents in Great Britain, 57 cents in France, and 51 cents in Italy. Those price differences compel many senior citizens who are struggling to pay for their medications and make ends meet to leave the United States to get lower prices elsewhere.

Time and again over the last several years I have been asked by North Dakota consumers why the global economy doesn't work when it comes to prescription drugs. Why can't local pharmacists travel to Canada to buy these same medications at the lower prices and pass along the savings to their customers? Good question.

The answer is that, under current Federal law, only the pharmaceutical manufacturers can reimport prescription drugs into the United States from another country—even though these drugs were originally made in America and approved by the Food and Drug Administration. The lack of competition in the U.S. marketplace has created a situation in which the big drug companies can charge American consumers the maximum the market can bear. And if their 18 percent profit margins are any indication, that is exactly what the drugmakers are doing.

During the Senate's debate on the Agriculture appropriations bill, Senator JEFFORDS and I, along with Senators WELLSTONE, GORTON, and others, offered an amendment to allow U.S. pharmacists and wholesalers to reimport FDA-approved prescription drugs from Canada, Mexico, and other countries where these medications are sold at a fraction of the price. Our amendment included appropriate safeguards to ensure that only safe and effective FDA-approved medications, made in FDA-approved manufacturing facilities and for which safe handling could be assured, would be imported. This amendment was passed overwhelmingly by the Senate by a 74–21 vote.

The House also overwhelmingly passed amendments to the Agriculture bill back in July that would have allowed for prescription drug importation, although without the safety measures adopted in the Senate. Normally at this point, a House-Senate conference committee would have begun meeting to iron out the differences between the House and Senate bills. This year, however, most of the details were worked out behind closed doors and without the involvement of most of the members of the conference committee. As a result, many of us who have been working on prescription drug importation legislation for nearly 2 years were shut out of the negotiations.

I am very disappointed with the route that the House and Senate leadership took to develop the final reimportation language. When the Agriculture Appropriations Conference Committee, on which I served, met, the conferees were presented with final language that had been negotiated largely among only the House and Senate majority leadership. While this language is similar to the Jeffords-Dorgan amendment passed in July, there are some changes in the language. Some of these changes represent improvement, but some changes were not made that should have been.

I share in my colleagues' disappointment that some of the changes that I and others proposed, which would have improved this provision, were not included in the final language. After the Senate passed the Jeffords-Dorgan amendment, a few changes were brought to our attention that would help to ensure that our amendment meets the goal of achieving lower prices for American consumers. Therefore, during the conference, I tried to strengthen the final language in a few key areas.

The changes I proposed would have provided greater certainty that this approach would meet my goal of lowering drug prices for American consumers, but unfortunately they were rejected. First, the FDA suggested, and I agreed, that we should require the drug companies to provide importers with the FDA-approved labeling. I think it is pretty indisputable that I, as well as the other authors of the various prescription drug importation bills, intended all along for imported products to be FDA-approved, including having the appropriate labeling. I would prefer that the final provision make this explicit. However, I believe the final language, which gives the Secretary of Health and Human Services new authority to do whatever she believes is necessary to facilitate importation, provides the needed authorization to accomplish this end through the regulations implementing importation. It is my hope that the Secretary who implements this provision will write strong rules to ensure that reimportation will succeed in giving Americans access to safe, cost-effective medicines.

Second, Congressman WAXMAN and others pointed out that drug companies could prevent reimportation from occurring by requiring their foreign distributors to sign contracts promising not to re-sell their products to U.S. importers. To address this concern, the final provision includes language not in the original Jeffords-Dorgan amendment to prevent the drugmakers from entering into agreements with their distributors that would have the effect of preventing reimportation. Here, too, I wish that this language were stronger and broader, and I unsuccessfully proposed strengthening it.

I have no doubt that the drug companies are already searching for ways to thwart this legislation. If the drug manufacturers do take steps to clearly and purposefully circumvent this legislation, I personally am committed to closing any loopholes or taking another tact altogether to achieve fairer drug prices for American consumers.

Let me make one final point. I think this legislation sends an important message to the big drug companies that Congress will no longer tolerate unfair prescription drug prices. But this legislation is just one step, and it is no substitute for adding a prescription drug benefit to the Medicare program.

I have been saying all along that we have a two-prong problem with prescription drugs in this country. First, prescription drugs cost too much, and I have been fighting for a strong reimportation provision so that we can put pressure on the drug companies to lower their prices. Second, there are

too many Medicare beneficiaries who have no prescription drug coverage, and they need it. When the Medicare program was created in 1965, prescription drugs weren't the significant part of the practice of medicine that they are today. Congress must modernize the Medicare program by creating a prescription drug benefit in Medicare, and we should do it this year.

Mr. BROWNBACK. Mr. President, I rise today to put on the record my concerns about numerous provisions contained in this year's conference report of the Ag appropriations bill. Specifically, I am greatly concerned that this year's bill single-handedly turns back a number of reforms made by the 1996 farm bill and moves us further away from an agriculture policy that looks to the markets rather than government for survival. The danger of following such a philosophy is that government is not likely to have the will to sustain the ag industry indefinitely, so that when the political will to support agriculture dries up, there will be massive calamity.

There are legitimate ag emergencies occurring in the country right now. My family is still on the farm, Kansas is the 4th largest agricultural-producing state in the Nation—and I myself served as Secretary of Agriculture for the State of Kansas before coming to the U.S. Senate. I am not here to find fault with providing additional aid to farmers. Indeed, it is in our national interest to do so. My problem is not with the concept of government assistance to farmers—but rather in the shape this assistance is beginning to take—especially this year.

Specifically, I am referring to the treatment of pet commodities like sugar and tobacco—which have been exempt from the market-oriented reforms faced by most other commodities—including the wheat growers of my state, for example. These reforms were set forth in 1996 to move farmers closer to the market. Some of my Democratic colleagues have accused us of abandoning a financial safety net for farmers—I don't see how they can honestly make that claim since farm spending has gone up dramatically since the '96 law was enacted. The Congressional Research Service notes that program payments combined with emergency spending for calendar year 1999 reached $22.7 billion—the highest ever and we have continued to provide substantial support to our farmers in 2000—well above that which would have been allowed under previous farm bills. If this conference report merely continued this tradition of backing up the market-reforms of the 1996 farm bill, I would have no problem—but this conference report takes serious steps to undermine those reforms—and that is wrong.

This conference report contains a provision to change the 1996 farm bill language on marketing loans for sugar—now, instead of having to meet a certain threshold, non-recourse loans will be guaranteed for the next two years. This clears the way for additional payments to sugar producers on top of an already complex quota system which allows them to control the amount of imported competition. We don't do this for wheat, corn or soybeans—we should not do it for sugar.

One of the most egregious parts of this bill is language which will promote increased tobacco production from the same government which is trying to decrease domestic demand for tobacco products.

Currently, co-ops can and do purchase low quality or remaining tobacco not bid on by cigarette companies in order to artificially keep the price high. This bill will now allow the co-ops to then sell, this inferior tobacco to the government (through Commodity Credit Corporation funds). This measure is estimated to cost the government $510 million and cuts out flute-cured tobacco grown in North Carolina—which means there will likely be a similar fix that doubles the cost to the taxpayer.

After obtaining this left-over tobacco, the U.S. is not allowed to market this tobacco domestically for fear of displacing the controlled market and we will not be able to unload it on the world market due to restrictions about exporting tobacco and the already high amounts of world production that are much cheaper than this U.S. price-inflated tobacco—especially since this is the inferior ''left-over'' tobacco.

To make matters worse, this language prevents this government action from affecting the quota limits for tobacco growing. This means that once the oversupply is wiped out by selling excess tobacco to the government, tobacco quotas will increase and allow for the growing of more tobacco—which will lead to the need for another bailout next year.

For no other commodity do we have a situation like this: the U.S. government actively encourages a reduction in the use of tobacco, particularly by children—and now the same government is going to subsidize and encourage expanded tobacco production. This is one of the worst market-distorting abuses I've ever seen—at a time when we have repeatedly told farmers of most other commodities to turn toward the market and adjust to the new world economy.

Unfortunately, the Senate does not have the opportunity to vote on these measures—we are forced to vote for these offensive programs because they are tied to an agriculture appropriations bill which is so important to our Nation—which provides a measure of unilateral sanctions reform many of us in this body have fought for—for years. This is no mistake—the numerous faulty measures contained in this bill were added at the last minute in conference—precisely because they would never pass on their own, nor should they.

It is truly a disappointment that the conference report to such an important bill contains the very means to undermine the market reforms this Congress has pushed for, because of the interests of a few.

This bill is a very important one—and just as the conference predicted, it is too important for me to vote against—but I fell compelled to express my frustration, and my disappointment in this process—and the hypocrisy it creates.

Mr. MCCONNELL. Mr. President, I want to express my support for the FY 2001 Agriculture Appropriations bill and offer my support for the prescription drug reimportation provisions included in this conference report. While I do not believe the provisions are perfect and I continue to have grave concerns about the so-called ''non-discrimination'' language, I believe this final product represents a good faith compromise which will meet the needs of the American people.

However, I would like to emphasize that my support for reimportation was and remains contingent upon the legislation specifically ensuring that any prescription drug reimported from another country meets all of the United States' safety standards. In other words, our citizens must remain confident that their prescriptions will be filled with products that are safe and effective. In particular, I am pleased that under these provisions, FDA must issue regulations requiring that reimported products be FDA-approved drugs that meet all of the conditions of the New Drug Application, or NDA. It is especially important to maintain our gold standard of drug quality, that all such products comply fully with what FDA calls the ''chemistry, manufacturing, and controls'' portions of the NDA. Compliance with these requirements assures that the drugs not only have the necessary ingredients but also have been manufactured according to the same specifications as the domestic drug product, and the same high-quality process.

I respectfully ask unanimous consent that several letters outlining concerns similar to mine be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON COMMERCE,
Washington, DC, September 28, 2000.

Dr. DAVID A. KESSLER,
Dean, Yale University School of Medicine,
New Haven, CT.

DEAR DR. KESSLER: On June 29, 1999, you were kind enough to write me regarding the dangers of weakening provisions of the Prescription Drug Marketing Act (PDMA). I am now in receipt of your recent letter to Senator Dorgan, which is supportive of significant changes to PDMA. I continue to see real risk in making those changes, so I would appreciate your insight as to how safety can be assured.

Your June letter cited my multi-year subcommittee investigation of re-imported prescription drugs which demonstrated that

adulterated, misbranded, and counterfeit drugs were entering the U.S. market, posing as American-made. You noted that the problems found in our investigation were addressed by PDMA provisions designed to prevent the ''introduction into U.S. Commerce of prescription drugs that were improperly stored, handled, and shipped'' and to reduce ''opportunities for importation of counterfeit and unapproved prescription drugs.'' Your letter went on to state, ''In my view, the dangers of allowing re-importation of prescription drugs may be even greater today than they were in 1986. . . . I know of no changed circumstances that require either a shift in FDA policy or the passage of legislation to repeal PDMA's prohibition on re-importing drugs. Furthermore, I believe that such a repeal of change in policy would re-create the substantial public health risks PDMA was designed to eliminate.''

Your September letter now says, ''if FDA is given the resources necessary to ensure that imported, FDA-approved prescription drugs are the authentic product, made in an FDA-approved manufacturing facility, [you] believe the importation of these products could be done without causing a greater health risk to American consumers that currently [exists].'' Unfortunately, much of your confidence seems to not only be dependent on whether FDA will in fact receive those additional resources, but also whether FDA can in reality undertake the very tasks that were not being done before the PDMA was signed into law.

While FDA has indeed argued that it will need substantial additional resources to undertake this monumental new task, I am not convinced it has done a thorough analysis of what this undertaking will actually cost. For example, while FDA has provided the Committee with a cursory three-page document on expected budgetary needs (approximately $23 million for the initial ramp-up years, and approximately $90 million for succeeding years), I remain concerned at the lack of specificity in FDA's effort. When asked by Committee staff for the actual work papers supporting the assumptions made in this document, staff was told that no such supporting documents even exist.

Moreover, certain FDA assumptions reveal other concerns. For example, on page two of its document, FDA mentions that, ''[g]iven the expectation that criminal activity will increase with implementation [of the proposed plan], it is expected that investigations and other supporting laboratory work would increase.'' FDA clearly recognizes that additional criminal elements will attempt to undermine the very ''medical armamentarium'' you refer to in your letter.

In short, Dr. Kessler, the caveats in your letter raise several questions on which I would appreciate your help:

(1) A June 8, 2000, hearing by the Subcommittee on Oversight and Investigations of the Committee on Commerce revealed that FDA is now substantially behind in their inspections of foreign firms that ship drug products into the U.S., and that much of this lag can be attributed to the same resource constraints that plagued your tenure at FDA. You point out that the success of the proposed legislation hinges directly on whether FDA is properly funded. Did the FDA adequately fund foreign inspections during your tenure as Commissioner? Do you believe FDA will actually receive the full amount necessary to competently address the burdensome new tasks imposed by this legislation, particularly given that FDA is already not afforded enough resources to presently oversee the production, movement, and final delivery of drug products now sent to the U.S. from foreign sources? What might happen if sufficient resources are not available?

(2) On a recent trip to China to investigate issues relating to both FDA foreign inspections and pharmaceutical counterfeiting, committee staff were told by several security officials that counterfeit material is often mixed into shipments of legitimate products, as an additional tactic to elude regulators. Thus, rather than entire shipments being counterfeit, in some cases, only a part of a total shipment may be illegitimate. Would batch testing which is what the proposed legislation envisions as the primary test to determine authenticity, be a reliable method for protecting the U.S. consumers from potentially rogue and dangerous counterfeit drugs? If a batch test were only to test the legitimate product, how, under this legislation, will a portion of counterfeit material be detected? Is there a methodology for doing this? Finally, FDA has long argued that quality assurance cannot be ''tested'' into a system (hence, the purpose behind the current foreign inspection program), which is why they have rejected batch testing as a final test for finished product and bulk materials sent to the U.S. Do you believe that batch testing will suitably meet the same stringent safety requirements long relied upon by the agency?

(3) As you are aware, the PDMA, and the implementing regulations established standards for storage and handling of medicines as they move from a manufacturer to a retail pharmacy. These provisions were enacted because pharmaceuticals are very sensitive to various environmental factors, and drugs are thus packaged under controlled conditions. Storage of pharmaceuticals under extreme environments, as you know, can lead to premature deterioration of the drug. As the testing requirements for product degradation called for in the Jeffords amendment will provide information on drug potency at the point a test is conducted (and not across the shelf life of the drug), there is no guarantee that a product imported from another country will arrive with roughly the same shelf life as envisioned by the manufacturer. If drug products have been subjected to temperature extremes while being shipped or stored, or are improperly repackaged, the medicines could not be guaranteed to meet its specifications up to the expiration date. On the recent trip to China, committee staff was told by a security official that he has seen one batch of drug product literally circle the globe several times, over the course of more than a year, including being stored in temperatures in excess of 40 degrees centigrade, before ultimately being bought by an importer. Imported drugs will require repackaging and relabeling (so that the imported product conforms with an FDA-approved and required dosage form, packaging, and product labeling for the American market), so there is a very real chance that an American patient will unknowingly receive pharmaceuticals that are not fully efficacious because of premature loss of potency. Do you agree with this assessment? Specifically, how can these very real and potentially dangerous possibilities be dealt with in this legislation or its implementation, so that we can ensure that the health and well-being of American patients is not compromised?

(4) As you know, in the United States, pharmaceutical recalls are initiated by manufacturers because a manufacturer can quickly and efficiently, through its wholesale distribution system, located products. In the case of imported drug products under the proposed amendments, a manufacturer may not have a systematic way of knowing where a drug originated, or even if a product has been transshipped to multiple countries before entering the United States. The Jeffords amendment allows not only for a drug to be shipped through multiple foreign locations, but also for a drug to be transferred among any number of intermediaries. Because of the likelihood of repackaging, it is not even certain that the product will be labeled with the original manufacturers lot number. How can a manufacturer's recall be administered efficiently and effectively under these new conditions?

I appreciate your attention to this matter. In light of the major public health implications associated with loosening reimportation restrictions, I daresay that we will be corresponding well into the future on these issues.

Sincerely,

JOHN D. DINGELL,
Ranking Member.

SEPTEMBER 20, 2000.

Hon. JOE SKEEN,
Chairman, Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies, Committee on Appropriations, Washington, DC.

DEAR JOE: As you know, the House adopted two amendments to the Agriculture Appropriations bill relating to the reimportation and importation of pharmaceutical products from abroad. I voted against both these amendments and remain concerned about the potential impact of these proposals on the health and safety of American consumers and the future integrity of the U.S. drug supply.

While the House amendments were characterized as simply providing for the personal importation of pharmaceuticals for personal use, they actually go beyond this to reverse longstanding policy in this regard. In my view, such an important change with implications for American consumers should not be implemented through the appropriations process. Such changes warrant careful thought and deliberation through the regular legislative process.

I recall the congressional investigation in the mid-1980's that led to the enactment of the Prescription Drug Marketing Act and current ban on pharmaceutical reimportation. At the time, there was considerable evidence of both the counterfeiting and diversion of pharmaceutical products outside the United States. I do not believe that the situation has changed. In fact, it may have become worse with the advent of Internet purchases. I agree that seniors need help paying for their prescription drugs, and voted for our plan to do that. But now is not the time to weaken the rules that have protected American patients for more than a decade.

I urge you to address these concerns by dropping these provisions from the Agriculture Appropriations bill in conference.

With best personal regards,

Sincerely,

BILL ARCHER.

Mr. HATCH. Mr. President, I appreciate the many long hours of work by my colleagues on the Agriculture Appropriations Subcommittee to develop this legislation. I admire the efforts of my friend and colleague, Senator COCHRAN. I believe we all owe him our gratitude for his leadership on behalf of our nation's agriculture industry, including its small family farmers and ranchers. I am well aware that putting these bills together is never easy and seems recently to be an almost thankless task.

There is much in this bill worthy of enthusiastic support. I am particularly pleased that the conferees have included a number of provisions that will

benefit farmers and ranchers in the West.

For example, the entire West will benefit from pasture and forage research that is funded by this bill. The information we obtain from this Utah State University program not only makes our livestock producers more efficient, but also contributes significantly to the health of our pasture lands in the West.

Another important contribution to research in the conference report is the funding for Utah State's Poisonous Plant Laboratory. The effort to fight noxious weeds in the U.S. will receive a significant boost as this important facility is finally upgraded. Some people chuckle when they see a program to fight noxious weeds. But, I can assure my colleagues that this is no joke. If you have ever seen a crop overrun with these weeds, you would know that we need to continue our research efforts to come up with safe and effective means to fight them.

The environment also benefits by this bill's continued funding for the Colorado River Basin Salinity Control Program. This is particularly important to farmers within the vast Colorado River Basin, who must shoulder much of the burden for minimizing agricultural runoff into the Colorado River. The Salinity Control program is good for farmers, good for the environment, and good for the fish species in the river.

Also important to Utah agriculture, Mr. President, is the funding this bill provides to compensate farmers for losses due to the infestation of grasshoppers and Mormon crickets. For the last couple of years, farmers in Utah and other Western states have faced one of the largest infestations on record. I am very pleased that Congress has seen fit to provide these farmers with relief. You wouldn't think that these little insects could do so much damage, but they do. This funding is important to those in my state who have suffered terrible losses.

Finally, Mr. President, I have often reminded my colleagues that Utah is the second driest state in the Union. Utah's farmers understand better than most that water equals life. For that reason, I am pleased that this bill will help to protect the Long Park Reservoir by providing technical and financial assistance to shoring up this important source of water.

Mr. President, these are just a few of the programs funded by the conference report that will benefit Utah's farmers.

I am also proud to say that I worked with Senator COCHRAN and Senator DURBIN to increase the amount of funds available in FDA's Office of Generic Drugs. When generic drug applications languish at FDA, it is the public that loses, and these additional resources will be a needed shot in the arm. They will enable the FDA to process these applications more quickly and get generic drugs to consumers faster.

This is a momentous piece of legislation, which is why I think it is unfortunate that it is being made a vehicle for an unrelated proposal that is poor policy and that would undoubtedly have been the subject of considerable debate should it have come to the floor as a free-standing bill.

Mr. President, I must register my severe reservations about the drug importation provisions that have been inserted in the Agriculture appropriations conference report.

I commend Senator COCHRAN for his attempts to improve some of the more egregious features of the controversial pharmaceutical importation provisions that have been slipped into this appropriations bill. But, these mitigation measures do not go far enough to correct what I consider the proposal's principal flaw.

My first and foremost concern about this proposal is patient safety.

I have been around here long enough to gauge momentum and count the votes. I know that the reimportation provisions have been wedged in a must-pass, year-end appropriations bill—one that forces me to choose between supporting a bill that does much to help Utahans and opposing a bill that contains one bad, albeit popular, idea.

But before we adopt this reimportation measure, which has not been the subject of a committee mark-up in either the Senate or House, let's at least stop for a moment and think about the type of risk we are placing upon the American people.

Although I do not see eye-to-eye with Congressman JOHN DINGELL on every, maybe even most, issues, I always respect his views. And, I recognize his many impressive efforts when he chaired the Oversight and Investigations Subcommittee of the House Commerce Committee. In fact, it was the Dingell Oversight and Investigation Subcommittee's investigation into the foreign drug market that led to the enactment of the 1988 Prescription Drug Marketing Act. I was proud to help shepherd this legislation through the Senate.

The good news is that the PDMA law helps prevent pharmaceuticals that are mislabeled, misbranded, improperly stored or shipped, beyond their shelf life, or even bald counterfeits from entering the United States from abroad.

The bad news is that the legislation we are being asked to adopt today will unravel essential elements of the PDMA, which currently controls importation of pharmaceutical products into the United States.

As the committee report accompanying the PDMA stated:

> (R)imported pharmaceuticals threaten the public health in two ways. First, foreign counterfeits, falsely described as reimported U.S. produced drugs, have entered the distribution system. Second, proper storage and handling of legitimate pharmaceuticals cannot be guaranteed by the U.S. law once the drugs have left the boundaries of the United States.

Congressman DINGELL has also commented on the pending legislation. I am sad to say that this assessment may turn out to be prophetic. As my Democratic friend, Representative DINGELL, succinctly summarized the situation: ''Make no mistake. This reckless legislation never went through the committees with expertise or experience in these matters. It is going to lead to needless injuries and death.''

As chairman of the Judiciary Committee which has jurisdiction over counterfeiting, I am concerned that our members have not had an opportunity to make a careful study, in collaboration with the Drug Enforcement Administration, of the potential for this language to increase the flow of counterfeit drugs. The World Health Organization has issued several reports that have detailed the international scope of the counterfeit pharmaceuticals problem.

Some might question how Congress could enact legislation that could endanger the health and safety of the American people. As I have argued previously on the floor of the Senate, even the best of intentions in trying to lower drug prices surely can't be adequate justification for sacrificing patient safety.

I recommend a critical reading of the transcript the October 3, 2000, House Commerce Committee Oversight and Investigations Subcommittee hearing on the important issue. I think a fair appraisal of this transcript warrants a conclusion that FDA already has its hands full in the policing the relatively limited area of PDMA-permissible imports.

Based on what we learned at the October 3 hearing, if Congress adopts, and the President signs into law, these new, greatly liberalized reimportation rules, it is difficult to see how the Secretary of Health and Human Services or the Commissioner of Food and Drugs will be able to handle the tremendous responsibilities imposed upon them in this provision.

One of the points that came out of the hearing during the testimony of the Commissioner of Food and Drugs, Dr. Jane Henney, is that there are at least 242 manufacturers spread across some 36 countries that appeared to have exported drug products to the United States but that did not have a current FDA inspection. This is like playing Russian roulette with the public health.

At this same hearing, the Commissioner of Customs, Mr. Raymond Kelly, testified that there are some 301 ports of entry that must be watched by the Customs Service. And keep in mind that this is the situation under the current statutory framework where it is difficult to import drugs into the U.S. Imagine the catastrophic possibilities if we adopt a law that loosens the reigns on importation of drug products into the United States.

The House hearing brought out the fact that it is not only manufacturing plants we need to worry about, but also repackaging facilities and bulk drug facilities as well as the various

warehousers and transporters of drug products. We must be concerned about how we can guarantee strict adherence with the general good manufacturing practices in overseas facilities that we have come to expect in the United States. These guidelines provide assurance as to the purity of pharmaceutical products.

Basically the bill says, in effect, don't worry, the FDA will issue regulations that will solve all these problems.

Maybe so. But if it was so easy for FDA to regulate these problems right out of existence then why are 10 former FDA Commissioners against this bill? I fear that in practice the drafting of these regulations will prove to be an extremely time-consuming and complex endeavor.

And even if the regulations are promptly drafted, what assurance and expectation do we have that all of these foreign establishments will be respectful of the regulations of the United States Food and Drug Administration?

If you don't believe me, get a copy of the transcript of the October 3 hearing and read about what House Commerce Committee and FDA staff found in a recent trip to Chinese and Indian drug manufacturing facilities. Not only did this investigation help uncover that some 46 Chinese firms and 11 Indian firms were exporting apparently misbranded drugs to the United States, there also appeared to be wholesale theft of U.S. intellectual property related to drug products.

Yet instead of tightening the controls we have in place, we are unwisely, in the name of attempting to cut high drug costs, loosening them. Let me say it once again, it is no wonder why ten former FDA Commissioners have come out against these drug importation measures. In enacting this reimportation measure, we will have put in place a ticking time bomb on the public health front as well as creating a regulatory climate that can only encourage an assault on American intellectual property.

While the public health shortcomings of the bill are chief among my concerns, as chairman of the Senate Judiciary Committee, I do want to raise some troubling aspects of the reimportation provisions as they relate to intellectual property.

In my view, it would have been preferable for the Judiciary Committees of both the House and Senate to have had an opportunity to carefully study the rapidly evolving language that was inserted into this appropriations bill.

I share the legitimate concerns of all Members of Congress about the difficulties the many Americans, particularly our senior citizens, have in gaining access to affordable drugs.

In fact, one of my chief concerns about the reimportation measure—public safety, intellectual property, and trade policy concerns aside—is whether consumers will get any substantial benefit when a new phalanx of middlemen get their piece of the action for bringing these drugs into the United States. I am not convinced that consumers will get much in the way of savings. And, what little benefit they get will come at what cost?

I believe that the industry must give the American public and the Congress a better explanation to account for the discrepancies in some drug prices in the United States and in other countries. And, I call upon the industry to ensure that Americans are paying fair prices for pharmaceuticals and that citizens in other nations are also paying their fair share and not merely free riding on the substantial U.S. investment in biomedical research.

We must be especially wary of price control regimes in other countries that may set prices at levels inadequate to reflect their citizens' fair share of the R&D costs. We must recognize, however, that what is a fair and affordable price in the United States may not be affordable in many developing nations. The differences in GDP of the developed and developing world have many dimensions, mostly negative.

We must be mindful of the important fact that virtually every nation in the world has made a commitment, helped along by the leadership of the U.S., to attempt to create that rising tide that lifts all boats by adopting the GATT Treaty, which specifies the rules of international trade. The GATT TRIPS provisions consist of critical new legal protections for the intellectual property. It is intellectual property that undergirds the creation of so many new products, including pharmaceuticals.

In our understandable short-term desire to help the developing world fight back against such infectious disease menaces as HIV, TB, and malaria, we must avoid acting, however unintentionally, to undermine the long-term interest in protecting the intellectual property rights of American inventors.

That goes for our goals to develop new drug therapies benefiting Americans as well. For our own national interest, as well as the interests of our trading partners, particularly developing nations, we must use our influence to build respect for and protect the inventive energies citizens worldwide.

I do not believe the reimportation provisions in this conference report advance the cause of intellectual property protection and, in fact, may have an unintended but unmistakable effect of retarding future drug development.

Mr. President, I ask unanimous consent to include in the RECORD at this point two letters that I wrote, one to Senator LOTT and Speaker HASTERT and one to Senators COCHRAN and KOHL, to object to both the process and substance of these provisions. In addition, House Judiciary Chairman HENRY HYDE expressed similar concerns. I ask consent that his letter also be printed in the RECORD.

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

(See Exhibit 1.)

Mr. HATCH. As this correspondence indicates, I am particularly concerned by the so-called non-discrimination clause that suddenly materialized, almost out of the vapors, and was added to the conference report at the last moment.

I would also note for the record that, prior to learning that such language was under development, I contacted Chairman COCHRAN and the majority leadership with a request that a rule of construction be added to these ill-advised importation provisions to the effect that the language be neutral with respect to intellectual property rights.

Imagine my surprise and disappointment to find that not only was my modest proposal, which was consistent with every version of the bill that passed both the House and the Senate up to that point, not adopted, but, instead, all too discriminatory ''non-discrimination clause'' incorporated in its place.

This provision states: ''No manufacturer of covered products may enter into a contract or agreement that includes a provision to prevent the sale or distribution of covered products imported pursuant to subsection (a).'' Make no mistake that this clause appears to take direct aim on some of the most traditional of American commercial rights such as freedom to contract and the freedom to license patent rights.

In the United States, manufacturers have great leeway in selling their goods. For example, in its 1919 decision, United States v. Colgate & Co., the Supreme Court noted it is a ''long recognized right of [a] trader or manufacturer to exercise his own independent discretion as to parties with whom he will deal.'' Moreover, this right is particularly strong when the seller holds patent rights which are derived directly from Article I of the Constitution.

As the language is scrutinized, I hear more and more questions being raised about the potential conflict of these provisions with current law.

Mr. President, in some respects, this non-discrimination clause is a major assault on intellectual property rights. It hardly sends a strong signal to our knowledge-based industries that form the backbone of the new high-technology economy.

I serve on the Finance Committee where we had jurisdiction over trade matters. While at the point I have reached no final answers or conclusions about how the non-discrimination clause comports with the TRIPS provisions, I can tell you that I have a lot of questions. And I can tell you that we would be better off if, before we adopt this language, we took the time to work through some of the tough questions that this highly controversial clause raises with, for example, Article

28 of TRIPS. Neither the Finance Committee nor the Ways and Means Committee will have a meaningful opportunity to examine the trade implication of this language.

I can only hope that this language does not result in the importation of sub-standard and unsafe drugs along with a back door system of price controls. Wisely, this body has always resisted direct government price controls on high-technology products like pharmaceuticals. We stand today as the world's leader in pharmaceutical innovation. Let's hope that this bill does not undermine this achievement.

Let me emphasize, Mr. President, that we need to work together to make drugs more affordable for the American public—all of those in Congress with expertise in the policy areas that contribute to addressing this issue should be collaborating on a solution to high drug prices. This is not a simple matter, and a solution that looks simple and obvious could easily prove disastrous to both consumers and the research enterprise.

We must tackle this issue in a manner that doesn't threaten public safety, undermine the incentives for developing new intellectual property, and otherwise adversely affects U.S. trade interests. Frankly, I am concerned that these reimportation provisions, however well-intentioned, will not be able to met these tests.

I will support this conference report, even though I have very serious concerns about the provisions on pharmaceutical reimportation. I hope to work with my colleagues on all the relevant committees in the House and Senate on these many issues concerning pharmaceuticals and their importation into our country.

EXHIBIT 1

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
Washington, DC, October 4, 2000.

Hon. TRENT LOTT,
Majority Leader of the Senate,
Washington, DC.
Hon. THAD COCHRAN,
Chairman, Subcommittee on Agriculture,
Committee on Appropriations, Washington, DC.
Hon. DENNIS HASTERT,
Speaker of the House of Representatives,
Washington, DC.
Hon. JOE SKEEN,
Chairman, Subcommittee on Agriculture,
Committee on Appropriations, Washington, DC.

DEAR TRENT, DENNY, THAD, and JOE: This is to register my strong objection to the so-called ''non-discrimination'' amendment that Representative Henry Waxman and others are trying to insert into the pharmaceutical importation provisions in the Agriculture Appropriations Conference Report. This language would affect both intellectual property and contract rights and raises constitutional questions. As Chairman of the Senate Judiciary Committee, I believe it is imperative that you reject these ill-advised, eleventh hour provisions that relate to critical intellectual property rights that have not been considered by either the House or the Senate Judiciary Committees.

Although styled as a ''non-discrimination'' provision, this language is a thinly disguised attack on intellectual property protection in the United States that conflicts with long-standing U.S. policy, would set a dangerous precedent for all U.S. businesses, and would undermine bipartisan U.S. trade and intellectual property negotiating objectives abroad. Proponents of this language would deny pharmaceutical manufacturers their freedom in private contracting, and appears to compel them to sell unlimited quantities of their prescription medicines to foreign buyers, including unknown foreign entities lacking any interest in the safety and health of American patients who rely on the safety and effectiveness of prescription medicines. This proposal has not been the subject of a single hearing, let alone a committee mark-up, and is unquestionably within the jurisdiction of the House or Senate Judiciary Committees, neither of which has been consulted on this controversial measure. I urge you to reject it.

My responsibilities as Chairman of the Senate Judiciary Committee require me to oppose this sneak attack on intellectual property protection and U.S. leadership in innovation benefiting consumers. My responsibilities to my Utah constituents and the American people generally impel me further to object to the adoption of the prescription drug import proposal on safety grounds. I am greatly disturbed to learn that Conferees are apparently considering lowering the traditional gold-standard of ''safety and efficacy'' to a new, untested, and disturbingly ambiguous standard of ''reasonable assurance'' of safety and efficacy. The Senate passed the Cochran-Kohl amendment 96-0 precisely to seek to ensure that risks to American patients are not increased through re-importation of prescription medicines.

In direct contradiction to these efforts, the ''non-discrimination'' measure clearly and unacceptably increases such risks. This measure would place domestic medicine supplies in jeopardy by forcing our manufacturers to sell unlimited quantities abroad. It also would prevent them from exercising sound business judgment about to whom to sell, forcing them to sell drug products to anyone—even unscrupulous shady dealers. In conjunction with a price control system of a foreign nation, this ''non-discrimination'' regime is tantamount to a compulsory licensing system that can only undermine the incentives required for the private sector to make the necessary substantial investment to invent new medicines. In order to protect the safety and health of American patients, advance our Nation's trade policy, and promote the development of the next generation of medicines, this proposal must be rejected.

Sincerely,

ORRIN G. HATCH,
Chairman.

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
Washington, DC, October 4, 2000.

Hon. TRENT LOTT,
Majority Leader of the Senate,
Washington, DC.

DEAR MR. LEADER: I understand that the situation on the drug import provisions in the Agriculture Appropriations bill is fluid and that now there is language being proposed that modifies the House proposed text that I have previously criticized. Unfortunately, I must register my objection to this new language as well.

It is my understanding that the new language states: ''No manufacturer of a covered product may enter into a contract or agreement that includes a provision to prevent the sale or distribution of covered products.'' How can this restrictive provision square with such basic American concepts of private property and freedom to contract? It seems to me that Congress, like the courts, should not get into the business of rewriting contracts.

In my view this new ''compromise'' provision does not escape the fundamental problems presented by the earlier House language because a flat prohibition on the ability of a manufacturer to limit the future sale or distribution of pharmaceutical products flies in the face of current law and policy. I must report to you that as this language circulates among the bar, reputable attorneys are concluding that it presents serious constitutional issues. As Chairman of the Judiciary Committee, I believe it wise for our committee to consider this issue before such language is enacted. Given the fact that the import provisions will not go into effect until the FDA issues a complex set of safety testing regulations, I see no need why the Congress must rush in the last few days of the session to include this new provision. I know that my House counterpart, Chairman Henry Hyde, has raised similar objections with Speaker Hastert.

So I must once again add to my concerns about the potential negative public health aspects of the pharmaceutical import amendments, a separate objection concerning the erosion of intellectual property and contract rights. I urge you to oppose these measures until these issues can be carefully reviewed and debated.

Sincerely,

ORRIN G. HATCH,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE JUDICIARY,
Washington, DC, October 4, 2000.

Hon. J. DENNIS HASTERT,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: As Chairman of the House Judiciary Committee, I urge you to reject intellectual property provisions, disguised as a ''non-discrimination'' requirement, advocated by Mr. Waxman for inclusion in the drug re-importation measures in the Agriculture appropriations bill or in other legislation. The Waxman gambit is an anti-business, anti-intellectual property effort to force pharmaceutical patent owners to give up their patent rights with respect to re-importation into the U.S. of their patented product, by denying their freedom in contracting. Mr. Waxman further wants to compel drug manufacturers to sell unlimited quantities of their prescription medicines to foreign buyers, including unknown, fly-by-night operations that are unlikely to be held accountable for patient health and safety. This proposal has not been the subject of a single hearing and falls squarely within the jurisdiction of the House Judiciary Committee, whose members have not been consulted on this.

Beyond the serious jurisdictional issue and erosion of intellectual property rights, I further object to the Waxman proposal because it clearly increases risks to the health and safety of American patients. This measure would place domestic medicine supplies in jeopardy by forcing manufacturers to sell unlimited quantities abroad. It also would prevent them from exercising sound business judgment about to whom to sell, forcing them to sell to unscrupulous shady dealers and fast-buck artists abroad. For these reasons, I urge you to reject these measures.

Sincerely,

HENRY J. HYDE,
Chairman.

Mr. ASHCROFT. Mr. President, I rise to express my strong support for the Agriculture Appropriations Conference Report, which we will vote on today. This bill contains over $78 billion in

funding (and more than $3.5 billion in emergency assistance for farmers). And it contains important initiatives I have been pushing—doubling the payment limit for LDPs (from $75,000 to $150,000) and lifting embargoes on food and medicine.

I extend my sincere gratitude to the Chairman of the Agriculture Appropriations Committee, my friend from Mississippi, who has crafted a bill that gives America's farmers the assistance they need in the short term—and keeps a promise we made to open more markets in which to sell their products overseas.

This bill culminates an almost 2-year effort on my part to open overseas markets to American farmers by ending U.S. food and medicine embargoes. We talk a lot about foreign trade barriers, and rightly so. We must continue to be vigilant to remove those barriers, such as the EU ban on U.S. beef. However, it is hypocritical of the U.S. government to target foreign barriers without removing our own barriers. That's exactly what food embargoes are—U.S. barriers against U.S. farmers. A policy shift in this area is long overdue, and I am pleased that this Conference Report reflects that shift. While the final product before us is not perfect, it does change substantially U.S. policy on embargoes of agriculture and medicine.

We know that sanctions hurt farmers. The currently-embargoed market for our food products is estimated by some at about $6 billion. Cuba alone could purchase about $1.6 billion worth of food and medicine each year. Jim Guest, the President of the Missouri Pork Producers said: ''With 11 million people who enjoy pork, Cuba will become an important U.S. pork export market. In 1998, the last year for which statistics are available, Cuba imported about 10,000 metric tons of pork from Canada, Mexico and the European Union.''

This sanctions reform proposal covers more countries than just Cuba. There are four other countries affected by this legislation that could present substantial opportunities for U.S. producers of wheat, soybeans, beef, corn, etc.

Furthermore, this provision reforms sanctions policy for the future. The President will not be able to impose new sanctions without Congressional involvement.

Food embargo reform can be summed up as a big ''win'': a win to the U.S. economy, a win for U.S. jobs, a win in foreign policy, and a win for those hungry and hurting in foreign countries.

My goal that I set out to reach years ago—giving the U.S. the opportunity to export more food and medicine—has been achieved in the bill we are voting on today. The Food and Medicine for the World Act, which I introduced in 1999, and which is the basis for the agreement in this Ag. Approps. Conference Report, separates out food and medicine from all other products when it comes to sanctions policy.

Current embargos against agriculture and medicine will be lifted, and there will be no embargoes in the future unless the President first receives Congressional approval. This proposal of mine has remained in place throughout the Senate and House negotiations. It is the underlying basis for real sanctions reform because it does not focus on any one country. Instead, it is a new framework for U.S. policy in general. The differences between my original proposal and this final agreement are merely details on HOW the exports of food and medicine will be facilitated. We made progress in some areas, and in others, we must monitor the effectiveness toward reaching our goal.

Let me explain briefly those differences. On the issue of how the exports will be allowed, there are two things I would like to cover—licensing and financing.

On licensing—we have gone much further than the Administration plan put in place last year, which has two substantial limitations. First, the Administration plan requires case-by-case licensing, whereas, the language before us in the Conference Report ensures that a least restrictive licensing system is set up—to cover a 2 year span instead of being case-by-case. Second, current U.S. policy requires tight restrictions on the end recipient of the food (those to whom we could sell our farm products). However, the bill we are voting on today allows exporters to sell to countries broadly, whoever wants to buy their products.

On financing—all sales to these countries can be freely financed by U.S. banks, but the House added a restriction that will prohibit U.S. banks from being the primary financial institution in any sales to Cuba. U.S. banks will be able to facilitate transactions, but they won't be allowed to assume the risk of the Cuban buyers. While this policy is not my preference, I will point out that it is not a step backward. It simply keeps in place the current restrictions that exist in U.S. law.

One final note on financing, particularly U.S. government financing—under the bill before us, U.S. government credits will be available to help finance exports of agricultural products if the President determines that it is in the humanitarian or national security interest to extend the credits.

All along, I have been committed to real sanctions reform in a final bill—and that is what we have accomplished. As with any major reform of U.S. policy, our proposal may not be perfect, but we can address any roadblocks that arise when they are brought to our attention by the farming community and humanitarian organizations.

I welcome the recognition by a sizable majority of Congress that the time has come to reform this nation's obsolete and hurtful policy that allows using food and medicine in embargoes. And I look forward to sending this embargo reform bill to the President's desk so America's farmers are given increased freedom to market.

Mr. President, I would like to insert in the RECORD a letter addressed to me from Charlie Kruse, the President of the Missouri Farm Bureau. Also, I would like to insert a statement from the Missouri Pork Producers. Finally, I would like to insert a letter signed by 15 agriculture organizations supporting this sanctions reform proposal and the Conference Report. Let me just say that this effort—reforming our nation's policy on food embargoes—has been a cooperative effort. The farm organizations that have signed these letters have shown tremendous leadership in getting us where we are today. I extend my sincere appreciation for their support throughout this entire process.

I would like to address one final point, Mr. President, with regard to the intent of those that have drafted this sanctions reform proposal. Senator HAGEL and I, as the drafters of the underlying sanctions reform bill, are submitting a statement of intent on how this proposal should be implemented by the Administration. I ask for unanimous consent that it be printed in the RECORD following my statement.

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

TRADE SANCTIONS REFORM AND EXPORT ENHANCEMENT ACT—INTENT OF SENATE SPONSORS

BRIEF PROCEDURAL HISTORY

A reduction in the amount of agricultural exports and a decline in commodity prices have led to renewed efforts by farm groups and agribusiness firms to win a change in U.S. sanctions policy. While there has been some easing of these sanctions through executive order, agricultural exporters have sought legislation to exempt their products from embargoes to ensure that any positive changes in policies are not reversed based on changing events or a change of Administration.

Title IX of the Fiscal Year 2001 Agriculture Appropriations Conference Report, the ''Trade Sanctions Reform and Export Enhancement Act,'' contains sanctions reform for agricultural products, medicine, and medical devices.

The language in this act can be traced back to the ''Food and Medicine for the World Act,'' (originally, S. 425 and S. 1771, both introduced in 1999). The text of the ''Food and Medicine for the World Act'' was offered as an amendment to the FY2000 Agriculture Appropriations Bill (S. 1233), on August 4, 1999, by Senator Ashcroft and Senators Hagel, Baucus, Kerrey, Dodd, Brownback and 15 other cosponsors. The Senate defeated a motion to table, 70 to 28, and the amendment, after modifications, was accepted by voice vote. There was not a comparable provision in the House appropriations bill, and ultimately the embargo provisions were deleted from the conference agreement, at the request of House leadership.

In March 2000, the Senate Foreign Relations Committee held a marked up of S. 1771, the ''Food and Medicine for the World Act.'' During the mark up, the title was changed to the current title, ''Trade Sanctions Reform and Export Enhancement Act.''

The provision, as marked up by the Senate Foreign Relations Committee, was then offered as an amendment to the FY2001 Agriculture Appropriations Bills (H.R. 4461; S. 2536) in both the Senate and House during

Appropriations Committee markups. When the Senate passed S. 2536, the FY01 Agriculture Appropriations bill on July 20, 2000, it contained the sanctions exemption language that had been inserted during committee consideration. The House language was accepted in the House Agriculture Appropriations Subcommittee, but later deleted on the House floor on July 11, 2000, as a result of a point of order that the amendment was an instance of legislating on a spending bill.

A compromise reached between amendment supporters and opponents regarding the application of the exemption to Cuba served as the House leadership's position in conference, and was eventually accepted by House and Senate Republicans. The language of S. 1771 that lifts sanctions and restricts the future use of sanctions was maintained. However, the language on licensing and credits was altered (see explanation below). Furthermore, the House leadership added language regarding travel to Cuba that has the effect of codifying the current regulations that restrict travel.

PURPOSE

The overall purpose of this title is clear: to eliminate unilateral food and medicine sanctions and to establish new procedures for the future consideration of such sanctions. In drafting this provision, the intent of the authors is to expand export opportunities for United States agricultural and medical products beyond that currently provided for in law and regulations. As the original sponsors of this provision, we would like to outline briefly what we believe the intent of this provision to be, in order to ensure that agencies that will implement this legislation fully appreciate the expectations of the sponsors. We expect that regulations to implement this provision will promptly liberalize the current administrative procedures for the export of agriculture and medicine. A section by section explanation follows:

SECTION 901—TITLE

This section contains the title of the Act, the ''Trade Sanctions Reform and Export Enhancement Act.''

SECTION 902—DEFINITIONS

Definitions in the section are broadly drawn to allow maximum benefit to exporters of agricultural commodities and medicine and medical products.

Agriculture Commodities: The drafters used the definition of ''agricultural commodities'' in the Agricultural Trade Act (7 U.S.C. §5602) because of its inclusiveness. It includes all food commodities, feed, fish, and livestock, as well as fiber. Also, for all of these items, the definition includes ''the products thereof.'' Therefore, it is the drafters intent to cover all value-added products and processed products that include food, feed, fish, livestock, and fiber. In addition, value added products and processed products are covered even if they contain some inputs that are not of U.S. origin. Note: The drafters specifically chose not to use another definition in U.S. law that requires all of the inputs to these processed foods be of U.S. origin, 7 U.S.C. §1732. For purposes of administering Title IX of this Act, Section 775 of the Conference Report clarifies that the term ''agricultural commodity'' shall also include fertilizer and organic fertilizer.

Agricultural Program: The intent of the bill is to lift sanctions on commercial sales, as well as sanctions on the use of federal programs that are used to facilitate the export of agricultural products.

Medical Device and Medicine: These terms should be interpreted broadly to mean all products commonly understood to be within these categories, as explicitly recognized by the Federal Food, Drug and Cosmetic Act, and including supplies, such as but not limited to, crutches, bandages, wheelchairs, etc.

SECTION 903—RESTRICTION

This section requires the President to terminate all unilateral agricultural and medical sanctions that are in effect as of the date of enactment (though Section 911 provides a 120 day waiting period to allow the implementation of appropriate regulations). Therefore, 120 days after the enactment of the bill, U.S. exporters should be allowed to sell any agricultural commodity, medicine, or medical device without restrictions to all countries, as well as to participate in any activities related to the sale of those products (subject only to the exceptions in Sec. 904, the licensing requirements of Sec. 906, and the applicable credit limitations of Sec. 908).

This section also prohibits the President from imposing any new unilateral agricultural or medical sanctions without the concurrence of Congress in the form of a joint resolution. If the President imposes broad unilateral sanctions in the future that may or may not be a complete embargo, the President must exempt agriculture and medicine from the broad sanctions and treat these products differently. While his powers to declare national emergencies and impose sanctions are maintained as they relate to other U.S. products, that power will no longer apply in relation to the export of agriculture and medical products. The correct procedure under this Act will require Congressional approval unless Sec. 904 is applicable.

SECTION 904—EXCEPTIONS

This section provides a number of exceptions to Section 903 to ensure that the Administration, in certain limited instances, has the ability to impose sanctions in certain instances. While seven particular exceptions are provided, they are narrowly drawn in recognition of the conferees' expectation that food and medicine sanctions should only be used in extraordinary circumstances. Further, these exceptions should not be used to impose sanctions permanently as Section 905 makes clear. It is the intent of the drafters that these exceptions be narrow. Therefore, if a question exists as to whether the proposed sanctions might fall under one of the exceptions (for instance whether there are ''hostilities''), it is the desire of the drafters that the President comply with Sec. 903 and seek Congressional approval. It is the intent of the drafters that the President not to use these exceptions liberally for to do so would frustrate the purpose of the bill—to ensure that sanctions on agriculture and medicine are used only when it is in the national security interest of the Untied States to do so.

Specifically with regard to paragraph (2), it is the intent of the drafters that this provision cover only dual-use items. This provision should be narrowly interpreted so as to allow as many exports as possible—keeping in mind that the products being considered for export are humanitarian products that can feed, clothe, and heal people.

SECTION 905—TERMINATION OF SANCTIONS

This section provides for a sunset of any food or medicine sanctions imposed under Section 903, not later than 2 years after the date the sanction becomes effective. Sanctions may be maintained only if the President recommends to Congress a continuation for not more than 2 years, and a joint resolution is enacted in support of this recommendation.

SECTION 906—STATE SPONSORS OF INTERNATIONAL TERRORISM

This section requires licenses for the export of agricultural commodities, medicine or medical devices to Cuba and to countries that are state sponsors of international terrorism.

These licenses shall be provided for a period of not less that 12 months. However, the sales of products under the license can span 24 months so that the exporter is able to ship products for 12 months after the license has expired as long as the contract was entered into during the initial 12 month period. This provision gives exporters flexibility to ship for 24 months as long as the contracts are entered into during the first 12 months.

The intent of the bill is for the Administration to develop a licensing system that is, to the extent possible, the least restrictive, least burdensome for the exporter. This section does not give the Administration the authority to put in place a case-by-case licensing system. The Administration must put in place a system for agricultural commodities, medicine, and medical devices that is no more restrictive than license exceptions administered by the Department of Commerce or general licenses administered by the Department of Treasury. It is the expectation of the sponsors that a presumption in favor of sales will to exporters, consistent with the purpose of the act—to support enhanced exports.

Consistent with this expectation, it is the understanding of the authors that the Department of Commerce would be the lead agency for all exports under this title.

Furthermore, any licensing of activities related to the sale or export of products covered by this Act should be under a licensing system that is the least restrictive possible. In the case of exports to Cuba, it is the understanding of the drafters that current restrictions on shipping to Cuba will continue to be waived for licensed exports.

Exports to the Government of Syria and the Government of North Korea are excepted from the licensing requirements of this section. While the provision mentions an exception only for sales to the ''governments'' of these countries, the Senate recognizes this as a drafting error and would encourage the Administration to except sales to the private sector in those countries as well. It would be inconsistent policy to lift licensing requirements to the governments while not lifting them for the private sector buyers in these countries.

This section also requires that procedures be in place to deny exports to any entity within such country that engages in the promotion of international terrorism. This language is intended to give the Administration very narrow discretion in the granting of licenses for exports to specific sub-entities that are directly involved in the promotion of terrorism.

Finally, this section requires quarterly and biennial reports on these licensing activities to determine the effectiveness of licensing arrangements. The drafters encourage the Administration to work closely with the U.S. private sector to establish licensing procedures and to determine the effectiveness of the procedures.

SECTION 907—CONGRESSIONAL PROCEDURES

This section requires that a report submitted by the President under Section 903 or Section 905 shall be submitted to the appropriate committee or committees of the House of Representatives and the Senate. A joint resolution in support of this report may not be reported before the eighth session day of Congress after the introduction of the joint resolution.

SECTION 908—PROHIBITION ON UNITED STATES ASSISTANCE AND FINANCING

Section 908(a)(1) prohibits the use of United States government assistance and financing for exports to Cuba. However, consistent with the overall intent of the measure, this prohibition is not intended to modify any provision of law allowing assistance to Cuba.

The provision also restricts the use of government assistance for commercial exports to Iran, Libya, North Korea, and Sudan, unless the President waives the restrictions for national security or humanitarian reasons. In recent months, the Administration has taken several steps to liberalize these and other restrictions on agricultural trade with Iran, Libya, North Korea, and Sudan. As such, we believe it will be in the best interest of U.S. agricultural producers, as well as for the United States' balance of trade, for the President to use the waiver authority in subsection (a)(3) to promptly waive these restrictions before the current sanctions are lifted (120 days after enactment of this bill). If the President's waiver authority is not promptly exercised, the restrictions in subsection (a)(1) could act to restrict exports of agricultural commodities, medicines, and medical devices to these countries to a greater extent than current law. This is certainly not the intent of this legislation.

Specifically with regard to Cuba, subsection (b) of section 908 prohibits any United States person from financing U.S. agricultural exports to Cuba. However, in order to accommodate sales of agricultural commodities to Cuba, subsection (b) specifically authorizes Cuban buyers to pay U.S. sellers with cash in advance, or to utilize financing through third country financial institutions.

While they cannot extend financing to Cuban buyers, U.S. financial institutions are specifically authorized to confirm or advise letters of credit related to the sale that are issued by third country financial institutions. Under this procedure, third country financial institutions can manage the Cuban risk associated with these transactions. In turn, the third country financial institution issues a letter of credit free to be confirmed by a U.S. bank, which assumes no Cuban risk. This provision, which creates a ''firewall'' against ''sanctioned-country risk,'' is consistent with the role played by third country banks in transactions with some other countries subject to U.S. sanctions.

U.S. financial institutions may act as exporters' collection and payment agents, confirm third country letters of credit, and guarantee payments to the U.S. exporters. The provision of such export-related financial services by U.S. financial institutions (commercial banks, cooperatives, and others) will allow U.S. farmers, their cooperatives, and exporters to be assured that they will be paid for exported commodities.

Subsection (b)(3) of section 908 requires the President to issue regulations that are necessary to carry out this section. In addition to waiving the restrictions on assistance as appropriate under subsection (a)(3), these regulations need to facilitate the export of agricultural commodities, medicine, and medical devices. In particular, the regulations need to accommodate these specifically authorized exports by waiving the restrictions with respect to vessels engaged in trade with Cuba found at 31 C.F.R. §515.207.

SECTION 909—PROHIBITION ON ADDITIONAL IMPORTS FROM CUBA

Section 909 reiterates that this Act does not change current regulations that prohibit entry into the United States of any merchandise that is of Cuban origin, has been transported through Cuba, or is derived from any article produced in Cuba. Despite the title of Sec. 909, the actual language of Sec. 909 does not codify the currently regulatory restrictions. Instead, the language simply states that Sec. 909 does not affect regulations found at 31 C.F.R. §515.204.

SECTION 910—REQUIREMENTS RELATING TO CERTAIN TRAVEL-RELATED TRANSACTIONS WITH CUBA

This section requires the Secretary of Treasury to promulgate regulations to authorize travel to, from, or within Cuba for the ''authorized'' commercial sale of agricultural commodities. The sponsors of this measure believe that this section should be interpreted in a manner that expands travel currently allowed under the regulations in keeping with the overall Act's purpose of expanding ''authorized'' exports.

SECTION 911—EFFECTIVE DATE

This title shall take effect on the date of enactment and apply thereafter in any fiscal year. The bill does not expire with the expiration of the FY01 Appropriations bill. Unilateral agricultural or medical sanctions in effect as of the date of enactment shall be lifted 120 days after enactment.

MISSOURI FARM BUREAU FEDERATION,
Jefferson City, MO, October 18, 2000.

Hon. JOHN ASHCROFT,
U.S. Senate,
Washington, DC.

DEAR SENATOR ASHCROFT: We are very pleased the U.S. Senate will soon vote on the Conference Report for the fiscal year 2001 Agriculture Appropriations Bill. Missouri Farm Bureau, the state's largest general farm organization, strongly support this legislation. In fact, we have been hoping for this day ever since you introduced the Food and Medicine for the World Act in 1999.

We are grateful for the leadership shown by you and your staff regarding the lifting of unilateral trade sanctions for food and medicine. This measure will result in access to markets that have long been closed to our nation's farmers and ranchers. Frankly, it couldn't come at a better time; the combination of continued low commodity prices and increased fuel and interest expenses are having a devastating effect on both producers and rural communities.

As you know, we recently hosted Fernando Remirez De Estenoz, the First Deputy Minister and Chief of the Cuban Interests Section in Washington, DC, on a series of farm visits in southeast Missouri. During the visit, Ambassador Remirez made it clear that Cuba could provide a significant new market for U.S. agricultural products. The high quality of our production, coupled with favorable transportation rates, makes the U.S. extremely competitive in the Cuban market.

It has become clear that food must not be used as a weapon. Unilaterally denying U.S. agricultural producers access to foreign markets simply does not work in a global economy.

Again, we applaud your on-going leadership on this issue and believe it to be something that will provide long-term benefits to our nation's agricultural producers.

Sincerely,

CHARLES E. KRUSE,
President.

PORK PRODUCERS THANK SENATOR ASHCROFT

Missouri Pork Producers President Jim Guest today commended Senator John Ashcroft for his work in drafting language that opens the door to potential U.S. pork exports to Cuba.

''Senator Ashcroft has been a leader in the effort to reform outdated sanctions policies that harm American farm families,'' Guest said. Senator Ashcroft's determination has helped create an environment where Missouri pork producers will have the opportunity to compete for business in Cuba for the first time in 40 years.''

Senator Ashcroft authored a sanctions reform provision that was far reaching in its scope and which passed the Senate. The Agriculture Appropriations Conference Agreement includes compromise language to allow the sale of food and medicine to Cuba and four other previously sanctioned nations. On October 11, the bill was overwhelmingly approved in the House and the bill is pending in the Senate. President Clinton has said he will sign the bill.

''Senator Ashcroft's vision has brought us to the point where we can begin to think of Cuba as a potential customer and that is a tremendous achievement,'' Guest said. ''With 11 million people who enjoy pork, Cuba will become an important U.S. pork export market.''

The Missouri Pork Producers has supported easing the trade embargo with Cuba, and ending the practice of using food and medicine as foreign policy tools. In 1998, the last year for which statistics are available, Cuba imported about 10,000 metric tons of pork from Canada, Mexico and the European Union.

OCTOBER 10, 2000.

Hon. JOHN ASHCROFT,
U.S. Senate,
Washington, DC.

DEAR SENATOR ASHCROFT: The undersigned organizations urge you to support passage of H.R. 4461, the FY01 agriculture spending bill.

In addition to funding important USDA food safety, agricultural research and trade enhancing programs, the legislation is critically important to farmers and ranchers because it includes:

$3.5 billion of critically needed emergency assistance for agricultural producers hurt by this year's poor weather conditions;

Sanctions reform to lift the embargo on food and medicine to Cuba, Iran, Libya, North Korea and Sudan. In addition, the language makes it much more difficult for future presidents to impose unilateral sanctions;

Doubling of the Loan Deficiency Payment/Marketing Loan Gain payment cap from $75,000 to $150,000 for one year; and

This bill is critically important to the ability of our producers to prosper in the future. We urge your support.

Sincerely,

American Farm Bureau Federation
American Soybean Association
National Association of Wheat Growers
National Barley Growers Association
National Cattlemen's Beef Association
National Corn Growers Association
National Cotton Council
National Milk Producers Federation
National Sunflower Association
Rice Millers' Association
U.S. Canola Association
U.S. Durum Growers Association
U.S. Rice Producers Association
U.S. Rice Producers' Group
Wheat Export Trade Education Committee

Mr. DURBIN. Mr. President, I rise today to briefly discuss the Fiscal Year 2001 Agriculture Appropriations conference report, H.R. 4461.

First, I would like to commend Senators COCHRAN and KOHL, the Senate Subcommittee chairman and ranking member. They have put together a very good underlying bill and have done so with bipartisan support and cooperation. From the very first hearing of the

year, through conference, Chairman COCHRAN has endeavored to deliver a bill that is helpful to our farmers and ranchers and fair to the Food and Drug Administration. Again, I congratulate him on this important accomplishment.

I was a conferee on this bill, as I am a member of the Senate Agriculture Appropriations Subcommittee. However, I regret to say that I was unable to sign the conference report because of specific provisions on Cuba sanctions and prescription drug re-importation.

Specifically, I am distressed that the conferees did not support the Senate position on lifting food and medicine sanctions against Cuba. The House language limiting U.S. sales to a cash only or third-country financing basis will unnecessarily restrict the sales of food and medicine to Cuba.

I am further troubled by the language restricting travel by Americans to Cuba. During the Cold War, Americans were able to travel to the Soviet bloc countries, and if they were kept out, it was by the Communists, not by our own government. I believe Castro has more to fear from an invasion force of American tourists than from our sanctions policy. I cannot imagine how restricting the ability of Americans to go to Cuba could possibly advance our shared goal of peaceful change toward democracy and a free market economy in Cuba.

With regard to prescription drug re-importation, too many Americans struggle to afford prescription drugs that their doctors believe are necessary to alleviate or prevent illness. Unfortunately, those who can least afford these drugs because they do not have insurance coverage for prescription drugs generally pay far more than the ''most favored'' purchasers such as Health Maintenance Organizations, HMOs, and other big insurers.

Instead of dealing with the real issue of providing comprehensive, affordable drug coverage to all America's seniors and the disabled, this conference report takes a much more limited step. It is billed as a means to provide our constituents with access to better priced medicines by allowing for the re-importation of drugs sold at lower prices in other countries. This provision includes measures to ensure the safety of these re-imported products by requiring testing after re-importation. However, the language attached to this conference report still includes several pharmaceutical industry-backed loopholes that will undermine consumer ability to access cheaper drugs. These loopholes were added late in the process and have the potential to nullify the entire provision.

Drug companies will be able to limit supplies in foreign countries to thwart re-importation efforts. Nothing in the language of this conference report addresses this issue. In fact, the limitation on the countries from which wholesalers and pharmacists may re-import drugs will clearly aggravate this loophole. The language also omits provisions that would prevent the pharmaceutical industry from forcing foreign wholesalers to sell products at the inflated American price. Without such a provision, the drug industry will be able to prevent U.S. consumers from obtaining more affordable medicines. There is no effort to focus re-importation so as to benefit the most severely disadvantaged Americans: the elderly and the disabled.

I am convinced that Congress needs to address prescription drug coverage and the cost of pharmaceutical products here at home. Tortuous transport through other countries to re-import products that were originally manufactured here in the U.S. is not the most effective remedy for the high prices that American consumers pay today.

Mr. President, I would like to note with appreciation that this conference report includes important assistance for our nation's farmers who are facing another year of low prices.

The assistance farmers received last year helped many Illinois farmers. An October 1999 study by the University of Illinois projected that average net farm income for Illinois farmers would have been just $11,000 in 1999 without federal assistance. But with federal assistance, their income rose to $25,000.

Although the U.S. economy continues to thrive, farmers and those who live in rural America do not appear to be reaping the benefits. This measure provides $3.6 billion for weather-related crop losses and livestock assistance, and it increases funding for the Farm Service Agency to carry out vital farm programs and emergency measures. The conference report also doubles the loan deficiency limits to ensure farmers are able to receive the income support they need.

The conference report also contains $1 billion for P.L. 480—Food for Peace, $697 million for the Food Safety and Inspection Service, $2.5 billion for USDA Rural Development programs, $9.5 billion for child nutrition programs—including a School Breakfast pilot program, and $1.2 billion for the Food and Drug Administration.

Mr. President, although I have some serious reservations with regard to Cuba sanctions and prescription drug re-importation, I am voting for this conference report because of its other valuable provisions that are simply too important to Illinois agriculture to delay.

Ms. SNOWE. Mr. President, I rise today in support of the prescription drug reimportation provisions included in the conference report for the FY 2001 agriculture appropriations bill. I also want to thank my colleagues, especially Senators JEFFORDS and DORGAN for their hard work and dedication to this important issue.

The United States is in the midst of a time of amazing prosperity. Nearly every week it seems that we hear of astounding new breakthroughs in biomedical research and in new prescription medications. And there is no question in anyone's mind that we have the best—the very best—health care in the world.

But our health care system is not without its flaws. Prescription drugs are revolutionizing health treatments, but their high cost is causing concern throughout the country. Everywhere we turn—from ''60 Minutes'' to Newsweek—we hear of the struggles that our nation's patients, especially the elderly, face, and the dramatic difference in costs of prescription medication between the U.S. and our neighbors to the North.

The high cost of prescription medications in the United States is forcing many of our nation's seniors to make unthinkable decisions that are harmful to their health and well-being. It is simply unacceptable that the elderly have to chose between filling a prescription or buying groceries.

A solution to the pressing problem of prescription drug coverage can't come soon enough. In 1998, drug costs grew more than any other category of health care—skyrocketing by 15.4 percent in a single year. And that's a special burden for seniors, who pay half the cost associated with their prescriptions as opposed to those under 65 who pay just a third.

Seniors are reeling from the burden of their prescription drug expenses—one of the latest studies shows that the average senior now spends $1,100 every year on medications. And with the latest HCFA estimates putting the number of seniors without drug coverage at around 31 percent of all Medicare beneficiaries—or about 12 out of nearly 40 million Americans—it's not hard to see why we can no longer wait to provide a solution. In fact, nearly 86 percent of Medicare beneficiaries must use at least one prescription drug every day.

Who are these seniors who don't have prescription drug coverage? Who are the ones traveling by the busload to Canada to buy their prescription drugs? These are people caught in the middle—most of whom are neither wealthy enough to afford their own coverage, nor poor enough to qualify for Medicaid. We know that seniors between 100 percent and 200 percent of the federal poverty level have the lowest levels of prescription drug coverage.

In my eyes, it is absolutely unconscionable that any senior would be arrested after purchasing their otherwise legal prescription medication in Canada. That is why I teamed up with Senators JEFFORDS and DORGAN to introduce the ''Medicine Equity and Drug Safety Act'' as an amendment to the FY 2001 agriculture appropriations bill. The amendment was accepted overwhelmingly by a vote of 74 to 21.

I am pleased that the conference report includes a compromise on this amendment. The conference provision allows pharmacists and wholesalers to import prescription drugs for sale to American customers that were made in

the U.S. or in FDA-approved facilities. The provisions require stringent safety and efficacy regulations. Drugs may only be reimported from Europe, Canada, Japan, Australia, Israel, New Zealand, and South Africa. Controlled substances, such as morphine, cannot be imported.

Drugs that are going to be reimported must meet U.S. labeling requirements and there will be stringent reporting requirements on any reimportation. The new provisions prohibit manufacturers from entering into a contract to prevent reimportation. Drug reimportation will not be allowed unless the Secretary of HHS can certify that the reimported drugs are safe and effective. The FDA will not be allowed to send letters to individuals about their personal reimportation unless the FDA believes that the drugs the person is bringing back are not safe, not effective, or not labeled correctly. Finally, the Secretary of HHS must certify that reimported drugs will save consumers money.

Opponents of the reimportation of prescription medications have well-founded concerns about the safety of these medications. There is no doubt that the U.S. Food and Drug Administration is the world's premier agency in ensuring not only that drugs are safe and effective for their intended use, but that the actual manufacture of these drugs is done cleanly and safely.

So when Congress considers changing the law to allow the importation of either retail or personal use prescription medication, we must also consider the safety implications that are involved: Are other countries insisting on the same standards we are? Are other countries guaranteeing the effectiveness of the medication—medication that is purportedly identical in strength? Are other countries using the same ingredients and ensuring that there are no impurities in these ingredients?

The conference provision focuses on these safety considerations and includes substantial safeguards against the reimportation of lesser-quality prescription medication and stringent regulation to ensure that Americans have access to only the safest of products.

Clearly, seniors are traveling to Canada because the price of prescription medications is generally less expensive than in the United States. The difference in the prices between the Canadian and the American market for pharmaceutical products does not come because we are purchasing different drugs or different quantities of drugs. It is this point that I hear the most about from my constituents: why can a person buy the same exact drug, in the same exact dosage, and the same quantity, for so much less in Canada than they can in Maine?

The disparity in costs between U.S. and Canadian drug costs reflects our different markets, but also the government-run health care system that limits choices and proscribes doctors and care for Canadian consumers. The Canadian health care system is a government-run monopoly, an approach soundly rejected by the American public in 1994. In the U.S., costs are constrained through the market—not by the government—as health insurers, pharmacy benefit managers, and preferred customers like the U.S. Department of Veterans Affairs negotiate heavy discounts based on the size of their insurance pool.

Seniors in the U.S. have limited bargaining power to negotiate down drug costs because they are not part of a single pool. Yet if seniors were united in a single group, they could exercise substantial clout in the marketplace to negotiate lower drug costs.

There are 39 million Medicare beneficiaries—and these 39 million customers purchase a third of our nation's prescription medications. This represents a very large section of the market. Enacting prescription drug coverage for Medicare beneficiaries will make seniors a part of buyer groups with greater marketplace clout. This market force will allow seniors as a group to negotiate discounted pharmaceutical costs that will not only be the most economically sound solution, but will also guarantee seniors coverage of their prescription drugs.

When American seniors find they have no market power, they often determine that their only recourse is to buy their much-needed drugs in a completely different market. It is fundamentally unfair when seniors in Maine feel they must drive across the Canadian border to obtain affordable prescription medications.

Allowing the reimportation of prescription medications is, at best, an interim approach. It can be implemented while Congress debates the larger issue of Medicare reform, and enacting meaningful prescription drug coverage for Medicare beneficiaries.

Again, Mr. President, I rise in support of these provisions and I thank the conferees for their willingness to address this vital issue and their dedication to hammering out a workable compromise.

Mr. ROTH. Mr. President, I rise today to express my grave concerns regarding a provision relating to our trade remedy laws that is a part of the agriculture appropriations conference report that is before us today. My concerns regarding this measure relate both to the way this provision found its way into this conference report, as well as to its substance.

With regard to procedure, I am troubled, to say the least, that a significant modification of our trade laws is being made with no consideration or deliberation by the committees of jurisdiction. I would have hoped that the Agriculture Subcommittee of the Appropriations Committee would have considered the importance of allowing the committee of jurisdiction—the Committee on Finance—to review this provision before deciding to adopt this measure in conference. After all, this amendment represents a dramatic change in the function and purpose of our trade laws.

Currently, our trade laws are designed to address any dumping or subsidized sales into our market by imposing an offsetting duty on imports. With the enactment of this procedure, however, not only will the domestic producer enjoy the benefit of having a surcharge applied to the sales of its foreign competitor, but they will also get a significant cash payment courtesy of the U.S. treasury. This is not an insignificant amount. According to the U.S. Customs Service, over $200 million of dumping and countervailing duties were assessed on imports last year.

What this will likely do is to encourage the filing of cases in circumstances that would not otherwise merit it. After all, the cash payment will not be made to the whole domestic industry. Instead, only those who supported the filing of the antidumping petition will be paid. Differentiating between different parts of a domestic industry in this way is unprecedented in our trade policy and completely unwarranted.

Now I understand that the money under this proposal is supposed to be funneled to research and development, and other legitimate purposes. But money is fungible, and I fear that we will only be encouraging litigiousness.

Who will benefit from this proposal? It is certainly not our consumers, who will pay significantly higher prices as a result, and who will likely have to suffer from an even greater number of cases being filed.

Our farmers and our other export industries will not benefit. After all, what will now happen with the enactment of this measure is that we will likely be obliged to pay in some future negotiation, such as market access on agriculture, to preserve what will undoubtedly be described as a private right of action to garner industry-specific government subsidies.

Ironically, the industries that traditionally rely on the dumping and countervailing duty laws will also likely get little benefit from this proposal. While I understand the frustration of some of those who have suffered from foreign dumping and subsidization, this measure, ironically, will do nothing to eliminate unfair trade practices or to ameliorate the conditions that allow these unfair trade practices to persist. We will only have undercut our own efforts to impose greater disciplines on European agricultural subsidies, Japanese support for its steel industry, or Korean support for their automobile industry. This is manifestly bad trade policy wholly apart from the serious technical deficiencies of the proposal.

And what will we say once our trading partners decide to follow our lead and adopt this same scheme in their trade remedy laws? Will we complain? Or will we sit quietly as our farmers and manufacturers begin to face yet another hurdle in their efforts to sell in foreign markets.

Mr. President, this is an ill-considered proposal that not only damages our broader trade policy interests, but it also up-ends the committee structure. I am a strong supporter of our trade remedy laws, but this proposal distorts our laws in a way that serves no constructive purpose. This is unfortunate and unnecessary, and I regret that the Agriculture Subcommittee chose to take this action.

Mr. COCHRAN. Mr. President, the conference report includes a provision that is designed to eliminate an inequity that has arisen regarding a special grade designation of rice known as sweet rice. This rice had been ineligible for price support for some time, but the Department of Agriculture changed the rules in December 1999 to make the 1999 crop eligible for marketing loans and loan deficiency payments for the first time. Unfortunately, producers of this rice had not been notified by the county offices of the crop's eligibility until after the period for obtaining loans and loan deficiency payments had expired.

The provision in the conference report is designed to correct this inequity. The provision would extend the eligibility date for such loans and loan deficiency payments and allow producers of such rice who lost beneficial interest in the crop on or before May 31, 2000, the final date for obtaining loans or loan deficiency payment, to obtain a loan deficiency payment based on the payment rate in effect on the date they lost the beneficial interest. Producers who lost the beneficial interest in their production after May 31, 2000 would be eligible to receive a loan deficiency payment based on the payment rate in effect on May 31. The conferees had agreed that this provision was necessary to make whole those producers of the crop who had lost the opportunity to obtain price support through no fault of their own.

Mr. COCHRAN. Mr. President, with sections 745 and 746 of this bill, the Congress intends to facilitate access for Americans to reimport U.S.-made prescription medicines, as long as it does not lower the safety standards that previous Congresses and Administrations have carefully developed in consumer, health and safety protection legislation over the years. Under these provisions, Americans are allowed access to U.S. products sold overseas at lower prices provided that those medicines, when reimported, are demonstrated to be safe and effective.

At the time the Senate considered this appropriations bill, the Senate adopted an additional safeguard to protect consumer health and safety. By a vote of 96 to 0, the Senate agreed to an amendment which Senator KOHL and I offered to the amendment of Senator JEFFORDS to include the Medicine Equity and Drug Safety Act of 2000 on this bill. That amendment is retained in this conference report, and requires the Secretary of Health and Human Services to make two determinations before the changes to the Federal Food, Drug and Cosmetic Act, FFDCA, in section 745(c) can be implemented. The Secretary is required to demonstrate to the Congress that implementation will: (1) pose no additional risk to the public's health and safety, and (2) result in a significant reduction in the cost of covered products to the American consumer.

As contained in section 745(c), section 804(l) enlists the expertise and conscience of the Secretary of Health and Human Services to make a specific and clear demonstration to assure these changes to the law will produce their intended result and do no unintended harm. In a written report to the Congress, the Secretary is to demonstrate the factual basis for his or her decision. That report should include relevant analysis and information that implementation of these changes in law will pose no additional risks to the American public's health and safety and will significantly reduce retail prices.

After all, the motivation for these changes in law is to let U.S. drugs be brought back from Canada and other countries where they cost less, allowing these drugs to be available to individual American consumers at lower prices. If reimportation results primarily in profits for importers and does not result in a reduction in the price of drugs to American consumers, then the intent of these provisions is not achieved.

I believe that with the additional safeguard provided by the original amendment adopted by the Senate, we can be more assured that this new drug reimportation system, if implemented, will not have adverse unintended effects on public health and safety and will achieve its intended result of making drugs more affordable for individual American consumers.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I yield 5 minutes to the distinguished Senator from Vermont, Mr. JEFFORDS.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I have come to the floor to urge my colleagues to support this Agriculture appropriations conference report. I want to thank Senator COCHRAN, the chairman of the Senate Agriculture Appropriations Committee, for his work on this important legislation. In particular, I want to thank him on behalf of the dairy farmers across the nation, New England and Vermont. Included in this agriculture spending bill is badly needed support for dairy farms. These dairy assistance payments will bring approximately six thousand, four hundred dollars for the average 80-cow dairy farm. At a time when the nation's dairy farmers are facing low milk prices, these payments will help make ends meet.

In Vermont, these payments will give our dairy farmers a much needed boost heading into the long winter. I also want to make a few brief remarks to reiterate my support for the prescription drug provision included in this bill, and to address some of the unfortunate rhetoric that I have heard during this debate.

We all know why this provision is in this bill. The American people are fed up with the situation that exists today, where Americans pay far more for FDA-approved, American-made prescription drugs than patients in any other country in the world. I am not here to demonize the drug industry. It's true that these companies are making some miraculous breakthroughs and improving the lives of many Americans. But why must Americans have to shoulder seemingly the entire burden of paying for research, development and a healthy return to shareholders? I believe it is time we put an end to this unfair burden. I don't think it is fair to expect Americans, especially our senior citizens living on fixed incomes, to pay the highest costs in the world for prescription medicines, many of which are manufactured within our borders. That's why more than a year ago I started working with the Food and Drug Administration, the agency responsible for overseeing the safety of the drug supply in this country to see if there were a way we could safely reimport prescription medicines into our country.

In July, on an overwhelming vote of 74–21, the United States Senate agreed to an amendment I offered with Senators WELLSTONE, DORGAN, GORTON, SNOWE, and others to do just that. Just three weeks ago, President Clinton endorsed the Jeffords language, saying ''I support the Medicine Equity and Drug Safety Act of 2000 which the Senate passed'' and ''I urge you to send me the Senate legislation.'' The negotiators for the House and Senate on the agriculture appropriations bill have now completed their work. Unfortunately, the process used in reaching this agreement was marred by partisanship. That is regrettable. But the product is as strong as the one endorsed by the Clinton administration, and even stronger in some respects.

Some of my Republican colleagues have criticized this proposal for going too far. My Democratic friends have criticized this for not going far enough. The legions of lobbyists for pharmaceutical industry vigorously oppose this proposal, and tried their best to get it stripped from this legislation. I continue to believe that the proposal before the Senate today, while slightly different from my plan, is a strong and workable proposal. Critics have argued that the proposal has been weakened because it allows drug companies to frustrate the intent through manipulations of sales contracts. The fact is, this bill is stronger than either the House-passed or Senate-passed versions because it includes a clear prohibition of such agreements—something that was missing in the House and Senate bills. In fact, let me quote from that

section of the bill: ''No manufacturer of a covered product may enter into a contract or agreement that includes a provision to prevent the sale or distribution of covered products imported pursuant to subsection (a).''

I don't know how to be more clear and simple than that. But just in case my colleagues think that stronger language is needed, the bill grants to the Secretary the ability to react to unanticipated challenges through language in another section which requires that the Secretary issue regulations containing any additional provisions necessary ''as a means to facilitate the importation of such products.'' Such broad authority will ensure that this provision works. In fact, less than 10 days ago, at the very time that the Clinton administration was changing its position on the Jeffords amendment, the New York Times reported that it planned to implement the Patient's Bill of Rights by regulation. It is hard to understand why the administration so eagerly sees regulatory authority where many do not, yet cannot see it when plainly written in the statute. Critics have claimed that the latest version of the bill contains a loophole regarding the labeling requirements. The fact is, the bill requires manufacturers to provide all necessary labeling information, and the provision that I just quoted gives the FDA very broad power to write any other rules necessary to accomplish the intent of the provision. Moreover, this labeling language is unchanged from the version that adopted by the Senate and endorsed by President Clinton.

Critics have claimed that the bill unfairly restricts the countries from which these products may come. The fact is that the bill lists 23 countries to start the process, and lets the FDA expand the list at any time. Critics have complained that this bill will expire after about 7 years. The fact is that this is a vast improvement over the House-passed version which would have expired after only one year. As we all know, major legislation is frequently required to be reauthorized on 5 year cycles in order to force Congress to make improvements, and popular effective laws always survive this process.

Mr. President, this bill, like any other, may not be perfect, but the fact is that it is stronger than the original Jeffords amendment. That is why John Rector, senior vice president for the National Community Pharmacists Association who has been a leader in the effort to reimport lower cost drugs and whose members would be importing under this provision. Mr. Rector recently indicated that this bill, ''will result in the importation of far less expensive drugs.'' This is a workable bill, and that is why the pharmaceutical industry is fighting this tooth and nail—they know it will work. They would like nothing more than to see us to kill this bill. One of our colleagues in the House, who has complained that this provision does not go far enough, noted that this is ''the first defeat ever suffered by the pharmaceutical industry in memory.''

Now I ask you, if this bill is unworkable as the critics have charged, why is the pharmaceutical industry so opposed to the bill, and why are even our critics calling this a defeat for the industry? That should tell you something about what they really think the effect will be of this provision. As I said before, Mr. President, I am disappointed with how partisan this issue has become, but I am glad that the President has said he will sign the bill. I am calling on Congress to put partisanship aside and pass this bill. And I am calling on the Clinton administration to quickly write these regulations so that ordinary Americans can realize savings on prescription drugs as soon as possible.

Mr. President, I rise also today in support of two important food stamp provisions included in this conference report. These provisions are based upon S. 1805, the Hunger Relief Act of which I was proud to be an original cosponsor.

The language in the bill will allow low-income people who spend more than 50 percent of their income on housing to receive food stamp benefits at a level that more accurately reflects their need. Additionally, it will allow low-income people who need a car to find or keep work to still receive food stamp benefits and continue to own a reliable car.

These provisions will provide important relief for needy families in Vermont and all around the United States. In Vermont alone, 42,000 people, the great majority families with children or senior citizens, are on food stamps.

Both provisions in this conference report are important to my state of Vermont. First, the increase in the maximum amount of excess shelter expense deduction to qualify for food stamps is important as we have lately seen housing prices increasing rapidly in Vermont. Without the increase contained in the conference report, rapidly rising housing prices are diluting the effectiveness of the food stamp program because the true need for food stamps is not being adequately represented. The vehicle allowance provisions are vital in a rural state like Vermont where a reliable car is almost a necessity to get to or find work. Providing flexibility in the vehicle allowance will allow low-income individuals to qualify for food stamps while being able to continue to own a reliable car.

While I would have liked to have seen the entire Hunger Relief Act included in this appropriations bill, the inclusion of these two provisions is an important first step forward. I will continue to push for Congressional passage of the entire Hunger Relief Act, but wanted to express my gratitude to the conferees for the inclusion of these provisions which are so important to my constituents.

Mr. President, as the principal author of the drug importation amendment included in the Agriculture Appropriations bill, I am taking this opportunity to provide a detailed explanation of the provisions of the drug importation section.

The conference report to H.R. 4461 amends the Federal Food, Drug, and Cosmetic Act and expands the entities permitted to import certain drugs into the U.S. under Section 801 of the Act, to include pharmacists and drug wholesalers. The Secretary of Health and Human Services will promulgate regulations to carry out the importation provisions after consultation with the United States Trade Representative and the Commissioner of Customs.

Under the new section 804(b), the regulations promulgated by the Secretary must ensure that each drug product that is imported under this section complies with section 501, 502, and 505, and any other applicable provisions of the Federal Food, Drug, and Cosmetics Act (FFD&C Act) and is safe and effective for its intended use, as well as the provisions of this section. This provision also grants broad discretionary authority to the Secretary to include any additional provisions in the regulations that are necessary to protect the public health and to facilitate the importation of drug products under this section.

Subsections (c) and (d) outline extensive record keeping requirements that must be met in order to import under this law, including:

(1) the name, amount and dosage description of the active ingredient;

(2) the shipping date, quantity shipped, and points of origin and destination for the product, price paid by the importer, and price sold by the importer;

(3) verification of the original source and amount of the product received;

(4) the manufacturer's lot or control number;

(5) the name, address, and telephone number of the importer, including the professional license number of the importer (if any);

(6) lab records assuring that the product is in compliance with established standards;

(7) proof that testing was conducted at a qualifying laboratory; and

(8) any other information the Secretary determines is necessary to ensure the protection of the public health.

For a product that is coming from the first foreign recipient, the importer must also demonstrate: (1) that the product was received from a U.S. manufacturer, (2) the amount received and that the amount being imported into the U.S. is not more than the amount received, (3) for the first shipment, documentation showing that each batch was statistically sampled for authenticity and degradation, (4) for all subsequent shipments, documentation that a statistically valid sample of the shipments was tested for authenticity and

degradation, and (4) that the product meets labeling requirements and is approved for marketing in the U.S.

For a product not coming directly from the first foreign recipient, the importer must have documentation demonstrating: (1) that each batch is statistically sampled and tested for authenticity and degradation, and (2) that the product meets labeling requirements and is approved for marketing in the U.S. All testing must be performed at an FDA-approved U.S. laboratory.

Subsection (e) requires that manufacturers provide information to importers sufficient to authenticate the product being imported and to meet the labeling requirements of the FFD&C Act. This provision is understood and intended to require manufacturers to provide such labeling information as is necessary for importers to comply with applicable labeling requirements sufficient for sale and marketing in the U.S. It is also understood and intended that the requirements and authority granted in this provision are supplemented, if necessary, by the broad discretionary authority contained in 804(b)(3) to facilitate the importation of drug products under this section. This information shall be kept in strict confidence. Pursuant to the ''Enhanced Penalties'' subsection below, violation of this subsection is punishable by 10 years in prison or a fine of $250,000 or both.

Subsection (f) refers to an initial list of countries with recognized regulatory structures from which drugs may be imported under this section. The list includes Canada, Australia, Israel, Japan, New Zealand, Switzerland, South Africa, and the EU (Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, England, Liechtenstein, and Norway). The Secretary may expand the list at anytime, taking into consideration protection of the public health.

Subsection (g) requires the Secretary to suspend imports of specific products or by specific importers upon discovery of a pattern of importation of counterfeit or violative products, until an investigation has been completed.

Subsection (h) prohibits contracts or agreements that include any provision preventing the sale or distribution of imported drugs under this section. This provision is understood and intended to prevent manufacturers from ''gaming'' the system or interfering with importation under this section through contractual arrangements that utilize restrictions or disincentives for reselling the drugs into the U.S.

Subsection (i) requires the Secretary to conduct a study regarding the compliance of importers with the requirements of this section, and the incidents of importation of noncompliant shipments of prescription drugs under this section, as well as the effect of importations under this section on trade and patent laws. The Comptroller General will study the effect of this provision on prices of covered products.

Subsection (k) provides definitions for a number of terms in this act, and includes several changes and additions from Senate-passed version. The definition of ''covered product'' clarifies that certain controlled substances are not eligible for importation, and that biological products are also ineligible. In order that this act not create a disincentive for charitable contributions of drugs to foreign countries or humanitarian organizations, this subsection excludes such products from eligibility under this act.

This provision also recognizes that many parenteral drug products (drugs that are administered through IVs, injections, or other means other than orally) are considered by the Secretary to be more sensitive to improper storage and handling, and may be at a higher risk of degradation or present more difficulty in testing for authentication or degradation. Therefore, the 801(d)(1) importation restriction shall continue to apply to parenteral drug products, the importation of which, according to the Secretary, may pose a threat to the public health.

The definition of pharmacist is similar to that in the Senate-passed bill, and is presumed to include a licensed pharmacist, since such a pharmacy is required to have a licensed pharmacist of record.

Subsection (l) is similar to the amendment offered by Senator COCHRAN and adopted unanimously by the Senate during the floor debate. The provision, as included in this conference report, has been changed to require the Secretary to ''demonstrate'' (instead of ''certify'' in Senate-passed version) that implementation will ''pose no additional risk'' (instead of '' pose no risk'' in the Senate-passed version). The provision is otherwise identical to the Senate-passed version.

This act is no longer effective after 5 years from the effective date of the regulations promulgated hereunder. The 5 year clock will begin to run after the regulations are finalized and any litigation is completed.

The conference report includes a new subsection which clarifies that a violation of this section is a prohibited act under the FFD&C Act. This new provision also provides for enhanced penalties (10 years in prison and/or $250,000 fine) for manufacturers who fail to provide information necessary for testing or labeling of imports, and importers who divulge such information for any purpose other than verifying authentication or degradation tests.

The conference report includes a provision that passed the House earlier this year pertaining to the importation of prescription drugs imported for personal use. Current FDA practice has been to not confiscate certain drugs reimported for personal consumption, but, in many cases, to send intimidating warning letters that do not specify how the law is being violated. This bill includes provisions prohibiting the FDA from sending warning notices unless it includes a statement of the underlying reasons for the notice.

Finally, Mr. President, I would like to thank my colleagues that worked so closely with me on this issue. Specifically, I would like to thank Senators GORTON, WELSTONE, and DORGAN, and their staffs, Kristen Michal, John Gilman, and Stephanie Mohl for their countless hours of work on this provision. Without the bipartisan cooperation of my collegues, passage today of this provision would have been impossible.

I urge my colleagues to support this provision and support this Agriculture appropriations conference report.

The PRESIDING OFFICER. Who yields time?

Mr. KOHL. Mr. President, I yield 4 minutes to Senator BYRD.

Mr. BYRD. Mr. President, now before the Senate is the conference report on H.R. 4461, the Fiscal Year 2001 Appropriations bill for Agriculture, Rural Development, the Food and Drug Administration, and Related Agencies. This conference report includes many items important to West Virginia, and to all states, relating to agricultural research and production, conservation, rural development, food assistance, human health, and many other priority areas. I congratulate Senator THAD COCHRAN, Chairman of the Agriculture Subcommittee, and Senator HERB KOHL, Ranking Member, for their hard work in finalizing this very important conference agreement.

This conference report provides a total of $74.458 billion in new non-emergency budget authority. This total includes $34.691 billion for agricultural programs (including reimbursement to the Commodity Credit Corporation for net realized losses); $873 million for conservation programs; $2.487 billion for rural development programs; $34.117 billion for domestic food programs; $1.091 billion for international trade assistance programs; and $1.168 billion for related agencies, including the Food and Drug Administration.

It is important to note that this conference report includes more than the annual Fiscal Year 2001 appropriations for programs under the jurisdiction of the Agriculture Subcommittee. This conference report also includes $3.642 billion in emergency spending. This funding is related, in large part, to action taken by the Senate Appropriations Committee on May 9, 2000, when the Committee approved Fiscal Year 2000 Supplemental Appropriations. The House of Representatives approved a similar FY–2000 Supplemental Appropriations bill on March 30, 2000.

Included in the $3.642 billion in emergency spending are provisions to provide assistance to those who have suffered from natural disasters which have occurred this year and to partially offset certain market losses suffered by the agriculture sector. When

the Appropriations Committee considered supplemental spending more than five months ago, I offered a number of amendments, which were adopted, to provide a timely response to predicted summer drought conditions. One of those provisions would provide $450 million for livestock-related losses, more than double the amount available last year. Another item provided an additional $50 million in loans and grants to provide water supply in rural communities, especially those suffering from drought conditions. I am happy to report that this conference report includes these two items and levels of $490 million and $70 million, respectively.

One other item included in this conference report is a provision which I proposed on the subject of compensation to U.S. industries for losses sustained as a result of unfair foreign trade practices. The U.S. agriculture and manufacturing sectors have been able to avail themselves of legal remedies to challenge foreign actions, but have not had adequate means to recover from the losses resulting from those actions. Now, such a mechanism will be in place and U.S. farmers and workers of all trades affected by unfair trade practices will be able, in essence, to recover monetarily rather than simply having the right to file a complaint.

This extra step is necessary. Current law has simply not been strong enough to deter unfair trading practices, whether in the agriculture or manufacturing industries. Continued foreign dumping and subsidy practices have reduced the ability of our injured domestic industries to reinvest in their workers, equipment, or technology. My provision simply provides a mechanism to help injured U.S. industries recover from the harmful effects of illegal foreign dumping and subsidies. And, most importantly, if our foreign trading partners play by the rules, my provision will never have to be used.

Mr. President, this conference report includes many items important to all Americans, and I am happy to support it. Action on this measure is long overdue. Disaster assistance is badly needed to help people all across the nation who are suffering from drought, storms, floods, and crop loss due to infestations of pests and disease. I urge all my colleagues to join me in support of this conference agreement.

Mr. COCHRAN. Mr. President, I yield 5 minutes to the distinguished Senator from Louisiana, Mr. BREAUX.

Mr. BREAUX. Mr. President, congratulations to the chairman and Senator KOHL for the work they have done on this Agriculture appropriations bill. It indeed has been a very difficult endeavor. I plan to vote for final passage of this Agriculture appropriations bill because I think it is very important and there are many very important things in it dealing with agriculture, which is with what we would think an Agriculture appropriations conference report should deal.

I highlight, however, one thing that I think is very bad public policy; that is, the question of an amendment to this bill allowing for the importation of foreign drugs manufactured in foreign countries, under foreign standards, to be imported into the United States under the guise of ''this is the solution'' or even a partial solution to the high costs of prescription drugs and the unavailability of prescription drugs under our Medicare program for the 40 million senior citizens in this country who need prescription drugs.

Many people said when the bill left the Senate that this provision that was added was a sham. I thought it was a sham when it left and it has come back and it is a worse sham than when it left. This is ''Son of Sham,'' or a double sham, in the sense that this makes absolutely no sense.

Members of both sides of the aisle have said: We are against drug price controls because that is un-American; that is not the way we encourage businesses to operate; we want businesses to compete against each other and the companies that can do the best job for the best price get the business. That is what the American system is all about.

Instead, we have in this bill a provision that says, we might not like price controls in this country, but we are going to import not only the drugs from other countries but their price control systems—as if that somehow makes it all right. The concept is other countries have price controls; therefore, it is cheaper. The fact is, in Canada, to which so many of our people point, there are some drugs that are cheaper because of price controls, but there are many other drugs that, in fact, cost more in Canada than they do here. In many cases, the drugs we have here are simply not available in Canada at all, or maybe a year or two after they are available in the United States, because of the adverse impact of a price control system we are now trying to import into this country.

In addition to that reason that this is bad policy, there are about 10 former Food and Drug Administration agencies that said: Wait a minute; hold on, Congress. What in the world are you doing? This is not a safe process you are legislating into law. We are not going to be able to determine the safety of these drugs. Maybe in Canada it would be all right, but what about Pakistan or what about a Third World country or what about a country we have very little to do with? Are we going to let the drugs come in from those countries as well, which this bill allows? How are we going to be able to guarantee that the same safety or precautions that are in effect in a Third World nation are in effect here in the United States in order to protect the consuming public? How are we going to know that the little pill that is the same color and approximately the same size has in it the same material that it has in this country, that has been approved by our Food and Drug Administration?

This may give some of our colleagues a feeling we have done something to solve the prescription drug cost problem for our seniors. It does not. It does not come close. This is not even a fig leaf of coverage for those who reply to: What have you done on the issue of prescription drugs? The answer is, we probably made the system worse by bringing in drugs the quality of which we cannot guarantee. We cannot guarantee where they came from, how they were produced, or who has been protecting them since they left the factory and ultimately found their way into the United States. The answer is not that complicated. What it takes is a lot of political courage to do what is right and to tell our seniors there are no real easy answers to this problem.

What we need to provide to America's seniors is the same thing that I have as a Member of the Senate, that every one of my colleagues has and every one of the Members of the other body has and the other 9 million Federal employees have; that is, coverage under their health insurance plans that cover prescription drugs. When I walk into a drugstore, I do not pay full retail price, not one of us does. We get a discount because we do volume purchasing under our Federal insurance plan. In addition to the volume purchasing, we also have a very small copay, which allows us, instead of having to pay full price, to pay only a fraction of the price. That is the same type of system we should put into effect for our Nation's seniors.

The PRESIDING OFFICER (Mr. VOINOVICH). The 5 minutes of the Senator has expired.

Mr. COCHRAN. Mr. President, I yield the distinguished Senator 2 additional minutes.

Mr. BREAUX. I don't want to belabor the point, but when I walk into a drugstore, the retail price may be $100. But because of volume purchasing, it may only cost me $70, and because I have coverage, I don't pay $70. I pay a small copayment of maybe $30. I walk out of the drugstore with $100 worth of drugs paying only $30 because I am covered. A Medicare recipient who has no coverage pays the full retail price of $100. That is what is wrong with the system as it is currently constructed.

The answer clearly is not to say we are going to allow people to import drugs from Bangladesh or Pakistan or other countries around the world where we cannot guarantee the quality. That is not the way to do it. It was a sham when it left the Senate. It is a sham as it is being presented to the Senate today. We should have the political courage to address this in a very serious way.

To those of our two colleagues who have worked so hard on this, I thank them for their understanding and their participation. I do not fault them for what has happened. It passed the House by a huge margin. It passed the Senate by a huge margin. It is not the right policy and doesn't solve the problem. I

wanted to bring it to the attention of my colleagues.

Having said that, I intend to vote for the overall product because of the many good things it has in it for American agriculture and American farmers. I think our two leaders are to be congratulated for that product they bring before the Senate.

Mr. COCHRAN. Mr. President, I yield 5 minutes to the distinguished Senator from Alabama, Mr. SESSIONS.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, I would like to share a few remarks about the Agriculture bill. I thank Senator COCHRAN and his committee for their work on a very difficult issue at a very difficult time for agriculture. There are no easy solutions to the problems farmers are facing. We know farmers are in trouble. One experienced farmer who heads the Alabama Farmer's Federation told me that without Federal help, he believes in just the next 2 years, one-third of the farmers in Alabama would have gone out of business. It has been costly, but I believe what we are doing is the right thing to do.

Also, before I make those remarks, I would like to say I did return, with quite a number of Senators this afternoon, from the memorial service at Newport News to recognize the sailors who lost their lives in this attack on the *Cole*. We have to remember the *Cole*. We have to remember them. For a whole lot of reasons it was a very meaningful experience for me and I believe for their survivors. I was able to meet a number of sailors who had been wounded. I think all of us in this country need to pause, periodically, to remember how much we owe to the men and women in uniform.

This year, farmers in my home State have faced the worst drought in over a century. In particular, farmers and cattlemen in the southeast region of the state, have been devastated. This drought has come after two previous years of drought. Scorching temperatures and virtually no rain have made it extremely difficult for these fine men and women to continue to farm. In Headland, AL, for example, only 18 inches of rain has fallen this year. This is a part of the State that normally sees over 45 inches by this time.

More rain has come lately but not nearly enough and not soon enough to compensate for the earlier losses. Corn yields are down 40 percent. The peanut crop has had a very bad year, and the cotton crop has been very bad.

It has not been a good year at all for Alabama farmers. This drought has been one of the most severe on record. At some point since March 1, all parts of Alabama have been classified ''exceptional drought'' by the U.S. Drought Monitor. This is the most severe drought rating.

The entire State has been declared a disaster by the Secretary of Agriculture, and the Department of Agriculture has done some good work in helping to respond to the crisis.

However, I continue to hear from farmers at home that they question how long they can actually stay in business if the situation doesn't improve. A combination of bad crop-years and low prices can be devastating. Some livestock producers have liquidated their herds. Nearly all of them had to sell their stock earlier and lighter than normal, costing them money. Over 50 percent of this year's hay harvest has been lost, and this is just in Alabama. There have also been droughts in other States such as Mississippi, Georgia and Texas.

The $3.6 billion in emergency disaster aid included in this conference report is needed to assist these families and others who have experienced losses from drought, fire and other natural disasters.

I am especially pleased that Senator COCHRAN and the conference committee agreed to retain my amendment in the Senate version of the bill to assist Alabama in its emergency hay and feed operations for livestock producers. The Commissioner of Agriculture and Industries, Mr. Charles Bishop; the Alabama Cattlemen's Association and Dr. Billy Powell, its leader; the Alabama Farmers Federation; and other organizations have worked together to provide assistance to struggling cattlemen throughout the summer. Unfortunately, the funding for this assistance has run out. The State funding has collapsed. The $5 million in this conference agreement will go a long way to help these cattlemen make it through the winter without having to sell off their herds, which undermines their ability to have a productive economic enterprise.

I am also pleased that the conference report contains funding for a number of fine agricultural research projects in Alabama and all over the country. These projects keep us on the cutting edge of agriculture, and it is the only way we will be able to compete successfully in the world market. It includes catfish disease research. Catfish is one of the biggest cash crops for agriculture in the State. Peanut allergy research is a critical issue for us. I am particularly pleased the funding for Satsuma orange research was retained in the conference report.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. SESSIONS. I ask unanimous consent for 2 additional minutes.

Mr. COCHRAN. Mr. President, I yield the distinguished Senator what time he may consume.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, the funding for Satsuma orange frost research will go a long way to nurturing this fledgling industry along the gulf coast.

At the beginning of the 20th century, Satsuma orange groves flourished throughout the gulf coast. Indeed, they were running advertisements encouraging people around the country to come down and grow Satsuma oranges. In fact, 18,000 acres of the sweet, easy-to-peel fruit were farmed during the twenties and thirties along the upper gulf coast. However, a period of severe winters around 1940 led to the decline of Satsuma production.

Today, fledgling Satsuma groves exist in Alabama, Louisiana, and Texas. Research by Auburn University, one of the finest research institutions in the world, is being conducted to determine how to make this fruit more frost resistant. There are some ideas percolating that may actually do that. This funding will give us the opportunity to revitalize this industry.

I am certainly pleased with the overall agricultural spending. We have a lot of emergency assistance for farmers this year because it has been a particularly bad year in some areas of the country, including Alabama.

Again, I thank Chairman COCHRAN for his leadership. He understands this issue; he understands this Senate. He has wrestled with these issues for years, and his leadership will help this bill pass with overwhelming support.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KOHL. Mr. President, I thank and congratulate the chairman of the subcommittee, Senator COCHRAN, for all of his work in crafting this conference report. I believe overall this measure does a very good job of providing funds for ongoing work at USDA, FDA, and the other agencies covered in this bill. It also provides much needed emergency relief for farmers and ranchers suffering from both market loss and natural disasters.

However, I am disappointed that the conference committee could not come to a better conclusion on two highly controversial issues involving trade sanctions and reimportation of prescription drugs.

With regard to the Cuba provision, I would have preferred the Senate language. That language received broad support in this body.

With respect to the reimportation of prescription drugs, I am concerned the language in this report has too many restrictions and may not result in lower drug prices for our seniors, as well as others.

While some of us disagree on the language of these two items, nevertheless this conference report does provide immediate and targeted economic relief to struggling producers. Some producers are receiving the lowest prices for their products in over 20 years.

With respect to the dairy industry, the emergency provisions included in the conference report do not solve the larger problems facing our industry. However, it is an appropriate and vital step in protecting family dairy farmers. I encourage all Senators to support this conference report.

The conference report accompanying the fiscal year 2001 Agriculture appropriations bill provides $78.5 billion in

funding for the operations and programs of the U.S. Department of Agriculture, the Food and Drug Administration and other agencies. This conference report includes much needed emergency relief to assist farmers hurt by economic and weather-related losses. The conference report also includes legislative language regarding food and medicine sanctions and language regarding the reimportation of prescription drugs. I am pleased that the conference committee also accepted a provision that will make it easier for citizens to participate in the federal food stamp program.

From the beginning of this year's appropriation cycle I have been honored to work with the very distinguished Chairman, Senator COCHRAN. The Senator from Mississippi has done an outstanding job of steering this bill through the appropriation process and I believe that with his leadership we have achieved a very fair and balanced conference report.

There are two highly controversial issues relating to this conference report which prevented the House and Senate conferees from moving this bill prior to today. In fact, the FY 2001 Agricultural Appropriations bill was reported by the full Appropriations Committee on May 20, 2000 and was approved by the full Senate on July 20, 2000. With farmers and ranchers struggling with significant market losses and natural disasters, it was my hope that we would have moved this legislation to the President's desk prior to the August recess period.

With regard to the Cuba language, I am disappointed that the conferees did not accept the language that was included in the Senate version of this bill. The language approved by the Senate received broad support and would have created expanded opportunities for Americans to sell food and medicine to Cuba. The provision included in this conference report makes it more difficult for these sales to take place, by preventing U.S. financial institutions from providing financing. The provision also codifies travel restrictions on Americans going to Cuba, making it more difficult for farmers to travel to Cuba to negotiate a sale. Although I do not believe we should be lifting our broader embargo on Cuba until we see democratic reform in Cuba and the end of the repressive Castro regime, in the meantime, I believe that blocking the sale of food and medicine has done little to bring us closer to that goal and has the unintended consequence of harming the very people we want to help.

With regards to the reimportation of prescription drugs, I am extremely disappointed with the process by which the conference provision was developed. We started with a very bipartisan process to develop workable language, but unfortunately, that process was hijacked. Instead, decisions were made in backroom deals behind closed doors. Even when improvements were suggested that would improve the language, they were ignored. This process was a disgrace to the Senate and to our nation's seniors who would benefit far more from a bipartisan process.

American consumers are rightly concerned about the high costs of prescription drugs—especially when compared to prices in other countries. These high costs are forcing America's seniors to often choose between buying food or paying for their medicine bills. America's seniors have footed the bill for the pharmaceutical industry's high profits for far too long.

I believe reimportation could help alleviate the high costs for many seniors, but I am concerned that the language in this conference report has several loopholes that will prevent it from being fully effective. In particular, I am concerned that the sunset provision will have a chilling effect on pharmacists and wholesalers, who may not invest in reimportation because the ability to do so will end in five years. And I am very concerned that drug companies can still keep American prices high by demanding that foreign sellers charge American pharmacists and wholesalers the higher, American-set prices when they reimport drugs. All of these issues, of course, could have been resolved in a bipartisan process.

That said, I am hopeful that the spirit of the reimportation provision—to lower drug prices for American consumers—will become a reality as it is implemented. Let me remind the drug companies in this country that reimportation was overwhelmingly supported in both Houses of Congress. We fully expect drug companies to comply with the intent of the law, and not look for loopholes to continue to inflate their profits.

Most importantly, let me say that while reimportation is an important first step toward helping seniors with high drug prices, make no mistake: this is not a substitute for a Medicare prescription drug benefit. Anyone who claims that reimportation is the answer to the outrageous drug prices seniors face is out of step with reality.

Drug prices are a major problem—but so is coverage. With one-third of seniors lacking any drug coverage at all, it is critical that we pass a Medicare prescription drug benefit as soon as possible.

While some of us may disagree with the outcome on the Cuba sanctions and re-imported drug issues, this conference report does provide immediate and targeted economic relief to struggling farmers and ranchers. In my state of Wisconsin alone, we are losing three dairy farmers a day. While the dairy market loss payments included in this conference report does not solved the larger problems facing our industry, it is an appropriate and vital step necessary to protect our family farmers.

Section 805 of the conference report provides assistance to dairy farmers in an amount equal to 35% of the drop in the price this year from the previous five year average. Let me restate that, ''35%'' of the ''drop'' in price. By contrast, earlier this year the administration proposed a farm emergency package for program crops that would have provided payments to guarantee farmers of certain commodities ''95%'' of the previous 5 year average ''total gross income''.

I cannot overstate the devastation the current dairy price collapse is bringing to family farms all across America. Back home in Wisconsin, the crises is overwhelming. Recently, I received a call from a dairy producer named Tom LaGesse of Bloomer, Wisconsin. Mr. LaGesse informed me that in his small town, located in northwest Wisconsin, five producers within the span of one week went out of business. He also told me that if we do not provide immediate, and direct emergency payments within 60 days, he would be the next producer to go out of business. All too often we hear a lot of talk about saving the family farm but little action. Mr. President, these dairy payments will hopefully save Mr. LaGesse and many, many others like him.

I am aware that producers may have questions regarding the implementation of the dairy payments included in this conference report. That is why I would like to insert into the RECORD the following questions and answers that may address the concerns of producers across the country.

QUESTIONS AND ANSWERS REGARDING EMERGENCY DAIRY PAYMENTS

Question: How soon after the President signs this bill into law can dairy producers expect to receive payments?

Answer: For existing dairy farmers who received Dairy Market Loss Assistance payments earlier this year, payments should go out fairly quickly. New producers who have not previously applied for or received Dairy Market Loss Assistance payments from USDA may wait a little longer.

Question: How will payments be calculated?

Answer: Each producer's payment will be calculated by multiplying their ''eligible'' production by the payment rate. The payment rate equals 35 percent of the decline in the market value of milk in 2000 from the previous five year average. During 1995–99, the market value of all farm milk as reported by USDA was $14.25 per hundredweight. USDA currently projects the all milk price will average $12.40 per hundredweight in 2000, so the projected payment rate would be .35 times $1.85 or about 65-cents per hundredweight.

Eligible production for existing producers who received payments under the earlier program will, in most instances, be their actual milk production marketed in either 1997 or 1998, whichever is higher, up to a limit of 3.9 million pounds. Eligible production for existing producers who received payments under the earlier program, but had no production in 1997 or 1998, will be their actual milk production marketed in 1999 up to a limit of 3.9 million pounds.

Existing producers in either of the above categories who had less than 12 months of production in the base year used to calculate their earlier payments will have the option of substituting their actual production marketed during the 12 months from October 1,

1999, through September 30, 2000, up to a limit of 3.9 million, if it is greater than their base period marketings used for the earlier payments.

Finally, eligible production for new producers who did not receive payments under the earlier programs will be their actual production marketed during the 12 months from October 1, 1999, through September 30, 2000, up to a limit of 3.9 million pounds.

Question: Does a producer have to fill out forms or can they expect to automatically receive their payment?

Answer: The Secretary of Agriculture will decide exactly how to administer the program and what will be required of producers. However, I believe he can automatically pay existing producers who participated in the earlier payment programs and that only those new producers and those few who have the option of updating their base period production should need to fill out new applications.

Question: How much should producers expect to receive?

Answer: First, a producer's payment does not depend directly on the number of cows on the producer's farm but on the producer's eligible production as described above. A producer can estimate his own payment by multiplying his eligible production by the estimated payment rate of 65-cents per hundredweight. An average milk cow produces 17,200 pounds of milk per year. Using this average, producers can expect about $112 per milk cow. A herd of 225 average milk cows will reach the 3.9 million pound limit and receive the maximum payment of about $25,000.

Also included in the conference report is a cranberry relief package that provides assistance to cranberry growers who are suffering with record low prices. This year, my state of Wisconsin will lead the nation in cranberry production. The language in the conference report provides $20 million for direct cash payments to growers and language directing the USDA to purchase $30 million worth of cranberry products.

The cranberry direct payments provision is similar to other market loss assistance provisions in the bill. In order to insure that the funds are equitably distributed in the market place, the provision includes a cap on payments that would be limited to not more than 1.6 million pounds per separate farm unit, regardless of farm ownership.

In recent weeks, the cranberry industry has been working very closely with USDA and the recipients of federal food distribution programs to support purchases of juice concentrate, frozen fruit, or other comparable high-concentration fruit products that will remove the highest quantities of surplus fruit from current inventory. The industry and USDA is working to ensure a nutritious and easy to use product available for the recipients of federal food distribution programs. I appreciate the close cooperation of the Department on this and urge them to move quickly to address this disastrous surplus situation through additional purchases of products containing high concentrations of cranberry products provided for in the bill.

I close by reminding my colleagues that I support the conference report. I also express my sincere appreciation to Senator COCHRAN for his leadership, his fairness, and expertise in the many programs and accounts included in this bill. I thank Senator COCHRAN's subcommittee staff for all their work on this conference report. I urge all Senators to join me in support of this important conference report.

I thank the Chair, and I yield the floor.

Mr. COCHRAN. Mr. President, what is the status of the time and the allocation between both sides?

The PRESIDING OFFICER. The Senator from Mississippi has 10 1/2 minutes, and the Senator from Wisconsin has 2 minutes 50 seconds.

Mr. COCHRAN. Mr. President, I appreciate very much the comments that have been made by a number of Senators about the development of this legislation and the efforts we have made to negotiate an agreement with the House and bring back this conference report for final consideration by the Senate today.

There have been some statements made on the floor today that I think require a response. There was some singling out of individual research projects by the distinguished Senator from Arizona as if these were pork barrel projects. One response has already been made, and that was by the distinguished Senator from Alabama as he talked about some of the specialty crops and specific agricultural and aquacultural activities in his State. He explained the importance of ongoing research initiatives that will help improve the opportunities for agricultural producers to grow those crops and engage in those agricultural and aquacultural pursuits, and to do so profitably, helping to guarantee safe and wholesome supplies of food and food products for people in that State and throughout the country.

We have had a very difficult time in agriculture this year, and because of research, we are able to overcome some of those difficulties and provide hope that in these areas of particular stress in agriculture and aquaculture, we will be able to offer better days in the future.

A considerable attempt and a determined attempt is made in this legislation to identify ways to help improve the opportunities for U.S. agricultural producers to stay in business, to deal with the problems of drought, of infestation of insects and pests, to deal with the problems of weeds and other threats to efficient operation and production of our agricultural lands.

There is nothing wrong with the Government providing Federal funds to help identify better ways of dealing with these problems in agriculture.

One other comment that particularly distresses me is the emphasis on criticizing the existing farm bill as if it is the reason farmers are having such a difficult time.

I recall several years ago when we first realized that in the Asian economies they were getting to the point where they were no longer able to import from our country agricultural commodities in the quantities that they had in the past because of the economic crisis. Particularly countries such as Korea, Japan, and other Asian economies were suffering—the so-called ''tiger economies'' of Southeast Asia. And to hear today a statement that for several years in a row we have had to adopt agricultural disaster and economic assistance programs because of the Freedom to Farm Act. Have Senators forgotten some of the problems that our agricultural producers and exporters have had to overcome that had absolutely nothing to do with the Freedom to Farm Act but everything to do with a worldwide economic crisis? That is the main problem that agriculture had in the first 2 years of this existing farm bill.

To hear some Senators today indicting, again, the Freedom to Farm bill for the results of this year's drought is another new stretch of the imagination and credibility of this institution. Senators know enough not to believe that.

The Senator from Alabama was pointing out how in his State the drought problems are the worst in memory—and not just this year but add to the problems that occurred last year—and you understand how serious, how desperate the situation is in agriculture in Alabama this year, to cite one example. It has nothing to do with the Freedom to Farm Act.

Many worked very hard to craft the farm bill of 1996, Democrats and Republicans in the Senate and in the House—of course, it was not unanimous. But they worked hard to develop the best possible legislation under which we could provide support and rules under which the Federal Government could make available incentives for production agriculture, stabilize prices, and have a predictable level of support from the Federal Government. The bill attempts to avoid the ups and downs, the whims, of one administration or the other, the vicissitudes of a Congress that is unpredictable at best on these matters. The bill prescribed well in advance, over a period of years, the level of assistance for commodity producers that were eligible for benefits—that was the result of that negotiation in the legislation that was produced.

And now to lay it all off on that, as if that is the reason for these difficulties, to me, goes too far and deserves a response. It ought to have a response. I am pointing out at least two instances where that indictment and that criticism is just not accurate, it is not supported by the facts, and it has nothing whatsoever to do with this legislation.

This legislation includes, however, $3.6 billion in additional assistance of an emergency nature to try to assist those who have had difficulties this year over and above those that were expected. Because of findings made by the Senate and the House and the administration, this justifies emergency

funding, and it is included in this legislation.

So I am hopeful and I am confident that the Senate is going to recognize the legitimacy and the importance of adopting this conference report. It reflects a lot of hard work by members of our appropriations subcommittee that developed the legislation, working in a bipartisan fashion, and working with our colleagues in the other body after our bill was passed and we negotiated this conference report with them, to come up with the best possible work product under the circumstances that we find ourselves today.

But no matter how much money we appropriate for research, for disaster assistance, for export assistance, trying to help stimulate our sales in overseas markets, we cannot solve all the problems of agriculture by the passage of this one bill. Everybody knows that. But it is a major and important step, and it will benefit a lot of American agricultural producers.

There is also more in this bill than just production agriculture assistance, but it is an important aspect of this legislation. This is a $78 billion bill. Nearly $40 billion of the funds relates to agriculture, landowner assistance, research to try to help do the things you have to do to maintain efficiency, understand the new technologies, translate the research from the laboratory to the farm through extension programs so that we have the finest, the most efficient, the most dependable agricultural sector in the world. This bill achieves those goals.

We also, at the same time, provide food safety programs, an inspection service that is fully funded, a food safety initiative that is fully funded at the request of the administration, to make sure that we have a wholesome supply of food, and it is fit for consumption by Americans, and it is reasonably priced.

We achieve that goal in this legislation. There are many in our country who do not have the benefit of high incomes. We have low-income people who live in poverty areas who need food assistance. This legislation includes school lunch program and school breakfast program funding. It includes Women, Infants, and Children Program funding, Food Stamp Program funding, assistance to soup kitchens, to those who use surplus commodities to provide lunches and meals for people who cannot afford food, so that we do not have people who are out of work and out of food. This legislation provides that important benefit as well.

So, on balance, this is a good bill. It deserves the support of the Senate. I hope all Senators will support it.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KOHL. Mr. President, I yield our time.

Mr. COCHRAN. Mr. President, I ask for the yeas and nays on the conference report.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be.

The question is on agreeing to the conference report. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) and the Senator from Minnesota (Mr. GRAMS) are necessarily absent.

Mr. REID. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from California (Mrs. FEINSTEIN), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Connecticut (Mr. LIEBERMAN) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 86, nays 8, as follows:

[Rollcall Vote No. 277 Leg.]

YEAS—86

Abraham	Edwards	McConnell
Akaka	Enzi	Mikulski
Ashcroft	Fitzgerald	Miller
Baucus	Frist	Moynihan
Bayh	Gorton	Murkowski
Bennett	Graham	Murray
Bingaman	Grassley	Reed
Bond	Gregg	Reid
Boxer	Hagel	Robb
Breaux	Harkin	Roberts
Brownback	Hatch	Rockefeller
Bryan	Hollings	Roth
Bunning	Hutchinson	Santorum
Burns	Hutchison	Sarbanes
Byrd	Inhofe	Schumer
Campbell	Inouye	Sessions
Chafee, L.	Jeffords	Shelby
Cleland	Johnson	Smith (OR)
Cochran	Kerrey	Snowe
Collins	Kerry	Specter
Conrad	Kohl	Stevens
Craig	Landrieu	Thomas
Crapo	Lautenberg	Thompson
Daschle	Leahy	Thurmond
DeWine	Levin	Torricelli
Dodd	Lincoln	Warner
Domenici	Lott	Wellstone
Dorgan	Lugar	Wyden
Durbin	Mack	

NAYS—8

Allard	Kyl	Smith (NH)
Feingold	McCain	Voinovich
Gramm	Nickles	

NOT VOTING—6

Biden	Grams	Kennedy
Feinstein	Helms	Lieberman

The conference report was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

MORNING BUSINESS

Mr. COCHRAN. Mr. President, I ask unanimous consent that there be a period for morning business with Senators permitted to speak therein for up to 10 minutes each.

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

MEMORIAL TRIBUTE TO FREDERICK HART BY REVEREND STEPHEN HAPPEL

Mr. THURMOND. Mr. President, it was only a little over a year ago when this nation lost one of the most inspiring, talented sculptors of the 20th century. Frederick Hart's passionate spirituality and his extraordinary ability to transform human emotions into physical elements were reflected throughout his works of art, and his tragic death has left a tremendous void. I know that I convey the thoughts of all who had the privilege of knowing Rick as I again extend my condolences to his wife, Lindy, and their two sons, Lain and Alexander.

On October 6, 2000, Reverend Doctor Stephen Happel, Dean of the School of Religious Studies at Catholic University, paid tribute to Frederick Hart at a memorial service held in his honor at the Washington National Cathedral. Dr. Happel's poignant remarks are a testimony to a man who embraced the complexity of God and art, and I ask unanimous consent that his remarks be printed in the RECORD.

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

THE CATHEDRAL YEARS

(Remarks of Stephen Happel, Memorial for Frederick Hart, National Cathedral, 6 October 2000)

''We have seen that without the involution of matter upon itself, that is to say, without the closed chemistry of molecules, cells and phyletic branches, there would never have been either biosphere of noosphere. In their advent and their development, life and thought are not only accidentally, but also structurally, bound up with the contours and destiny of the terrestrial mass,'' (P. Teilhard de Chardin, The Phenomenon of Man [New York: Harper Torchbook, 1961], 273). ''The term of creation is not to be sought in the temporal zones of our visible world, but . . . the effort required of our fidelity must be consummated beyond a total metamorphosis of ourselves and of everything surrounding us.'' (P. Teilhard de Chardin, The Divine Milieu [New York: Harper & Row, 1960], 78). The evolution of everything cannot fulfill itself on earth except through reaching for something, someone outside itself. In doing so, literally everything is transformed.

These quotations from the Teihard de Chardin's Phenomenon of Man and The Divine Milieu were the human milieu that I found when I walked into Frederick Hart's life in 1973–74. He had joined an Inquiry Class at St. Matthew's Cathedral during a particularly difficult time in his life. Inquiry classes are traditional Catholic ways for people investigating new knowledge and spiritual meaning. Rick was living in his studio, a garage on P St with a bedroom attached, his first plan for the facade of the Cathedral rejected (along with all the other sculptors). He was looking for a comprehensive vision in which his own work could struggle to be born. Or better, his artistic work struggled to evolve and create a world, an environment