

bill, as amended, be read the third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD.

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

The bill (S. 1762), as amended, was read the third time and passed as follows:

S. 1762

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Watershed Rehabilitation Act of 2000".

#### SEC. 2. REHABILITATION OF WATER RESOURCE STRUCTURAL MEASURES CONSTRUCTED UNDER CERTAIN DEPARTMENT OF AGRICULTURE PROGRAMS.

The Watershed Protection and Flood Prevention Act (16 U.S.C. 1001 et seq.) is amended by adding at the end the following new section:

#### "SEC. 14. REHABILITATION OF STRUCTURAL MEASURES NEAR, AT, OR PAST THEIR EVALUATED LIFE EXPECTANCY.

"(a) DEFINITIONS.—For purposes of this section:

"(1) REHABILITATION.—The term 'rehabilitation', with respect to a structural measure constructed as part of a covered water resource project, means the completion of all work necessary to extend the service life of the structural measure and meet applicable safety and performance standards. This may include (A) protecting the integrity of the structural measure, or prolonging the useful life of the structural measure, beyond the original evaluated life expectancy, (B) correcting damage to the structural measure from a catastrophic event, (C) correcting the deterioration of structural components that are deteriorating at an abnormal rate, (D) upgrading the structural measure to meet changed land use conditions in the watershed served by the structural measure or changed safety criteria applicable to the structural measure, or (E) decommissioning the structural measure, including removal or breaching.

"(2) COVERED WATER RESOURCE PROJECT.—The term 'covered water resource project' means a work of improvement carried out under any of the following:

"(A) This Act.

"(B) Section 13 of the Act of December 22, 1944 (Public Law 78-534; 58 Stat. 905).

"(C) The pilot watershed program authorized under the heading 'FLOOD PREVENTION' of the Department of Agriculture Appropriation Act, 1954 (Public Law 156; 67 Stat. 214).

"(D) Subtitle H of title XV of the Agriculture and Food Act of 1981 (16 U.S.C. 3451 et seq.; commonly known as the Resource Conservation and Development Program).

"(3) ELIGIBLE LOCAL ORGANIZATION.—The term 'eligible local organization' means a local organization or appropriate State agency responsible for the operation and maintenance of structural measures constructed as part of a covered water resource project.

"(4) STRUCTURAL MEASURE.—The term 'structural measure' means a physical improvement that impounds water, commonly known as a dam, which was constructed as part of a covered water resource project.

"(b) COST SHARE ASSISTANCE FOR REHABILITATION.—

"(1) ASSISTANCE AUTHORIZED.—The Secretary may provide financial assistance to an eligible local organization to cover a portion of the total costs incurred for the reha-

bilitation of structural measures originally constructed as part of a covered water resource project. The total costs of rehabilitation include the costs associated with all components of the rehabilitation project, including acquisition of land, easements, and rights-of-ways, rehabilitation project administration, the provision of technical assistance, contracting, and construction costs, except that the local organization shall be responsible for securing all land, easements, or rights-of-ways necessary for the project.

"(2) AMOUNT OF ASSISTANCE; LIMITATIONS.—The amount of Federal funds that may be made available under this subsection to an eligible local organization for construction of a particular rehabilitation project shall be equal to 65 percent of the total rehabilitation costs, but not to exceed 100 percent of actual construction costs incurred in the rehabilitation. However, the local organization shall be responsible for the costs of water, mineral, and other resource rights and all Federal, State, and local permits.

"(3) RELATION TO LAND USE AND DEVELOPMENT REGULATIONS.—As a condition on entering into an agreement to provide financial assistance under this subsection, the Secretary, working in concert with the eligible local organization, may require that proper zoning or other developmental regulations are in place in the watershed in which the structural measures to be rehabilitated under the agreement are located so that—

"(A) the completed rehabilitation project is not quickly rendered inadequate by additional development; and

"(B) society can realize the full benefits of the rehabilitation investment.

"(c) TECHNICAL ASSISTANCE FOR WATERSHED PROJECT REHABILITATION.—The Secretary, acting through the Natural Resources Conservation Service, may provide technical assistance in planning, designing, and implementing rehabilitation projects should an eligible local organization request such assistance. Such assistance may consist of specialists in such fields as engineering, geology, soils, agronomy, biology, hydraulics, hydrology, economics, water quality, and contract administration.

"(d) PROHIBITED USE.—

"(1) PERFORMANCE OF OPERATION AND MAINTENANCE.—Rehabilitation assistance provided under this section may not be used to perform operation and maintenance activities specified in the agreement for the covered water resource project entered into between the Secretary and the eligible local organization responsible for the works of improvement. Such operation and maintenance activities shall remain the responsibility of the local organization, as provided in the project work plan.

"(2) RENEGOTIATION.—Notwithstanding paragraph (1), as part of the provision of financial assistance under subsection (b), the Secretary may renegotiate the original agreement for the covered water resource project entered into between the Secretary and the eligible local organization regarding responsibility for the operation and maintenance of the project when the rehabilitation is finished.

"(e) APPLICATION FOR REHABILITATION ASSISTANCE.—An eligible local organization may apply to the Secretary for technical and financial assistance under this section if the application has also been submitted to and approved by the State agency having supervisory responsibility over the covered water resource project at issue or, if there is no State agency having such responsibility, by the Governor of the State. The Secretary shall request the State dam safety officer (or equivalent State official) to be involved in the application process if State permits or approvals are required. The rehabilitation of

structural measures shall meet standards established by the Secretary and address other dam safety issues. At the request of the eligible local organization, personnel of the Natural Resources Conservation Service of the Department of Agriculture may assist in preparing applications for assistance.

"(f) JUSTIFICATION FOR REHABILITATION ASSISTANCE.—In order to qualify for technical or financial assistance under this authority, the Secretary shall require the rehabilitation project to be performed in the most cost-effective manner that accomplishes the rehabilitation objective. Since the requirements for accomplishing the rehabilitation are generally for public health and safety reasons, in many instances being mandated by other State or Federal laws, a benefit-cost ratio greater than 1 shall not be required. The benefits of and the requirements for the rehabilitation project shall be documented to ensure the wise and responsible use of Federal funds.

"(g) RANKING OF REQUESTS FOR REHABILITATION ASSISTANCE.—The Secretary shall establish such system of approving rehabilitation requests, recognizing that such requests will be received throughout the fiscal year and subject to the availability of funds to carry out this section, as is necessary for proper administration by the Department of Agriculture and equitable for all eligible local organizations. The approval process shall be in writing, and made known to all eligible local organizations and appropriate State agencies. In establishing a system of approving rehabilitation requests, the Secretary shall give requests made by eligible local organizations for decommissioning as the form of rehabilitation the same priority as requests made by eligible local organizations for other forms of rehabilitation.

"(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to provide financial and technical assistance under this section—

"(1) \$10,000,000 for fiscal year 2001;

"(2) \$10,000,000 for fiscal year 2002;

"(3) \$15,000,000 for fiscal year 2003;

"(4) \$25,000,000 for fiscal year 2004; and

"(5) \$35,000,000 for fiscal year 2005.

"(i) ASSESSMENT OF REHABILITATION NEEDS.—Of the amount appropriated pursuant to subsection (h) for fiscal years 2001 and 2002, \$5,000,000 shall be used by the Secretary, in concert with the responsible State agencies, to conduct an assessment of the rehabilitation needs of covered water resource projects in all States in which such projects are located.

"(j) RECORDKEEPING AND REPORTS.—

"(1) SECRETARY.—The Secretary shall maintain a data base to track the benefits derived from rehabilitation projects supported under this section and the expenditures made under this section. On the basis of such data and the reports submitted under paragraph (2), the Secretary shall prepare and submit to Congress an annual report providing the status of activities conducted under this section.

"(2) GRANT RECIPIENTS.—Not later than 90 days after the completion of a specific rehabilitation project for which assistance is provided under this section, the eligible local organization that received the assistance shall make a report to the Secretary giving the status of any rehabilitation effort undertaken using financial assistance provided under this section."

#### UNITED STATES GRAIN STANDARDS ACT AMENDMENTS

Mr. SMITH of New Hampshire. Mr. President, I ask unanimous consent that the Chair lay before the Senate a

message from the House to accompany H.R. 4788.

There being no objection, the Presiding Officer laid before the Senate the following message from the House of Representatives:

*Resolved*, That the House agree to the amendment of the Senate to the bill (H.R. 4788) entitled "An Act to amend the United States Grain Standards Act to extend the authority of the Secretary of Agriculture to collect fees to cover the cost of services performed under that Act, extend the authorization of appropriations for that Act, and improve the administration of that Act, to reenact the United States Warehouse Act to require the licensing and inspection of warehouses used to store agricultural products and provide for the issuance of receipts, including electronic receipts, for agricultural products stored or handled in licensed warehouses, and for other purposes", with the following House amendment to Senate amendment:

At the end of the matter proposed to be inserted by the Senate amendment, add the following new sections:

#### **SEC. 311. COTTON FUTURES.**

Subsection (d)(2) of the United States Cotton Futures Act (7 U.S.C. 15b(d)(2)) is amended by adding at the end the following: "A person complying with the preceding sentence shall not be liable for any loss or damage arising or resulting from such compliance."

#### **SEC. 312. IMPROVED INVESTIGATIVE AND ENFORCEMENT ACTIVITIES UNDER THE PACKERS AND STOCKYARDS ACT, 1921.**

(a) **IMPLEMENTATION OF GENERAL ACCOUNTING OFFICE RECOMMENDATIONS.**—Not later than 1 year after the date of the enactment of this Act, the Secretary of Agriculture shall implement the recommendations contained in the report issued by the General Accounting Office entitled "Packers and Stockyards Programs: Actions Needed to Improve Investigations of Competitive Practices", GAO/RCED-00-242, dated September 21, 2000.

(b) **CONSULTATION.**—During the implementation period referred to in subsection (a), and for such an additional time period as needed to assure effective implementation of the recommendations contained in the report referred to in such subsection, the Secretary of Agriculture shall consult and work with the Department of Justice and the Federal Trade Commission in order to—

(1) implement the recommendations in the report regarding investigation management, operations, and case methods development processes; and

(2) effectively identify and investigate complaints of unfair and anti-competitive practices in violation of the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et seq.), and enforce the Act.

(c) **TRAINING.**—Not later than 1 year after the date of the enactment of this Act, the Secretary of Agriculture shall develop and implement a training program for staff of the Department of Agriculture engaged in the investigation of complaints of unfair and anti-competitive activity in violation of the Packers and Stockyards Act, 1921. In developing the training program, the Secretary of Agriculture shall draw on existing training materials and programs available at the Department of Justice and the Federal Trade Commission, to the extent practicable.

(d) **IMPLEMENTATION REPORT.**—Not later than 1 year after the date of the enactment of this Act, the Secretary of Agriculture shall submit to Congress a report describing the actions taken to comply with this section.

(e) **ANNUAL ASSESSMENT OF CATTLE AND HOG INDUSTRIES.**—Title IV of the Packers and Stockyards Act, 1921, is amended—

(1) by redesignating section 415 (7 U.S.C. 229) as section 416; and

(2) by inserting after section 414 the following:

#### **"SEC. 415. ANNUAL ASSESSMENT OF CATTLE AND HOG INDUSTRIES.**

"Not later than March 1 of each year, the Secretary shall submit to Congress and make publicly available a report that—

"(1) assesses the general economic state of the cattle and hog industries;

"(2) describes changing business practices in those industries; and

"(3) identifies market operations or activities in those industries that appear to raise concerns under this Act."

#### **SEC. 313. REHABILITATION OF WATER RESOURCE STRUCTURAL MEASURES CONSTRUCTED UNDER CERTAIN DEPARTMENT OF AGRICULTURE PROGRAMS.**

The Watershed Protection and Flood Prevention Act (16 U.S.C. 1001 et seq.) is amended by adding at the end the following new section:

#### **"SEC. 14. REHABILITATION OF STRUCTURAL MEASURES NEAR, AT, OR PAST THEIR EVALUATED LIFE EXPECTANCY.**

"(a) **DEFINITIONS.**—For purposes of this section:

"(1) **REHABILITATION.**—The term 'rehabilitation', with respect to a structural measure constructed as part of a covered water resource project, means the completion of all work necessary to extend the service life of the structural measure and meet applicable safety and performance standards. This may include: (A) protecting the integrity of the structural measure or prolonging the useful life of the structural measure beyond the original evaluated life expectancy; (B) correcting damage to the structural measure from a catastrophic event; (C) correcting the deterioration of structural components that are deteriorating at an abnormal rate; (D) upgrading the structural measure to meet changed land use conditions in the watershed served by the structural measure or changed safety criteria applicable to the structural measure; or (E) decommissioning the structure, if requested by the local organization.

"(2) **COVERED WATER RESOURCE PROJECT.**—The term 'covered water resource project' means a work of improvement carried out under any of the following:

"(A) This Act.

"(B) Section 13 of the Act of December 22, 1944 (Public Law 78-534; 58 Stat. 905).

"(C) The pilot watershed program authorized under the heading 'FLOOD PREVENTION' of the Department of Agriculture Appropriation Act, 1954 (Public Law 156; 67 Stat. 214).

"(D) Subtitle H of title XV of the Agriculture and Food Act of 1981 (16 U.S.C. 3451 et seq.; commonly known as the Resource Conservation and Development Program).

"(3) **STRUCTURAL MEASURE.**—The term 'structural measure' means a physical improvement that impounds water, commonly known as a dam, which was constructed as part of a covered water resource project, including the impoundment area and flood pool.

"(b) **COST SHARE ASSISTANCE FOR REHABILITATION.**—

"(1) **ASSISTANCE AUTHORIZED.**—The Secretary may provide financial assistance to a local organization to cover a portion of the total costs incurred for the rehabilitation of structural measures originally constructed as part of a covered water resource project. The total costs of rehabilitation include the costs associated with all components of the rehabilitation project, including acquisition of land, easements, and rights-of-ways, rehabilitation project administration, the provision of technical assistance, contracting, and construction costs, except that the local organization shall be responsible for securing all land, easements, or rights-of-ways necessary for the project.

"(2) **AMOUNT OF ASSISTANCE; LIMITATIONS.**—The amount of Federal funds that may be made available under this subsection to a local orga-

nization for construction of a particular rehabilitation project shall be equal to 65 percent of the total rehabilitation costs, but not to exceed 100 percent of actual construction costs incurred in the rehabilitation. However, the local organization shall be responsible for the costs of water, mineral, and other resource rights and all Federal, State, and local permits.

"(3) **RELATION TO LAND USE AND DEVELOPMENT REGULATIONS.**—As a condition on entering into an agreement to provide financial assistance under this subsection, the Secretary, working in concert with the affected unit or units of general purpose local government, may require that proper zoning or other developmental regulations are in place in the watershed in which the structural measures to be rehabilitated under the agreement are located so that—

"(A) the completed rehabilitation project is not quickly rendered inadequate by additional development; and

"(B) society can realize the full benefits of the rehabilitation investment.

"(c) **TECHNICAL ASSISTANCE FOR WATERSHED PROJECT REHABILITATION.**—The Secretary, acting through the Natural Resources Conservation Service, may provide technical assistance in planning, designing, and implementing rehabilitation projects should a local organization request such assistance. Such assistance may consist of specialists in such fields as engineering, geology, soils, agronomy, biology, hydraulics, hydrology, economics, water quality, and contract administration.

"(d) **PROHIBITED USE.**—

"(1) **PERFORMANCE OF OPERATION AND MAINTENANCE.**—Rehabilitation assistance provided under this section may not be used to perform operation and maintenance activities specified in the agreement for the covered water resource project entered into between the Secretary and the local organization responsible for the works of improvement. Such operation and maintenance activities shall remain the responsibility of the local organization, as provided in the project work plan.

"(2) **RENEGOTIATION.**—Notwithstanding paragraph (1), as part of the provision of financial assistance under subsection (b), the Secretary may renegotiate the original agreement for the covered water resource project entered into between the Secretary and the local organization regarding responsibility for the operation and maintenance of the project when the rehabilitation is finished.

"(e) **APPLICATION FOR REHABILITATION ASSISTANCE.**—A local organization may apply to the Secretary for technical and financial assistance under this section if the application has also been submitted to and approved by the State agency having supervisory responsibility over the covered water resource project at issue or, if there is no State agency having such responsibility, by the Governor of the State. The Secretary shall request the State dam safety officer (or equivalent State official) to be involved in the application process if State permits or approvals are required. The rehabilitation of structural measures shall meet standards established by the Secretary and address other dam safety issues. At the request of the local organization, personnel of the Natural Resources Conservation Service of the Department of Agriculture may assist in preparing applications for assistance.

"(f) **RANKING OF REQUESTS FOR REHABILITATION ASSISTANCE.**—The Secretary shall establish such system of approving rehabilitation requests, recognizing that such requests will be received throughout the fiscal year and subject to the availability of funds to carry out this section, as is necessary for proper administration by the Department of Agriculture and equitable for all local organizations. The approval process shall be in writing, and made known to all local organizations and appropriate State agencies.

“(g) PROHIBITION ON CERTAIN REHABILITATION ASSISTANCE.—The Secretary may not approve a rehabilitation request if the need for rehabilitation of the structure is the result of a lack of adequate maintenance by the party responsible for the maintenance.

“(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to provide financial and technical assistance under this section—

- “(1) \$5,000,000 for fiscal year 2001;
- “(2) \$10,000,000 for fiscal year 2002;
- “(3) \$15,000,000 for fiscal year 2003;
- “(4) \$25,000,000 for fiscal year 2004; and
- “(5) \$35,000,000 for fiscal year 2005.

“(i) ASSESSMENT OF REHABILITATION NEEDS.—The Secretary, in concert with the responsible State agencies, shall conduct an assessment of the rehabilitation needs of covered water resource projects in all States in which such projects are located.

“(j) RECORDKEEPING AND REPORTS.—

“(1) SECRETARY.—The Secretary shall maintain a data base to track the benefits derived from rehabilitation projects supported under this section and the expenditures made under this section. On the basis of such data and the reports submitted under paragraph (2), the Secretary shall prepare and submit to Congress an annual report providing the status of activities conducted under this section.

“(2) GRANT RECIPIENTS.—Not later than 90 days after the completion of a specific rehabilitation project for which assistance is provided under this section, the local organization that received the assistance shall make a report to the Secretary giving the status of any rehabilitation effort undertaken using financial assistance provided under this section.”.

**SEC. 314. RELEASE OF REVERSIONARY INTEREST AND CONVEYANCE OF MINERAL RIGHTS IN FORMER FEDERAL LAND IN SUMTER COUNTY, SOUTH CAROLINA.**

(a) FINDINGS.—Congress finds the following:

(1) The hiking trail known as the Palmetto Trail traverses the Manchester State Forest in Sumter County, South Carolina, which is owned by the South Carolina State Commission of Forestry on behalf of the State of South Carolina.

(2) The Commission seeks to widen the Palmetto Trail by acquiring a corridor of land along the northeastern border of the trail from the Anne Marie Carton Boardman Trust in exchange for a tract of former Federal land now owned by the Commission.

(3) At the time of the conveyance of the former Federal land to the Commission in 1955, the United States retained a reversionary interest in the land, which now prevents the land exchange from being completed.

(b) RELEASE OF REVERSIONARY INTEREST.—

(1) RELEASE REQUIRED.—In the case of the tract of land identified as Tract 3 on the map numbered 161-DI and further described in paragraph (2), the Secretary of Agriculture shall release the reversionary interest of the United States in the land that—

(A) requires that the land be used for public purposes; and

(B) is contained in the deed conveying the land from the United States to the South Carolina State Commission of Forestry, dated June 28, 1955, and recorded in Deed Drawer No. 6 of the Clerk of Court for Sumter County, South Carolina.

(2) MAP OF TRACT 3.—Tract 3 is generally depicted on the map numbered 161-DI, entitled “Boundary Survey for South Carolina Forestry Commission”, dated August 1998, and filed, together with a legal description of the tract, with the South Carolina State Commission of Forestry.

(3) CONSIDERATION.—As consideration for the release of the reversionary interest under paragraph (1), the State of South Carolina shall transfer to the United States a vested future interest, similar to the restriction described in

paragraph (1)(A), in the tract of land identified as Parcel G on the map numbered 225-HI, entitled “South Carolina Forestry Commission Boardman Land Exchange”, dated June 9, 1999, and filed, together with a legal description of the tract, with the South Carolina State Commission of Forestry.

(c) EXCHANGE OF MINERAL RIGHTS.—

(1) EXCHANGE REQUIRED.—Subject to any valid existing rights of third parties, the Secretary of the Interior shall convey to the South Carolina State Commission of Forestry on behalf of the State of South Carolina all of the undivided mineral rights of the United States in the Tract 3 identified in subsection (b)(1) in exchange for mineral rights of equal value held by the State of South Carolina in the Parcel G identified in subsection (b)(3) as well as in Parcels E and F owned by the State and also depicted on the map referred to in subsection (b)(3).

(2) DETERMINATION OF MINERAL CHARACTER.—Not later than 90 days after the date of the enactment of this Act, the Secretary of the Interior shall determine—

(A) the mineral character of Tract 3 and Parcels E, F, and G; and

(B) the fair market value of the mineral interests.

**SEC. 315. TECHNICAL CORRECTION REGARDING RESTORATION OF ELIGIBILITY FOR CROP LOSS ASSISTANCE.**

Section 259 of the Agricultural Risk Protection Act of 2000 (Public Law 106-224; 114 Stat. 426; 7 U.S.C. 1421 note) is amended by adding at the end the following:

“(c) COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this section.”.

**SEC. 316. PORK CHECKOFF REFERENDUM.**

Notwithstanding section 1620(c)(3)(B)(iv) of the Pork Promotion, Research, and Consumer Information Act of 1985 (7 U.S.C. 4809(c)(3)(B)(iv)), the Secretary shall use funds of the Commodity Credit Corporation to pay for all expenses associated with the pork checkoff referendum ordered by the Secretary on February 25, 2000.

Mr. SMITH of New Hampshire. Mr. President, I ask unanimous consent that the Senate agree to the amendment of the House.

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

**REAUTHORIZING AUTHORITY FOR THE SECRETARY OF AGRICULTURE TO PAY COSTS OF REMOVING COMMODITIES POSING HEALTH AND SAFETY RISKS**

Mr. SMITH of New Hampshire. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of S. 3230, introduced earlier today by Senators LUGAR and HARKIN.

The PRESIDING OFFICER. The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 3230) to reauthorize the authority for the Secretary of Agriculture to pay costs associated with removal of commodities that pose a health or safety risk and to make adjustments to certain child nutrition programs.

There being no objection, the Senate proceeded to consider the bill.

**GRAIN STANDARDS REAUTHORIZATION**

Mr. HARKIN. The Grain Standards Act contains the Small Watershed Re-

habilitation Amendments of 2000, legislation that enables the Natural Resources Conservation Service (NRCS) to provide cost-share money for local sponsors to rehabilitate dams that were built with funding from the U.S. Department of Agriculture. Before approving a project, NRCS will examine all options, including correcting damage or deterioration of the structure, upgrading the structural measure to meet changed land use conditions or safety needs within the watershed, and decommissioning the structure. Let me ask you, Mr. Chairman, is it your understanding that even though NRCS must fully evaluate every reasonable option, if a local sponsor does not wish to choose decommissioning the local sponsor can reject that option if NRCS presents it?

Mr. LUGAR. Yes. As with any of options for rehabilitation, the local sponsor can reject NRCS' offer to provide cost-share for a particular project. also, NRCS is never required to fund a project that it believes is not justified.

Mr. HARKIN. Mr. President, I recognize that this Act is silent on the requirements of a formal cost-benefit analysis. I would like to ask you, Mr. Chairman, if it is your understanding that each project should be completed using the most-effective option possible that also has the fewest environmental costs, including the options of voluntary buy-outs of at-risk structures, wetland restoration, dam decommissioning, and dam removal?

Mr. LUGAR. Yes. Although the bill is silent on cost-benefit analysis, it is expected that NRCS will follow its normal procedures including following the “Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies.” As part of being fiscally and environmentally responsible, NRCS should look for the most cost-effective solution with the best feasible environmental results. Further, NRCS should not fund a project if the local sponsor insists on a form of rehabilitation that does not meet these standards.

Mr. HARKIN. Under this Act, the Secretary will establish a system of approving rehabilitation requests. As part of this process, Mr. Chairman, is it correct that NRCS should give equal priority to local sponsors projects regardless of the form of rehabilitation requested?

Mr. LUGAR. Yes. The system NRCS establishes for approving a rehabilitation project should not rank projects based on the local sponsor's choice of rehabilitation, as defined in the bill.

Mr. HARKIN. The Senate has passed a substantially similar version of the Act. When the bill was reported by the Senate Agriculture Committee our report embodied the Committee's understanding of how the provisions of the bill should be carried out. Mr. Chairman, does that report still embody our understanding of the interpretation of the Small Watershed Rehabilitation Amendments of 2000?