

the very people about whom I speak: the bankers, chemical and fertilizer dealers, repair shops, and the landlords. In fact, a lot of that money went to farmers who didn't even plant a crop last year. Tell me if that makes sense.

The bailout packages we have had over the last couple of years have been bailouts for the Freedom to Farm bill and not for our farmers. That was a record amount of money we sent out last year. What did it get us? Is the farm economy any healthier? No.

USDA tells us if we don't pass an emergency package again this year, net farm income is going to fall by 17 percent compared to last year. Tell me what farmer can afford to take another 17-percent cut. That is net farming; that is not gross. That is what they used to clothe and feed their families and buy some new equipment, pay the mortgage, and hopefully set aside a little bit for the children to go to college.

So it looks as if we will have to come up with another emergency package again this year. That is not a farm program. That is not a farm bill. That is lurching from one emergency to the next. Again, our farmers are the victims.

I was hopeful that this year we could have some hearings and a debate on the Freedom to Farm bill to see what changes we could make in it to get to a rational system of farm supports, a farm program combining conservation, storage payments, better loan rates, some shorter term set-aside programs, so we would have a balanced package, the prices at the farmgate would be higher, so the farmers could get their money from the marketplace and not from a Government paycheck. That is the debate we need. Yet that debate is not going to happen this year. We are not going to have the hearings, and we will not have the debate.

Quite frankly, the frustration felt by most of these farm families is going to continue to fester and grow. I think we will see even more frustration in rural America because we lack the will and, quite frankly, we lack the leadership to redress the failed Freedom to Farm bill.

I compliment the Senator from Minnesota for his sense-of-the-Senate resolution. I believe the farm families who took money out of their own pockets, which they could ill afford to do—they got on buses; they came here and endured rain and cold weather, slogging around in mud and water to make their case known to Congress, exercising their first amendment rights to petition their Government—did what is in the best tradition of America. I hope their voices and the frustration we heard will not go unheeded. I hope we can understand that we have an obligation in this body and in the other body to address the plight of what is happening in rural America today.

I come from a small town of 150 people. I remember growing up as a child when we had an elevator, we had a grocery store, a hardware store, and a

small implement dealer. They are all gone now. They are all gone. I am not saying we have to save every town of 150 people. But it is not only those towns. It is those towns of 2,000, 3,000, or 5,000 people that are also going under, because I believe we don't have an adequate farm program that will enable our farmers to get a better price in the marketplace.

Again, I support this resolution. I commend the farmers who came here. I hope and trust we can hear their plea and do something about changing the failed Freedom to Farm bill.

I also wish to say I hope after this vote at 11 o'clock we can have a resounding vote in support of the crop insurance bill that is before us. We need to fix the Crop Insurance Program.

I commend Senator ROBERTS from Kansas and Senator KERREY from Nebraska for their leadership in this area.

The Crop Insurance Program needs to be changed. We put \$6 billion in the budget last year for that. I believe it will be a very strong part of helping farmers get through some of these tough times that we have right now. It is not the answer to all of the problems in the farm communities, but it is a part of it.

Hopefully, with this modified crop insurance bill, we can go to conference with the House right away and get it to the President by May. I will for my part do everything I can with the conferees on our side to expedite the conference. There are not that many differences between the House and the Senate bill—a few, but nothing we can't work out in a timely manner.

I hope we can get this crop insurance bill through. I hope we can get a resounding vote for it, and at least send some hope to our family farmers that at least in the area of crop insurance and revenue insurance coverage we are going to pay some attention.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, morning business is closed.

#### RISK MANAGEMENT FOR THE 21ST CENTURY ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 2251, which the clerk will report by title.

The assistant legislative clerk read as follows:

A bill (S. 2251) to amend the Federal Crop Insurance Act to improve crop insurance

coverage, to provide agricultural producers with choices to manage risk, and for other purposes.

Pending:

Wellstone Amendment No. 2888, to express the sense of Congress regarding the Rally for Rural America and the rural crisis.

AMENDMENT NO. 2888

The PRESIDING OFFICER (Mr. L. CHAFEE). Under the previous order, there will now be 2 minutes of debate equally divided prior to the vote on amendment 2888.

The Senator from Minnesota.

Mr. WELLSTONE. Two minutes for each side?

The PRESIDING OFFICER. Two minutes equally divided.

Mr. WELLSTONE. Mr. President, this is a sense-of-the-Congress amendment. It thanks the people who came here for the rally for rural America. It makes it clear that the Congress has heard their plea and that we will respond with a clear and strong message to alleviate the agricultural price crisis, to ensure competitive markets, to invest in rural education and health care, and to ensure a safe and secure food supply for all.

The crop insurance bill is a good bill. I thank my colleagues for the work. I want to make sure with this amendment we are clear this is just the first step. We need to do much more. We hear the people who came. We commend them for coming. Many of them came by bus from Minnesota and many other States. We are committed to taking some important action that will make a positive difference.

That is what this sense-of-the-Senate amendment is all about. When colleagues vote for this, I think it is a strong vote. We will come back with specific proposals which will be a part of what I think this amendment calls for.

I yield the floor.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I commend the distinguished Senator from Minnesota for his amendment. On our side of the aisle, we are hopeful that Members will vote for the amendment.

I simply add, we do hear loudly and clearly the voices of those who participated in the rally for rural America. This very day, the Senate will take action, we believe, to at least answer a part of the problem of a strong safety net for the income of farmers in our country. Indeed, \$6 billion of taxpayer resources will be devoted, given Budget Committee action, to the safety net for our producers in the event we take timely action. I stress the timely aspect of that.

As all Senators note, we have tried very hard, working with the distinguished ranking member, Senator HARKIN, with the cooperation of Senator WELLSTONE, concerning those who have pioneered this effort—Senator ROBERTS, Senator KERREY, and others—to bring about something I hope will be almost unanimous.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to amendment No. 2888. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

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

The result was announced—yeas 99, nays 1, as follows:

[Rollcall Vote No. 43 Leg.]

YEAS—99

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

NAYS—1

Thompson

The amendment (No. 2888) was agreed to.

Mr. WELLSTONE. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Indiana.

FURTHER MODIFICATION TO AMENDMENT NO. 2887

Mr. LUGAR. Mr. President, two clerical errors were made in the manager's amendment adopted yesterday. I ask unanimous consent that the manager's amendment, as adopted, be amended to correct these two clerical errors.

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

The further modification is as follows:

On page 5, line 9, after "2000," insert "wild".

On page 14, line 14, strike "13" and insert "15".

On page 15, line 12, strike "2" and insert "4".

The PRESIDING OFFICER. Under the previous order, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. Under the previous order, H.R. 2559 is dis-

charged from the Agriculture Committee and the Senate will proceed to its immediate consideration. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 2559) to amend the Federal Crop Insurance Act to strengthen the safety net for agricultural producers by providing greater access to more affordable risk management tools and improved protection from production and income loss, to improve the efficiency and integrity of the Federal crop insurance program, and for other purposes.

The PRESIDING OFFICER. Under the previous order, all after the enacting clause is stricken and the text of S. 2251, as amended, is inserted.

Under the previous order, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. LEAHY. Mr. President, I am very hopeful that this bill can, at long last, make crop insurance work for all regions of our nation. It includes creative provisions to bring new producers under its protections, and to bring new crops under its protections. The compromise worked out yesterday protects what the Midwest wanted while reaching out to other regions and producers.

Historic participation in New England has been very low—this bill helps address this issue. Crop insurance will give our producers one more tool to help manage risk—risks from ice storms, droughts, flood, hail and other natural disasters.

I want to thank Senators ROBERTS and KERREY for their leadership and willingness to include our region, so that we can all now vote together for this effort.

Chairman LUGAR and Ranking Member HARKIN were faced with a very difficult challenge—leadership of the Agriculture Committee, as I well know, can be a very difficult balancing act. Also the Democratic leader and his staff—Zabraf Valentine—were extremely helpful in delicate negotiations.

Bev Paul with Senator KERREY, Mark Halveson with Senator HARKIN, Dave Johnson, Keith Luse, Michael Knipe and Andy Morton with Chairman LUGAR, put in very long hours in this massive effort. Ken Ackerman, of USDA, provided excellent technical advice in this complex area. Senator CONRAD and his staff Scott Carlson put a huge amount of effort into this.

I am grateful that the Leahy, Torricelli, Schumer, Rockefeller, Reed, and Kennedy amendment was included in the managers' package.

The Senate has spoken in a united voice on this amendment and it is crucial that it be included in any conference report.

Mr. ROBB. Mr. President, I rise in support of the Risk Management for the 21st Century Act. This bill contains some welcome new tools to help man-

age risk on the farm. It is not a perfect bill, but it is a very good bill. Virginia farmers will have more risk management tools available to them than ever before, and these tools will be able to cover more crops than ever before, making the crop insurance system more equitable and more available.

In particular, I thank the members of the Agriculture committee for their hard work on this bill. I know that the discussions have been contentious, and that different regions of the country view risk management in entirely different ways. I for one am thankful that the necessary compromises were made to bring this bill forward for a vote. It is gratifying to know that on the important issues, and this is a very important issue, that we can still work together and do what is necessary to improve the lives of the people we represent.

So, I say thank you Chairman LUGAR, and Senators KERREY, ROBERTS, GRAHAM, LINCOLN, LEAHY and MACK, the rest of the committee, and all of your staffs. You have done the hard work. The country, our food supply, and our farmers will all benefit.

I yield the floor.

Mr. BURNS. Mr. President I rise today as one of the proud co-sponsors of S. 2251, "The Risk Management for the 21st Century Act."

This bill offers much-needed changes in the area of risk management for farmers and ranchers. Managing risk in agriculture has become perhaps the most important aspect of the business. Agricultural producers who are able to effectively manage their risk are able to sustain and increase profit. An effective crop insurance program will provide farmers and ranchers possibilities for economic sustainability in the future and help them out of the current financial crisis.

The federal government can help facilitate a program to unite the producer and the private insurance company. The control must be put ultimately in the hands of the agricultural producer. Although he cannot control risk, an effective management plan will help him to manage the effects of risks, such as weather, prices and natural disasters.

This bill addresses the inadequacies of the current crop insurance program. The problems and inconsistencies with the current program make it both unaffordable and confusing to agricultural producers. Costly premiums are the biggest problem. In years of depressed market prices, crop insurance, though badly needed, is simply unaffordable for farmers.

This bill inverts the current subsidy formula, in order to provide the highest levels of subsidies to producers at the highest levels of buy-up coverage, and thus alleviate the unaffordable premiums. It also allows for the revenue policies to be fully subsidized.

Another important provision in this bill is a pilot program to reward producers for risk management activities.

It will allow producers to elect to receive a risk management payment or a crop insurance subsidy. The risk management payments will be given to those producers that utilize any two of several activities, including using futures or options, utilizing cash forwards, attending a risk management class, using Agricultural Trade Options or FFARRM accounts or reducing farm financial risk. This bill also takes into account lack of production histories for beginning farmers or those who have added land or use crop rotation. This will make it possible for those producers to get a foot in the door and receive affordable crop insurance.

Many times, especially in Montana, multi-year disasters occur. This bill helps producers that take a blow several years in a row, which reduces their Annual Production History (APH). If a producer has suffered a natural disaster during at least 3 of the preceding 5 years and their APH was reduced by at least 25 percent they may exclude one year of APH for every five years experience. During this time, the producer's APH may increase without limit back up to the level before the multi-year disaster began.

Specialty crops such as canola or dry beans, are another important addition to this bill. The Risk Management Agency (RMA) is now authorized to spend up to \$20 million each fiscal year to create partnerships for developing and implementing specialty crop risk management options. Additionally, the Non-Insured Assistance Program (NAP) area trigger has been removed. The Secretary now has the authority to provide assistance for specialty crops without any requirement of an area loss. Before, producers were penalized in the case of a disaster for planting alternative crops if their neighbors continued to plant traditional commodities. I would like to thank my colleague, Senator BAUCUS, for his hard work on getting the provisions for specialty crops in this bill.

This bill will ultimately put more control in the hands of active producers by including four active producers on the Federal Crop Insurance Commission (FCIC) Board. The board would also include nine private insurance industry experts the Under Secretary for Farm and Foreign Agricultural Services, the Under Secretary for Rural Development, and the Chief Economist of USDA. In addition, it mandates that the Board Chairperson be one of the non-governmental members. These are important steps to ensure that the new program is run for the producers by the producers.

This bill is an important tool to reform the current crop insurance program into a risk management program, designed to help the producer in the long-term. It is vital to find a solution to provide a way for farmers to stay in agriculture. They must be able to continue to produce and distribute the world's safest food supply at a profitable margin.

Mr. President, I look forward to working with Senators ROBERTS and KERREY, as well as Senator LUGAR on this important piece of legislation. I believe this bill will pave the way for massive crop insurance reform and help agricultural producers out of this economic crisis.

Thank you, Mr. President.

Mr. SMITH of Oregon. Mr. President, I am pleased to take this opportunity to speak briefly in support of this legislation, S. 2251, the Risk Management for the 21st century Act. Clearly, this bill represents a good compromise between the major risk management proposals that have been discussed here in the Senate in recent months. I commend my colleagues—specifically Senator LUGAR, Senator KERREY, and Senator ROBERTS—for producing legislation which enjoys broad support in the agricultural community and is unquestionably needed during these times of crisis on the family farm.

As we all know, these are not the best of times for farming. Like their counterparts in other natural resources industries, farmers by and large have not equitably shared in the remarkable prosperity we have seen in recent years. Most farmers are faced with another year of low commodity prices on the Horizon. I know that for wheat growers in Oregon, this is the third year of historic low prices. At the same time, the rising costs of production—fueled by energy price spikes, an extremely tight labor market, and incredibly burdensome regulations and government mandates—continue to squeeze the farmer's bottom line. We need to work together to ease this price pressure on farmers and we need to act quickly. Opening up trade, relieving estate tax burdens, seriously reviewing some of the labor and environment regulations that seek to make farmers felons—these are just a few of the issues we need to address to turn around the fortunes of America's farmers. The development of more practical risk management tools is another. That is exactly the promise S. 2251 offers us today—not a fix-all, but a significant and necessary step on the road to farm recovery.

S. 2251 improves the federal crop insurance system in several key ways. First, it makes higher levels of coverage more affordable. By raising premium subsidies, we will offer farmers the chance to help themselves today and avoid an expensive federal bailout tomorrow. Second, this bill will make crop insurance more effective for farmers experiencing successive years of disaster, by changing the way production history is calculated. In Oregon, we are blessed that we have not had widespread and recurring natural disasters, such as my colleagues have described in the Dakotas. However, we have had recent recurring flood problems in certain areas of my State—the Tillamook Bay area and the Harney County Lakes Basin, for example. This bill will address some of the problems

producers have had in getting a fair accounting of their production. Finally, and perhaps most significantly for Oregon, this bill has a number of provisions designed to assist specialty crop producers. My State has a number of specialty crops—from nursery products in the Willamette Valley to tree fruits in the Columbia Gorge and southern Oregon to potato and onion growers in the east. With \$20 million annually set aside for specialty crop risk management pilot projects, this bill represents a substantial effort to make federal crop insurance relevant to producers of nonprogram commodities. I believe this attention to the needs of specialty crop producers is an overdue but welcome change.

Once again, I commend my colleagues for their work on this legislation and for their willingness to listen to concerns and suggestions from those of us not on the Agriculture Committee. Much work remains to be done before I think we can say that we have truly kept our promise to farmers under Freedom to Farm, but his is an important step in that direction. I look forward to voting in favor of this bill, and I hope that we will have before us in relatively short order a conference agreement as well. It is vital we get this legislation passed and take advantage of the budget authority we have provided for this purpose.

Mr. REED. Mr. President, I rise to express my support for H.R. 2559, the "Federal Crop Insurance Act". Today the Senate will approve a \$6 billion crop insurance reform bill designed to increase premium subsidies for farmers who buy more comprehensive coverage and expand the availability of crop insurance for specialty crops. The reforms in this legislation will enable farmers in Rhode Island and across the country to obtain more crop insurance coverage and reduce income losses due to natural disasters.

I and my colleagues from the Northeast and Mid-Atlantic opposed last year's farm disaster bill because it did not provide adequate relief to farmers in our region who were hit by the terrible drought conditions of 1999. The National Oceanic and Atmospheric Administration (NOAA) found that four states in the Northeast, including Rhode Island, New Jersey, Maryland, and Delaware, experienced the driest growing season in their histories. From April through July, Rhode Island was the driest it has been in 105 years of record-keeping by NOAA's National Climatic Data Center.

Unfortunately, forecasters at the National Weather Service are predicting continued drought conditions this year, because we are starting out with a deficit of rainfall and, even with the snowstorms of January, winter precipitation was 3.5 inches below normal for our region.

The prospect of another long dry summer makes this crop insurance reform bill all the more important. I know that people may not always

think of the Northeast when they think of farming. But in my small state alone there are about 700 farms. Farmers in Rhode Island grow vegetables, turf, nursery stock, cranberries, strawberries, and potatoes. My state is also home to many orchards and dairy farms. Many of our crops are not insurable under the current federal crop insurance program, and that's why I strongly support the significant investment in research and development of new specialty crop policies provided by this bill.

I also support provisions in the bill to remove the "area trigger" for the Non-insured Crop Disaster Assistance Program (NAP). I believe broader NAP eligibility is one of the most effective ways to assist farmers in the eastern United States who face severe production losses due to drought, floods, or other disasters.

Currently, NAP crops are eligible for assistance when: (1) expected "Area Yield" for the crop is reduced by more than 35 percent because of natural disaster; and 2) individual crop losses are in excess of 50% of the individual's approved yield, or the producer is prevented from planting more than 35 percent of the acreage intended for the eligible crop.

These criteria have proven to be unworkable in many eastern states, both in terms of program accessibility and timeliness of payments. For individual growers of specialty crops, typically grown on small acreage, a loss of as little as 20% can be devastating, especially given the high per-acre value of these crops. Moreover, the process of verifying area yield reductions is cumbersome and exceedingly time-consuming, resulting in waiting periods of several months or, in some cases, more than a year for payment.

Giving the Secretary of Agriculture broader discretion over delivery of NAP program funds will streamline the approval process and make direct assistance available to thousands of farmers whose substantial losses do not meet NAP criteria under the current area trigger. I am pleased that removal of this trigger is among the many valuable reforms in the bill before us today.

Finally, I was proud to join several of my Senate colleagues from the Northeast to offer an amendment to provide \$60 million for expanded education and outreach for farmers in states with low levels of crop insurance participation, as well as research and development of new crop insurance policies for currently uninsured crops in these states. Our amendment would also set aside \$66 million for farmers in underserved states to participate in the bill's proposed risk management pilot project which allows farmers to choose between traditional crop insurance and a direct payment for adopting new risk management practices such as farm diversification, futures contracts and options, creation of conservation buffers, soil erosion control, and irrigation management. While offering increased

income to farmers for whom crop insurance has not worked well, the pilot will test whether incentive payments can encourage producers to adopt new risk management strategies that are good for the environment. I thank the distinguished Chairman of the Committee on Agriculture for making this amendment part of the overall package we will vote on today, and I urge the Senate conferees to ensure that this important provision remains in the bill after conference with the House. Otherwise, I will likely oppose the conference report when it comes before the Senate. Together with the substantial new funding for research and development of specialty crop insurance policies, this amendment will ensure that we have a farm policy that is truly national in scope.

With the passage of this legislation we will give farmers the tools they need to manage their risk more effectively, and possibly reduce the need for Congress to pass massive farm disaster packages year after year. At the same time, we recognize the contribution and needs of farmers in every region of the country, who not only feed the world but preserve a way of life that makes our nation stronger and protects our precious open spaces from the encroachment of development and urban sprawl.

I urge my colleagues to support the Federal Crop Insurance Act.

Mr. BREAUX. Mr. President, I want to express my personal thanks and deep appreciation for adoption of an amendment to the Senate's crop insurance bill which would authorize crop insurance coverage for the 2001 and future rice crops for losses due to drought and saltwater intrusion.

The rice language was included in the Chairman's floor amendment which the Senate approved yesterday.

I want to thank Senator LUGAR and Senator HARKIN sincerely for agreeing to the amendment. My sincere appreciation also goes to Senator KERREY and to Senator ROBERTS for accepting the provision.

Senator LANDRIEU, Senator LINCOLN and I have been working together for several weeks to help our rice growers who have been experiencing a prolonged drought. It has been my privilege to work with Senator LANDRIEU and Senator LINCOLN in addressing the absence of rice crop insurance coverage for the drought and saltwater intrusion perils.

Currently, the rice crop insurance policy does not include coverage for losses due to drought and saltwater intrusion. A meeting about the current policy and how to address the absence of coverage was held with our staff, grower representatives and USDA's Risk Management Agency. The willingness to meet and the attention given to the situation at the meeting and subsequent to it by Mr. Ken Ackerman, the RMA's Administrator, and his staff are also sincerely appreciated.

To ensure that drought and saltwater intrusion coverage are provided in time

for the 2001 rice crop and prior to the USDA policy change deadline, legislation was prepared which is now in the Senate's crop insurance bill. In order for a crop insurance policy change to become effective, it must be adopted by November 30, which is USDA's annual deadline for such changes.

With the rice crop insurance language being only in the Senate bill, it is my hope that it will be retained in conference with the House. I take this opportunity to urge the Senate's conferees to keep the rice crop insurance provision in the final conference bill.

Insurance coverage for rice crop losses due to drought and saltwater intrusion is an important risk management tool for rice growers to have available to them. Again, I express deep personal appreciation for the Senate approving inclusion of the bill language which Senator LANDRIEU, Senator LINCOLN and I have worked on, which we strongly support and which we submitted for the Senate's consideration.

Thank you, Mr. President.

#### NONCONTIGUOUS UNITS

Ms. COLLINS. Mr. President, I have heard from many Maine potato farmers that one barrier to their using the crop insurance program is the inability to insure the crops of a farm that may consist of several non-contiguous units under one policy. Therefore, I was pleased to see that The Risk Management for the Twenty-first Century Act authorizes pilot programs to allow farmers to receive premium discounts for using whole farm units or single crop units of insurance and to cross State and county boundaries to form insurable units. This provision has the potential to significantly help farmers in Maine and I appreciate your efforts to ensure its inclusion in the crop insurance bill. I hope, too, that you will make every effort to retain this provision in the bill that emerges from conference.

Mr. ROBERTS. A major purpose of this bill is to make crop insurance more available to our Nation's farmers. I understand the importance of the provision you cite to farmers in your State and will work hard to see that is retained.

Ms. COLLINS. Again, I appreciate the assistance of my good friends, Senators LUGAR and ROBERTS, who chair the Agriculture Committee and Subcommittee on Production and Price Competitiveness, respectively. A pilot program that could allow farmers to combine noncontiguous units under one policy and to receive premium discounts could be extremely beneficial to my State. I hope that we can strongly encourage the U.S. Department of Agriculture to give Maine every consideration as a location for such a pilot program.

Mr. LUGAR. The pilot programs authorized in this bill are a tool to find new ways to improve crop insurance for farmers. I agree that the USDA should give every consideration to including farmers in Maine in such a

pilot program. I would also commend the Senator from Maine's efforts to work with us in crafting a bill that address the concerns of farmers in her state.

Mr. ROBERTS. I agree that Maine appears to be an excellent candidate for such a pilot program. I thank the Senator for bringing this important matter to our attention.

Mr. ASHCROFT. Mr. President, first, I commend the bipartisan efforts of the Agriculture Committee. In S. 2251 the committee has produced a bill which will deliver much needed expansion and improvement of the federal crop insurance program. Additionally, I appreciate Senators ROBERTS and KERREY for accepting a proposal I put forward that will establish a commission to examine reform issues over the long term.

Missouri farmers are hurting. Prices for cotton, soybeans, corn, rice, and almost all commodities dropped so low last year that University of Missouri economists predicted grain farmers could face prices almost as low as those seen in 1986. The Senate responded to the crisis strongly by supporting a disaster assistance package worth about \$9 billion in 1999. The Senate now has the opportunity to assist farmers by helping them protect their losses that are due to bad weather and market fluctuations. Our farmers need more affordable crop insurance, to obtain higher levels of coverage and revenue protection.

Missourians, like farmers in many other states, are diversifying their agricultural production and increasingly focusing on specialty crops. S. 2251 also provides a realistic basis for expanding and improving insurance for specialty crops.

As good as this bill is, I offered, and Senators ROBERTS and KERREY graciously accepted, a provision that would establish a commission to review the effect of the changes made in traditional crop insurance and the addition of a pilot project for alternative risk programs. The Federal Crop Insurance Improvement Commission will report to Congress in 2 years with its findings. The Commission strengthens the public-private partnership that farmers rely on to deliver crop insurance by bringing together Government officials, economists, farm interests, and insurers to review various proposals. As we review farm policies down the road, I want to have the input of those that are actually out there "in the field."

Again I thank my Senate colleagues from Kansas and Nebraska for bringing this important issue to the Senate floor. I want farm families to be able to encourage their children to continue the traditions of family farming and agri-business. The crop insurance reform detailed in S. 2251 puts us one step closer to that goal.

Mr. MCCAIN. Mr. President, I commend the managers of this bill and all those who worked hard to forge this

agreement to help address the continuing crisis facing American farmers. However, I regret that I cannot vote for this legislation, S. 2251, the Risk Management for the 21st Century Act.

Over the last 2 years, the Congress was forced to spend more than \$15 billion of taxpayer dollars in emergency disaster assistance to farmers. Proponents of this bill claim that if S. 2251 is enacted, the need to pass ad hoc emergency farm relief would be avoided. However, even with passage of this bill, these same proponents are not willing to voice their opposition to further emergency spending should Congress be forced to consider additional relief measures for farmers.

This bill, at a cost of \$6 billion, is more of an expanded federal subsidy for crop coverage, rather than thorough and necessary reform of the larger problems stemming from our nation's farm policies. It has become clear that the 1996 Freedom to Farm bill failed to alleviate the heavy reliance by the farming community on federally subsidized programs and financial assistance. However, instead of turning back the clock and increasing subsidies, we should be working for responsible reform of farm policies. That is why I voted in favor of Senator WELLSTONE's amendment which calls for broader reform.

Even with the expanded coverage and more affordable insurance premiums for farmers called for in this bill, Congress does not have the assurance that other problems, such as fluctuations in the market or limited trade opportunities, will not create additional burdens on farmers requiring another costly congressional budgetary response.

Mr. President, this bill also includes provisions that appear capricious and unnecessarily bureaucratic. Five new regional centers will be established at a price tag of \$30 million, and new pilot programs are authorized to develop and market risk management tools. I support efforts to evaluate innovative risk management options or to ensure that farmers understand changes to insurance coverage and options. But why should we spend taxpayer money on new information centers when this information is already available and accessible through local USDA offices? And, the private sector is in no way prohibited from exploring opportunities to develop and market new products to manage risk.

Mr. President, I agree with the fundamental principle of this bill, that farmers need to have risk management tools to allow them to prepare for, and deal with, crop losses and disaster-related problems. However, I am not convinced that this bill will do much more than increase taxpayer burdens and only partially solve a much bigger problem facing our nation's farmers.

Mr. President, I ask unanimous consent that my remarks be placed in the RECORD immediately following passage of S. 2251.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The bill having been read the third time, the question is, Shall the bill pass? The clerk will call the roll.

The legislative clerk called the roll.

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

The result was announced—yeas 95, nays 5, as follows:

[Rollcall Vote No. 44 Leg.]

YEAS—95

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

NAYS—5

Cochran	Kyl	McCain
Gregg	Lott	

The bill (H.R. 2559), as amended, was passed, as follows:

*Resolved*, That the bill from the House of Representatives (H.R. 2559) entitled "An Act to amend the Federal Crop Insurance Act to strengthen the safety net for agricultural producers by providing greater access to more affordable risk management tools and improved protection from production and income loss, to improve the efficiency and integrity of the Federal crop insurance program, and for other purposes," do pass with the following amendment:

Strike out all after the enacting clause and insert:

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) *SHORT TITLE*.—This Act may be cited as the "Risk Management for the 21st Century Act".

(b) *TABLE OF CONTENTS*.—The table of contents of this Act is as follows:

Sec. 1. *Short title; table of contents.*

**TITLE I—CROP INSURANCE COVERAGE**

Sec. 101. *Quality adjustment.*

Sec. 102. *Prevented planting.*

Sec. 103. *Payment of portion of premium by Corporation.*

Sec. 104. *Assigned yields.*

Sec. 105. *Multiyear disaster actual production history adjustment.*

Sec. 106. *Noninsured crop disaster assistance program.*

Sec. 107. *Crop insurance coverage for rice.*

**TITLE II—RESEARCH AND PILOT PROGRAMS**

Sec. 201. *Research and pilot programs.*

- Sec. 202. Research and development contracting authority.  
 Sec. 203. Choice of risk management options.  
 Sec. 204. Options pilot program.  
 Sec. 205. Risk management innovation and competition pilot program.  
 Sec. 206. Education and research.  
 Sec. 207. Conforming amendments.

#### TITLE III—ADMINISTRATION

- Sec. 301. Board of Directors of Corporation.  
 Sec. 302. Good farming practices.  
 Sec. 303. Sanctions for program noncompliance and fraud.  
 Sec. 304. Oversight of agents and loss adjusters.  
 Sec. 305. Adequate coverage for States.  
 Sec. 306. Records and reporting.  
 Sec. 307. Fees for plans of insurance.  
 Sec. 308. Limitation on double insurance.  
 Sec. 309. Specialty crops.  
 Sec. 310. Federal Crop Insurance Improvement Commission.  
 Sec. 311. Highly erodible land and wetland conservation.  
 Sec. 312. Projected loss ratio.  
 Sec. 313. Compliance with State licensing requirements.

#### TITLE IV—MISCELLANEOUS PROVISIONS

- Sec. 401. Improved risk management education.  
 Sec. 402. Sense of the Senate regarding the Federal crop insurance program.  
 Sec. 403. Sense of Congress on Rally for Rural America and rural crisis.

#### TITLE V—EFFECTIVE DATES; TERMINATION OF AUTHORITY

- Sec. 501. Effective dates.  
 Sec. 502. Termination of authority.

#### TITLE I—CROP INSURANCE COVERAGE

##### SEC. 101. QUALITY ADJUSTMENT.

Section 508(a) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)) is amended by striking paragraph (6) and inserting the following:

“(6) QUALITY ADJUSTMENT POLICIES.—

“(A) IN GENERAL.—The Corporation shall offer coverage that permits a reduction in the quantity of production of an agricultural commodity produced during a crop year, or any similar adjustment, that results from the agricultural commodity not meeting the quality standards established in the policy.

“(B) ELECTION NOT TO RECEIVE COVERAGE.—

“(i) IN GENERAL.—A producer may elect not to receive quality adjustment coverage.

“(ii) PREMIUM REDUCTION.—In the case of an election described in clause (i), the Corporation shall provide a reduction in the premium payable by the producer for a plan of insurance in an amount equal to the premium for the quality adjustment coverage, as determined by the Corporation.

“(C) REVIEW OF CRITERIA AND PROCEDURES.—The Corporation shall—

“(i) contract with a qualified person to analyze the quality loss adjustment procedures of the Corporation; and

“(ii) based on the analysis, make adjustments in the quality loss adjustment procedures of the Corporation necessary to more accurately reflect local quality discounts that are applied to agricultural commodities insured under this title, taking into consideration the actuarial soundness of the adjustment and the prevention of fraud, waste, and abuse.”.

##### SEC. 102. PREVENTED PLANTING.

(a) IN GENERAL.—Section 508(a) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)) (as amended by section 101) is amended by inserting after paragraph (6) the following:

“(7) PREVENTED PLANTING.—

“(A) ELECTION NOT TO RECEIVE COVERAGE.—

“(i) IN GENERAL.—A producer may elect not to receive coverage for prevented planting of an agricultural commodity.

“(ii) PREMIUM REDUCTION.—In the case of an election described in clause (i), the Corporation shall provide a reduction in the premium pay-

able by the producer for a plan of insurance in an amount equal to the premium for the prevented planting coverage, as determined by the Corporation.

“(B) EQUAL COVERAGE.—For each agricultural commodity for which prevented planting coverage is available, the Corporation shall offer an equal percentage level of prevented planting coverage.

“(C) AREA CONDITIONS REQUIRED FOR PAYMENT.—The Corporation shall limit prevented planting payments to producers in the area in which the farm is located that are generally affected by the conditions that prevent an agricultural commodity from being planted.

“(D) SUBSTITUTE COMMODITY.—

“(i) AUTHORITY TO PLANT.—Subject to clause (v), a producer that has prevented planting coverage and is eligible to receive an indemnity under the coverage may plant an agricultural commodity, other than the commodity covered by the prevented planting coverage, on the acreage originally prevented from being planted.

“(ii) NONAVAILABILITY OF INSURANCE.—A substitute agricultural commodity planted under clause (i) for harvest in the same crop year shall not be eligible for coverage under a policy or plan of insurance under this title or for non-insured crop disaster assistance under section 196 of the Agricultural Market Transition Act (7 U.S.C. 7333).

“(iii) RELATIONSHIP TO OTHER REQUIREMENTS.—The producer of a substitute agricultural commodity under clause (i) shall remain eligible for the benefits described in subsection (b)(7).

“(iv) EFFECT ON ACTUAL PRODUCTION HISTORY.—If a producer plants a substitute agricultural commodity under clause (i) for a crop year, the Corporation shall assign the producer a yield, for that crop year for the commodity that was prevented from being planted, equal to 60 percent of the producer's actual production history for that commodity for purposes of determining the producer's actual production history for subsequent crop years.

“(v) EFFECT ON PREVENTED PLANTING PAYMENT.—If a producer plants a substitute agricultural commodity under clause (i) before the latest planting date established by the Corporation for the agricultural commodity prevented from being planted, the Corporation shall not make a prevented planting payment with regard to the commodity prevented from being planted.

“(E) RELATIONSHIP TO OTHER LAW.—This paragraph shall supersede subsection (h)(7) to the extent that this paragraph is inconsistent with subsection (h)(7).

“(F) CROP YEARS.—This paragraph shall apply to each of the 2001 through 2004 crop years.”.

(b) APPLICATION.—The amendment made by subsection (a) shall be reflected in the rates for applicable plans of insurance not later than the 2001 reinsurance year.

##### SEC. 103. PAYMENT OF PORTION OF PREMIUM BY CORPORATION.

(a) EXPECTED MARKET PRICE.—Section 508(c) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)) is amended by striking paragraph (5) and inserting the following:

“(5) EXPECTED MARKET PRICE.—

“(A) IN GENERAL.—For the purposes of this title, the Corporation shall establish or approve the price level (referred to in this title as the ‘expected market price’) of each agricultural commodity for which insurance is offered.

“(B) AMOUNT.—The expected market price of an agricultural commodity—

“(i) except as otherwise provided in this subparagraph, shall be not less than the projected market price of the agricultural commodity, as determined by the Corporation;

“(ii) may be based on the actual market price of the agricultural commodity at the time of harvest, as determined by the Corporation;

“(iii) in the case of revenue and other similar plans of insurance, shall be the actual market

price of the agricultural commodity, as determined by the Corporation; or

“(iv) in the case of cost of production or similar plans of insurance, shall be the projected cost of producing the agricultural commodity, as determined by the Corporation.”.

(b) PREMIUM AMOUNTS.—Section 508(d)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(d)(2)) is amended by striking subparagraph (C) and inserting the following:

“(C) In the case of additional coverage at greater than or equal to 65 percent of the recorded or appraised average yield indemnified at 100 percent of the expected market price, or a comparable coverage for a plan of insurance that is not based on yield, but less than 75 percent of the recorded or appraised average yield indemnified at 100 percent of the expected market price, or a comparable coverage for a plan of insurance that is not based on yield, the amount of the premium shall—

“(i) be sufficient to cover anticipated losses and a reasonable reserve; and

“(ii) include an amount for operating and administrative expenses, as determined by the Corporation, on an industry-wide basis as a percentage of the amount of the premium used to define loss ratio.

“(D) In the case of additional coverage equal to 75, 80, or 85 percent of the recorded or appraised average yield indemnified at 100 percent of the expected market price, or a comparable coverage for a plan of insurance that is not based on yield, the amount of the premium shall—

“(i) be sufficient to cover anticipated losses and a reasonable reserve; and

“(ii) include an amount for operating and administrative expenses, as determined by the Corporation, on an industry-wide basis as a percentage of the amount of the premium used to define loss ratio.”.

(c) PAYMENT OF PORTION OF PREMIUM BY CORPORATION.—Section 508(e) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)) is amended—

(1) by striking paragraph (1) and inserting the following:

“(1) IN GENERAL.—

“(A) MANDATORY PAYMENTS.—For the purpose of encouraging the broadest possible participation of producers in the crop insurance plans of insurance described in subsections (b) and (c), the Corporation shall pay a part of the premium in the amounts determined under this subsection.

“(B) DISCRETIONARY PAYMENTS.—For the purpose of encouraging the broadest possible participation of producers, in the case of a plan of insurance approved by the Corporation under subsection (h), the Corporation may pay a part of the premium as determined under this subsection.”; and

(2) in paragraph (2), by striking subparagraphs (B) and (C) and inserting the following:

“(B) In the case of additional coverage less than or equal to 50 percent of the recorded or appraised average yield indemnified at 100 percent of the expected market price, or a comparable coverage for a plan of insurance that is not based on yield, the amount shall be equal to the sum of—

“(i) 60 percent of the amount of the premium established under subsection (d)(2)(B)(i); and

“(ii) the amount of operating and administrative expenses determined under subsection (d)(2)(B)(ii).

“(C) In the case of additional coverage at 55 percent or 60 percent of the recorded or appraised average yield indemnified at 100 percent of the expected market price, or a comparable coverage for a plan of insurance that is not based on yield, the amount shall be equal to the sum of—

“(i) 45 percent of the amount of the premium established under subsection (d)(2)(B)(i); and

“(ii) the amount of operating and administrative expenses determined under subsection (d)(2)(B)(ii).



“(D) In the case of additional coverage at 65 percent or 70 percent of the recorded or appraised average yield indemnified at 100 percent of the expected market price, or a comparable coverage for a plan of insurance that is not based on yield, the amount shall be equal to the sum of—

“(i) 50 percent of the amount of the premium established under subsection (d)(2)(C)(i); and

“(ii) the amount of operating and administrative expenses determined under subsection (d)(2)(C)(ii).

“(E) In the case of additional coverage equal to 75 percent of the recorded or appraised average yield indemnified at 100 percent of the expected market price, or a comparable coverage for a plan of insurance that is not based on yield, the amount shall be equal to the sum of—

“(i) 55 percent of the amount of the premium established for coverage at 75 percent of the recorded or appraised average yield indemnified at 100 percent of the expected market price under subsection (d)(2)(D)(i); and

“(ii) the amount of operating and administrative expenses determined under subsection (d)(2)(D)(ii).

“(F) In the case of additional coverage equal to 80 percent of the recorded or appraised average yield indemnified at 100 percent of the expected market price, or a comparable coverage for a plan of insurance that is not based on yield, the amount shall be equal to the sum of—

“(i) 38 percent of the amount of the premium established for coverage at 80 percent of the recorded or appraised average yield indemnified at 100 percent of the expected market price under subsection (d)(2)(D)(i); and

“(ii) the amount of operating and administrative expenses determined under subsection (d)(2)(D)(ii).

“(G) In the case of additional coverage equal to 85 percent of the recorded or appraised average yield indemnified at 100 percent of the expected market price, or a comparable coverage for a plan of insurance that is not based on yield, the amount shall be equal to the sum of—

“(i) 28 percent of the amount of the premium established for coverage at 85 percent of the recorded or appraised average yield indemnified at 100 percent of the expected market price under subsection (d)(2)(D)(i); and

“(ii) the amount of operating and administrative expenses determined under subsection (d)(2)(D)(ii).

“(H) Subparagraphs (A) through (G) shall apply to each of fiscal years 2001 through 2004.”

(d) **REVENUE COVERAGE FOR POTATOES.**—Section 508(a) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)) is amended by striking paragraph (3) and inserting the following:

“(3) **EXCLUSIONS.**—

“(A) **IN GENERAL.**—Insurance provided under this subsection shall not cover losses due to—

“(i) the neglect or malfeasance of the producer;

“(ii) the failure of the producer to reseed to the same crop in such areas and under such circumstances as it is customary to reseed; or

“(iii) the failure of the producer to follow good farming practices (as determined by the Secretary).

“(B) **REVENUE COVERAGE FOR POTATOES.**—No plan of insurance provided under this title (including a plan of insurance approved by the Board under subsection (h)) shall cover losses due to a reduction in revenue for potatoes except as covered under a whole farm plan of insurance, as determined by the Corporation.”

(e) **CONFORMING AMENDMENTS.**—Section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) is amended—

(1) in subsection (e), by striking paragraph (4); and

(2) in subsection (g)(2)(D), by striking “(as provided in subsection (e)(4))”.

#### **SEC. 104. ASSIGNED YIELDS.**

Section 508(g)(2)(B) of the Federal Crop Insurance Act (7 U.S.C. 1508(g)(2)(B)) is amended—

(1) by striking “assigned a yield” and inserting “assigned—

“(i) a yield”;

(2) by striking the period at the end and inserting “; or”; and

(3) by adding at the end the following:

“(ii) a yield determined by the Corporation, in the case of—

“(I) a producer that has not had a share of the production of the insured crop for more than 2 crop years, as determined by the Secretary;

“(II) a producer that produces an agricultural commodity on land that has not been farmed by the producer; and

“(III) a producer that rotates a crop produced on a farm to a crop that has not been produced on the farm.”

#### **SEC. 105. MULTIYEAR DISASTER ACTUAL PRODUCTION HISTORY ADJUSTMENT.**

Section 508(g) of the Federal Crop Insurance Act (7 U.S.C. 1508(g)) is amended by adding at the end the following:

“(4) **TRANSITIONAL ADJUSTMENT FOR DISASTERS.**—

“(A) **DEFINITION OF A PRODUCER THAT HAS SUFFERED A MULTIYEAR DISASTER.**—In this paragraph, the term ‘a producer that has suffered a multiyear disaster’ means a producer (or a successor entity through which the actual production history of the producer can be traced) that has suffered a natural disaster during at least 3 of the immediately preceding 5 crop years that resulted in a cumulative reduction of at least 25 percent in the actual production history of the crop of an agricultural commodity.

“(B) **ELIMINATION OF CERTAIN YEARS OF PRODUCTION HISTORY.**—Notwithstanding paragraph (2), effective beginning with the 2001 crop year, for the purpose of calculating the actual production history for a crop of an agricultural commodity, a producer that has suffered a multiyear disaster with respect to the crop may exclude 1 year of production history for each 5 years included in the actual production history calculation of the crop for which the producer purchased crop insurance.

“(C) **CORPORATION’S SHARE OF CHANGED COSTS.**—In the case of an exclusion under subparagraph (B), in addition to any other authority to pay any portion of premium, the Corporation shall pay—

“(i) the portion of the premium that represents the increase in premium associated with the exclusion;

“(ii) all additional indemnities associated with the exclusion; and

“(iii) any amounts that result from the difference in the administrative and operating expenses owed to an approved insurance provider as the result of an exclusion in actual production history under this paragraph.

“(D) **INCREASE IN ACTUAL PRODUCTION HISTORY AFTER EXCLUSIONS.**—In the case of a producer that has received an exclusion under subparagraph (B), the Corporation shall not limit the increase of the actual production history based on the producer’s actual production of the crop of an agricultural commodity in succeeding crop years until the actual production history for the producer reaches the level for the crop year immediately preceding the first year of the multiyear disaster.

“(E) **TERMINATION OF EXCLUSION AUTHORITY.**—The authority to apply this paragraph to a producer shall terminate with respect to the first crop year in which crop insurance is available to the producer that adequately insures against natural disasters that occur in multiple crop years, as determined by the Corporation.

“(F) **REINSURANCE YEARS.**—This paragraph shall apply to each of the 2001 through 2004 reinsurance years.”

#### **SEC. 106. NONINSURED CROP DISASTER ASSISTANCE PROGRAM.**

(a) **OPERATION AND ADMINISTRATION OF PROGRAM.**—Section 196(a)(2) of the Agricultural Market Transition Act (7 U.S.C. 7333(a)(2)) is amended by adding at the end the following:

“(C) **COMBINATION OF SIMILAR TYPES OR VARIETIES.**—At the option of the Secretary, all types or varieties of a crop or commodity, described in subparagraphs (A) and (B), may be considered to be a single eligible crop under this section.”

(b) **RECORDS AND APPLICATION DATE.**—Section 196(b) of the Agricultural Market Transition Act (7 U.S.C. 7333(b)) is amended—

(1) in the second sentence of paragraph (1), by striking “at such time as the Secretary may require.” and inserting “not later than March 15.”;

(2) by striking paragraph (2) and inserting the following:

“(2) **RECORDS.**—To be eligible for assistance under this section, a producer shall provide annually to the Secretary records of crop acreage, acreage yields, and production for each crop, as required by the Secretary.”; and

(3) in paragraph (3), by inserting “annual” after “shall provide”.

(c) **LOSS REQUIREMENTS.**—Section 196 of the Agricultural Market Transition Act (7 U.S.C. 7333) is amended by striking subsection (c) and inserting the following:

“(c) **LOSS REQUIREMENTS.**—

“(1) **CAUSE.**—To be eligible for assistance under this section, a producer of an eligible crop shall have suffered a loss of a noninsured commodity as the result of a cause described in subsection (a)(3).

“(2) **ASSISTANCE.**—On making a determination described in subsection (a)(3), the Secretary shall provide assistance under this section to producers of an eligible crop that have suffered a loss as a result of the cause described in subsection (a)(3).

“(3) **PREVENTED PLANTING.**—The Secretary shall make a prevented planting noninsured crop disaster assistance payment to a producer if the producer is prevented from planting more than 15 percent of the acreage intended for the eligible crop because of a cause described in subsection (a)(3), as determined by the Secretary.

“(4) **AREA TRIGGER.**—The Secretary may provide assistance to individual producers without any requirement of an area loss.”

(d) **NEW ELIGIBLE CROPS.**—Section 196 of the Agricultural Market Transition Act (7 U.S.C. 7333) is amended—

(1) in subsection (d)(1)—

(A) by inserting “(except as provided in subsection (j))” after “percent”; and

(B) by inserting “determined under subsection (e)” after “for the crop”;

(2) by redesignating subsection (j) as subsection (l); and

(3) by inserting after subsection (i) the following:

“(j) **NEW ELIGIBLE CROPS.**—

“(1) **IN GENERAL.**—Subject to paragraph (2), if a producer produces an eligible crop that is new to an area (as determined by the Secretary), a payment for the producer shall be computed by substituting the following percentages of yields for the percentages of yields specified in subsection (d)(1):

“(A) In the case of the first crop year of the eligible crop produced by the producer, 35 percent of the established yield for the crop determined under subsection (e).

“(B) In the case of each of the second through fourth years of the eligible crop produced by the producer—

“(i) 45 percent of the established yield for the crop determined under subsection (e); or

“(ii) if the producer received a payment under this section for the first crop year of the eligible crop produced by the producer, 35 percent of the established yield for the crop determined under subsection (e).

“(2) **TEMPORARY INELIGIBILITY.**—If a producer of an eligible crop described in paragraph (1) receives a payment under this section in both the first and second crop years of the eligible crop, the producer shall be ineligible for a payment under this section until the producer has successfully produced the crop for at least 3 consecutive crop years with no loss reported, as determined by the Secretary.”

(e) **SERVICE FEE.**—Section 196 of the Agricultural Market Transition Act (7 U.S.C. 7333) (as amended by subsection (d)) is amended by inserting after subsection (j) the following:

“(k) **SERVICE FEE.**—

“(1) **IN GENERAL.**—To be eligible to receive assistance for an eligible crop for a crop year under this section, a producer shall pay to the Secretary (at the time at which the producer provides reports under subsection (b)(3)) a service fee for the eligible crop in an amount that is equal to the lesser of—

“(A) the equivalent of the per policy fee for catastrophic risk protection available under section 508(b)(5) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)(5)); or

“(B) \$200 per producer per county, but not to exceed a total of \$600 per producer.

“(2) **WAIVER.**—The Secretary shall waive the service fee required under paragraph (1) in the case of a limited resource farmer, as defined by the Secretary.

“(3) **USE.**—The Secretary shall deposit service fees collected under this subsection in the Commodity Credit Corporation Fund.”.

(f) **CROP YEARS.**—This section and the amendments made by this section shall apply to each of the 2001 through 2004 crop years.

#### **SEC. 107. CROP INSURANCE COVERAGE FOR RICE.**

Section 508(a) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)) (as amended by section 102(a)) is amended by adding at the end the following:

“(8) **SPECIAL PROVISIONS FOR RICE.**—Notwithstanding any other provision of this title, beginning with the 2001 crop of rice, the Corporation shall offer plans of insurance, including prevented planting coverage and replanting coverage, under this title that cover losses of rice resulting from failure of irrigation water supplies due to drought and saltwater intrusion.”.

### **TITLE II—RESEARCH AND PILOT PROGRAMS**

#### **SEC. 201. RESEARCH AND PILOT PROGRAMS.**

The Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) is amended by adding at the end the following:

##### **“SEC. 522. RESEARCH AND PILOT PROGRAMS.**

“(a) **GENERAL PROVISIONS.**—

“(1) **IN GENERAL.**—Except as otherwise provided in this subsection, the Corporation may conduct research, surveys, pilot programs, and investigations relating to crop insurance and agriculture-related risks and losses based on proposals developed by the Corporation or by an approved insurance provider to evaluate whether the proposal or new risk management tool is suitable for the marketplace and addresses the needs of producers of agricultural commodities.

“(2) **PRIVATE COVERAGE.**—Under this section, the Corporation shall not conduct any activity that provides insurance protection against a risk if insurance protection against the risk is generally available from private companies.

“(3) **COVERED ACTIVITIES.**—The activities described in paragraph (1) include insurance on losses involving—

“(A) reduced forage on rangeland caused by drought or insect infestation;

“(B) livestock poisoning and disease;

“(C) destruction of bees due to the use of pesticides;

“(D) unique special risks related to fruits, nuts, vegetables, and specialty crops in general, aquacultural species, and forest industry needs (including appreciation);

“(E) loss of timber due to drought, flood, fire, or other natural disaster;

“(F) other agricultural products as determined by the Board;

“(G) after October 1, 2000, insurance coverage for livestock and livestock products;

“(H) subject to paragraph (7), after October 1, 2000, wild salmon; and

“(I) subject to paragraph (7), after October 1, 2000, loss of or damage to trees or fruit affected by plum pox virus (commonly known as ‘sharka’), including quarantined trees or fruit.

“(4) **SCOPE OF PILOT PROGRAMS.**—The Corporation may—

“(A) offer a pilot program authorized under this title on a regional, State, or national basis after considering the interests of affected producers and the interests of, and risks to, the Corporation;

“(B) operate the pilot program, including any modifications of the pilot program, for a period of up to 4 years;

“(C) extend the time period for the pilot program for additional periods, as determined appropriate by the Corporation; and

“(D) provide pilot programs that would allow producers—

“(i) to receive premium discounts for using whole farm units or single crop units of insurance; and

“(ii) to cross State and county boundaries to form insurable units.

“(5) **EVALUATION.**—After the completion of any pilot program under this section, the Corporation shall evaluate the pilot program and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report on the operations of the pilot program, including the evaluation by the Corporation of the pilot program and the recommendations of the Corporation with respect to implementing the program on a national basis.

“(6) **FUNDING.**—The amount of funds used to carry out research and pilot programs that are established after the date of enactment of this section (other than subsection (b)(2)) shall not exceed—

“(A) in the case of fiscal year 2001, \$10,000,000;

“(B) in the case of fiscal year 2002, \$30,000,000;

“(C) in the case of fiscal year 2003, \$50,000,000; and

“(D) in the case of fiscal year 2004, \$60,000,000.

“(7) **FISCAL YEARS.**—Paragraphs (3)(E), (3)(G), (3)(H), (4), and (6) shall apply to each of fiscal years 2001 through 2004.

“(8) **RELATION TO OTHER LAWS.**—

“(A) **IN GENERAL.**—The terms and conditions of any policy or plan of insurance offered under this section that is reinsured by the Corporation shall not—

“(i) be subject to the jurisdiction of the Commodity Futures Trading Commission or the Securities and Exchange Commission; or

“(ii) be considered to be accounts, agreements (including any transaction that is of the character of, or is commonly known to the trade as, an ‘option’, ‘privilege’, ‘indemnity’, ‘bid’, ‘offer’, ‘put’, ‘call’, ‘advance guaranty’, or ‘decline guaranty’), or transactions involving contracts of sale of a commodity for future delivery, traded or executed on a contract market for the purposes of the Commodity Exchange Act (7 U.S.C. 1 et seq.).

“(B) **EFFECT ON CFTC AND COMMODITY EXCHANGE ACT.**—Nothing in this paragraph affects the jurisdiction of the Commodity Futures Trading Commission or the applicability of the Commodity Exchange Act (7 U.S.C. 1 et seq.) to any transaction conducted on a contract market under that Act by an approved insurance provider to offset the approved insurance provider's risk under a plan or policy of insurance under this section.”.

#### **SEC. 202. RESEARCH AND DEVELOPMENT CONTRACTING AUTHORITY.**

Section 522 of the Federal Crop Insurance Act (as added by section 201) is amended by adding at the end the following:

“(b) **RESEARCH AND DEVELOPMENT CONTRACTING AUTHORITY.**—

“(1) **IN GENERAL.**—Subject to section 523(a), to obtain the best research and analysis concerning any significant issue pertaining to crop insurance, including outreach and education, pilot programs, or the development of a new plan of insurance, the Corporation may use

only the authority provided by this section and funds made available under section 516(b)(2)(A) to—

“(A) contract on a competitive basis with qualified persons;

“(B) reimburse research costs associated with product development; and

“(C) reimburse costs associated with the reassessment and modification of plans of insurance.

“(2) **ALTERNATIVE RATING METHODOLOGIES.**—

“(A) **IN GENERAL.**—The Corporation shall enter into contracts with qualified persons to study and develop alternative methodologies for rating plans of insurance for catastrophic risk protection and higher levels of additional coverage under subsections (b) and (c), respectively, of section 508, and rates for the plans of insurance, that take into account—

“(i) producers that elect not to participate in the Federal crop insurance program; and

“(ii) producers that elect to obtain only catastrophic risk protection.

“(B) **PRIORITY.**—The studies conducted under this paragraph shall provide priority to agricultural commodities with—

“(i) the largest average acreage nationwide; and

“(ii) the lowest percentage of producers that purchase additional coverage.

“(C) **FUNDING.**—

“(i) **IN GENERAL.**—The Corporation shall fund the studies conducted under this paragraph from funds in the insurance fund available under section 516(b)(2)(A).

“(ii) **AMOUNT.**—There are authorized for the studies conducted under this paragraph—

“(I) in the case of each of fiscal years 2001 and 2002, \$1,000,000; and

“(II) in the case of each of fiscal years 2003 and 2004, \$250,000.

“(D) **FISCAL YEARS.**—This paragraph shall apply to each of fiscal years 2001 through 2004.

“(3) **RESEARCH AND DEVELOPMENT PRIORITIES.**—The Corporation shall establish, as 1 of the highest research and development priorities of the Corporation, the development of a pasture, range, and forage program to promote land stewardship.

“(4) **STUDY OF MULTIYEAR COVERAGE.**—

“(A) **IN GENERAL.**—The Corporation shall contract with a qualified person to conduct a study to determine whether offering plans of insurance that provide coverage for multiple years would reduce fraud and abuse by persons that participate in the Federal crop insurance program.

“(B) **REPORT.**—Not later than 1 year after the date of enactment of this section, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the study conducted under subparagraph (A).”.

#### **SEC. 203. CHOICE OF RISK MANAGEMENT OPTIONS.**

(a) **IN GENERAL.**—Section 522 of the Federal Crop Insurance Act (as amended by section 202) is amended by adding at the end the following:

“(c) **CHOICE OF RISK MANAGEMENT OPTIONS.**—

“(1) **DEFINITIONS.**—In this subsection:

“(A) **AGRICULTURAL COMMODITY.**—The term ‘agricultural commodity’ means each agricultural commodity specified in section 518—

“(i) for which catastrophic risk protection or additional coverage is available under this title, other than solely this section; and

“(ii) that is selected by the Secretary in a manner that—

“(I) encourages the maximum number of participants in the program under this subsection;

“(II) provides a mixture of program, specialty, and regional crops;

“(III) gives consideration to agricultural commodities with low crop insurance participation rates; and

“(IV) results in not less than 15 percent of payments being made to producers in States in which—



“(aa) there is traditionally, and continues to be, a low level of Federal crop insurance participation and availability; and

“(bb) the Secretary of Agriculture determines that the State is underserved by Federal crop insurance.

“(B) APPLICABLE CROP.—The term ‘applicable crop’ means each of the 2002 through 2004 crops of an agricultural commodity produced by a producer.

“(C) APPLICABLE YEAR.—The term ‘applicable year’ means the year in which—

“(i) the applicable crop is produced on the farm of a producer; and

“(ii) the producer elects to receive a risk management payment or crop insurance premium subsidy under this subsection.

“(D) REGULATED EXCHANGE.—The term ‘regulated exchange’ means a board of trade (as defined in section 1a of the Commodity Exchange Act (7 U.S.C. 1a)) that is designated as a contract market under section 2(a)(1)(B) of that Act (7 U.S.C. 2a).

“(2) RISK MANAGEMENT PAYMENTS.—

“(A) OFFER.—The Corporation shall offer either to make either risk management payments or to provide crop insurance premium subsidies for each of the 2002 through 2004 crops of an agricultural commodity in accordance with subparagraph (B).

“(B) TERMS.—Not later than the sales closing date for obtaining coverage for an agricultural commodity for each applicable year, an eligible producer may elect to receive, with respect to the agricultural commodity—

“(i) a risk management payment under this subsection; or

“(ii) a crop insurance premium subsidy, including a catastrophic risk protection subsidy, under this subsection.

“(3) RISK MANAGEMENT PAYMENT.—

“(A) IN GENERAL.—In the case of a producer that elects to receive a risk management payment for an applicable crop of an agricultural commodity under this subsection, the Corporation shall make a risk management payment to the producer that covers the agricultural commodity produced by the producer for the applicable crop.

“(B) BASIS FOR PAYMENT.—The amount of a risk management payment shall be determined in accordance with paragraph (5).

“(4) QUALIFYING RISK MANAGEMENT PRACTICES.—To be eligible for a risk management payment under this subsection for an applicable crop of an agricultural commodity, a producer shall obtain or use for the applicable crop a qualifying risk management practice from at least 2 of the following categories:

“(A) CROP INSURANCE CATEGORY.—A producer may purchase coverage for an agricultural commodity under a private plan of insurance or a Federal plan of insurance that is not subsidized.

“(B) MARKETING RISK CATEGORY.—

“(i) FUTURE OR OPTION.—A producer may enter into a future or option for an agricultural commodity produced on the farm of the producer for the applicable crop on a regulated exchange that is (as determined by the Corporation)—

“(I)(aa) in the case of a future, at least 1 regulated futures contract (as defined in section 1256(g) of the Internal Revenue Code of 1986); and

“(bb) in the case of an option, at least 1 listed option (as defined in section 1256(g) of that Code); and

“(II) a hedging transaction (as defined in section 1256(e)(2) of that Code) involving an agricultural commodity that is used to reduce production, price, or revenue risk.

“(ii) AGRICULTURAL TRADE OPTION.—A producer may purchase, on other than a regulated exchange, an agricultural trade option for the applicable crop of an agricultural commodity produced on the farm of the producer that (as determined by the Corporation)—

“(I) provides coverage for at least 10 percent of the estimated monetary value of the agricultural commodity;

“(II) is an equity option (as defined in section 1256(g) of the Internal Revenue Code of 1986); and

“(III) is a hedging transaction (as defined in section 1256(e)(2) of that Code) involving an agricultural commodity that is used to reduce production, price, or revenue risk.

“(iii) CASH FORWARD OR OTHER MARKETING CONTRACT.—A producer may enter into a cash forward or other type of marketing contract for at least 20 percent of the monetary value of an agricultural commodity produced on the farm of the producer for the applicable crop, as determined by the Secretary.

“(iv) MARKETING THROUGH COOPERATIVES.—A producer may market at least 25 percent of an agricultural commodity produced by the producer through a cooperative that is owned by agricultural producers.

“(C) FINANCIAL RISK CATEGORY.—

“(i) TRUST.—A producer may make a deposit of an amount equal to at least 10 percent of the payments of the producer for the applicable year under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.) into a trust authorized by statute for eligible farming businesses that may be established to accept tax deductible contributions.

“(ii) AGRICULTURAL MARKETING AND RISK MANAGEMENT EDUCATION.—A producer may attend and complete in the applicable year an agricultural marketing or risk management class or seminar approved by the Corporation.

“(iii) FINANCIAL RISK REDUCTION.—A producer may reduce farm financial risk by reducing debt in an amount that reduces leverage or by increasing liquidity, as determined by the Secretary.

“(iv) DIVERSIFICATION.—A producer may address production or financial risk by—

“(I) diversifying production on the farm of the producer by producing at least 1 additional commodity on the farm;

“(II) significantly increasing farm enterprise diversification in the applicable year, as determined by the Secretary;

“(III) maintaining an integrated farming system with a substantial degree of diversification, as determined by the Secretary; or

“(IV) implementing a transition to organic farming.

“(D) FARM RESOURCES RISK CATEGORY.—

“(i) CONSERVATION PRACTICES.—A producer may implement new or existing conservation practices consisting of—

“(I) nutrient management;

“(II) integrated pest management;

“(III) conservation tillage;

“(IV) conservation buffers; or

“(V) other conservation practices that are appropriate for the farm, as determined by the Secretary.

“(ii) AGRICULTURAL CONSERVATION MANAGEMENT PLAN.—A producer may develop a plan to mitigate financial risk associated with resource conservation through practices consisting of—

“(I) nutrient management;

“(II) integrated pest management;

“(III) soil erosion control;

“(IV) conservation buffers;

“(V) soil residue management;

“(VI) water quantity or quality management; or

“(VII) other conservation practices that are appropriate for the farm, as determined by the Secretary.

“(iii) AGRICULTURAL RESOURCE IMPROVEMENTS.—A producer may invest in the improvement or development of 1 or more of the following capital land improvements on the farm of the producer to reduce production risk:

“(I) Irrigation management.

“(II) Watershed management structures.

“(III) Planting trees for windbreaks or water quality.

“(IV) Soil quality management options.

“(V) Animal waste management structures.

“(VI) Other land improvements, as determined by the Secretary.

“(E) OTHER CATEGORY.—A producer may engage in any other risk management practice approved by the Secretary.

“(5) DETERMINATION OF RISK MANAGEMENT PAYMENT.—

“(A) IN GENERAL.—The Secretary shall determine the amount of a risk management payment for an agricultural commodity produced on the farm of a producer for an applicable crop taking into consideration the expenditure by the producer on the risk management practices obtained or used by the producer.

“(B) MAXIMUM PAYMENT.—No payment shall be made in excess of an amount equal to the national average of the previous year's liability for all catastrophic risk protection policies.

“(C) FUNDING.—

“(i) IN GENERAL.—Subject to clause (ii), there are authorized to be expended to carry out this subsection from the insurance fund under section 516(a)(2)(C) not more than \$500,000,000 for the period of fiscal years 2002 through 2004.

“(ii) ANNUAL LIMITATION.—Not more than \$200,000,000 may be expended in any fiscal year to carry out this subsection.

“(6) ADMINISTRATIVE PROVISIONS.—

“(A) CERTIFICATION.—A producer shall submit to the crop insurance agent or approved insurance provider a risk management practices form that certifies, in accordance with standards prescribed by the Secretary, the qualifying risk management practices and associated costs that were obtained or used by the producer during the applicable year.

“(B) COMPLIANCE.—The Corporation may perform random audits of producers that obtain a risk management payment to ensure that the producers obtained or used the qualifying risk management practices described in the form.

“(C) VIOLATION OF TERMS OF RISK MANAGEMENT PAYMENT.—If a producer has accepted a risk management payment or crop insurance premium subsidy for an applicable year and the producer fails to comply with subparagraph (A), or to carry out a qualifying risk management option elected by the producer under paragraph (4), with respect to the applicable year, the producer—

“(i) shall refund to the Corporation an amount equal to the risk management payment; and

“(ii) may be subject to debarment from loans and payments for a period of not to exceed 5 years, as provided in section 506(n)(3)(B).

“(D) ASSIGNMENT AND SHARING OF BENEFITS.—

“(i) ASSIGNMENT OF BENEFITS.—Assignment of a benefit provided under this subsection shall be carried out as provided in section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)).

“(ii) NOTICE.—The producer making the assignment, or the assignee, shall provide the Corporation with notice, in such manner as the Corporation may require, of any assignment.

“(iii) SHARING OF BENEFITS.—The Corporation shall provide for the sharing of benefits under this subsection among all producers that are at risk in the production of an applicable crop on a fair and equitable basis.

“(7) FISCAL YEARS.—This subsection shall apply to each of fiscal years 2002 through 2004.”.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 516(a) of the Federal Crop Insurance Act (7 U.S.C. 1516(a)) is amended—

(1) by striking paragraph (1) and inserting the following:

“(1) DISCRETIONARY EXPENSES.—There are authorized to be appropriated for fiscal year 1999 and each subsequent fiscal year such sums as are necessary to cover—

“(A) the salaries and expenses of the Corporation; and

“(B) the expenses of approved insurance providers incurred in carrying out section 522(c).”; and

(2) in paragraph (2)—

(A) in subparagraph (A), by striking “and” at the end;

(B) in subparagraph (B), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:

“(C) risk management payments authorized under section 522(c) in an amount not to exceed \$500,000,000 for the period of fiscal years 2002 through 2004, of which not more than \$200,000,000 may be expended for any 1 fiscal year.”.

#### SEC. 204. OPTIONS PILOT PROGRAM.

(a) IN GENERAL.—Section 191 of the Agricultural Market Transition Act (7 U.S.C. 7331) is amended—

(1) in the first sentence of subsection (a), by striking “2002” and inserting “2004”; and

(2) in subsection (b)—

(A) in the first sentence, by striking “100 counties, except that not more than 6” and inserting “300 counties, except that not more than 25”; and

(B) in the second sentence, by striking “2002” and inserting “2004”; and

(3) in subsection (c)(2), by inserting before the semicolon the following: “during any calendar year in which a county in which the farm of the producer is located is authorized to operate the pilot program”.

(b) FUNDING.—From amounts made available under section 516(a)(2)(C) of the Federal Crop Insurance Act (7 U.S.C. 1516(a)(2)(C)) (as added by section 203(b)(2)(C)) for the choice of risk management options pilot program, the Federal Crop Insurance Corporation shall transfer to the Secretary of Agriculture to carry out the amendments made by subsection (a) \$27,000,000 for each of fiscal years 2002 through 2004.

#### SEC. 205. RISK MANAGEMENT INNOVATION AND COMPETITION PILOT PROGRAM.

Section 522 of the Federal Crop Insurance Act (as amended by section 203(a)) is amended by adding at the end the following:

“(d) RISK MANAGEMENT INNOVATION AND COMPETITION.—

“(1) PURPOSE.—The purpose of the pilot program established under this subsection is to determine what incentives are necessary to encourage approved insurance providers to—

“(A) develop and offer innovative risk management products to producers;

“(B) rate premiums for risk management products; and

“(C) competitively market the risk management products.

“(2) ESTABLISHMENT.—

“(A) IN GENERAL.—The Corporation shall establish a pilot program under which approved insurance providers may propose for approval by the Board risk management products involving—

“(i) loss of yield or revenue insurance coverage for 1 or more commodities (including commodities that are not insurable under this title as of the date of enactment of this section, but excluding livestock);

“(ii) rates of premium for the risk management product; or

“(iii) underwriting systems for the risk management product.

“(B) SUBMISSION TO BOARD.—The Board shall review and approve a risk management product before the risk management product may be marketed under this subsection.

“(C) DETERMINATION BY BOARD.—The Board may approve a risk management product for subsidy and reinsurance under this title if the Board determines that—

“(i) the interests of producers of commodities are adequately protected by the risk management product;

“(ii) premium rates charged to producers are actuarially appropriate (within the meaning of section 508(h)(3)(E));

“(iii) the underwriting system of the risk management product is appropriate and adequate;

“(iv) the proposed risk management product is reinsured under this title, is reinsured through private reinsurance, or is self-insured;

“(v) the size of the proposed pilot area is adequate;

“(vi) insurance protection against the risk covered by the proposed risk management product is not generally available from private plans of insurance that are not covered by this title; and

“(vii) such other requirements of this title as the Board determines should apply to the risk management product are met.

“(D) CONFIDENTIALITY.—

“(i) IN GENERAL.—All information concerning a risk management product shall be considered to be confidential commercial or financial information for the purposes of section 552(b)(4) of title 5, United States Code.

“(ii) STANDARD.—If information concerning a risk management product of an approved insurance provider could be withheld by the Secretary under the standard for privileged or confidential information pertaining to trade secrets and commercial or financial information under section 552(b)(4) of title 5, United States Code, the information shall not be released to the public.

“(3) MARKETING OF RISK MANAGEMENT PRODUCTS.—

“(A) DEFINITION OF ORIGINAL PROVIDER.—In this paragraph, the term ‘original provider’ means an approved insurance provider that submits a risk management product to the Board for approval under paragraph (2).

“(B) AUTHORITY TO MARKET.—If the Board approves a risk management product under paragraph (2), subject to subparagraph (C), only the original provider may market the risk management product.

“(C) FEE.—

“(i) IN GENERAL.—An approved insurance provider (other than the original provider) that desires to market a risk management product shall pay a fee to the original provider for the right to market the risk management product.

“(ii) AMOUNT.—The original provider shall determine the amount of the fee under clause (i).”.

#### SEC. 206. EDUCATION AND RESEARCH.

Section 522 of the Federal Crop Insurance Act (as amended by section 205) is amended by adding at the end the following:

“(e) EDUCATION AND RESEARCH.—

“(1) IN GENERAL.—The Corporation shall establish the programs described in paragraphs (2) and (3), respectively, for the 2001–2004 fiscal years, not to exceed the funding limitations established in paragraph (4).

“(2) EDUCATION AND INFORMATION.—The Corporation shall establish a program of education and information for States in which—

“(A) there is traditionally, and continues to be, a low level of Federal crop insurance participation and availability; and

“(B) the Secretary of Agriculture determines that the State is underserved by Federal crop insurance.

“(3) RESEARCH AND DEVELOPMENT.—The Corporation shall establish a program of research and development to develop new approaches to increasing participation in States in which—

“(A) there is traditionally, and continues to be, a low level of Federal crop insurance participation and availability; and

“(B) the Secretary of Agriculture determines that the State is underserved by Federal crop insurance.

“(4) FUNDING.—The following amounts shall be transferred from funds made available in section 516(a)(2)(C) for the Choice of Risk Management Options pilot program—

“(A) for the Education, Information and Insurance Provider Recruitment program in paragraph (2), \$10,000,000 for each of fiscal years 2001 through 2004.

“(B) for the Research and Development program in paragraph (3), \$5,000,000 for each of fiscal years 2001 through 2004.”.

#### SEC. 207. CONFORMING AMENDMENTS.

(a) Section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) is amended—

(1) by striking subsection (m); and

(2) by redesignating subsection (n) as subsection (m).

(b) Section 516(b)(2)(A) of the Federal Crop Insurance Act (7 U.S.C. 1516(b)(2)(A)) is amended by striking “exceed \$3,500,000 for each fiscal year.” and inserting “exceed—

“(i) in the case of each of fiscal years 2001 and 2002, \$4,500,000;

“(ii) in the case of each of fiscal years 2003 and 2004, \$3,750,000; and

“(iii) in the case of each subsequent fiscal year, \$3,500,000.”.

(c) Section 518 of the Federal Crop Insurance Act (7 U.S.C. 1518) is amended by striking “subsection (a) or (m) of section 508 of this title” and inserting “section 508(a), 522, or 523”.

#### TITLE III—ADMINISTRATION

#### SEC. 301. BOARD OF DIRECTORS OF CORPORATION.

(a) IN GENERAL.—Section 505 of the Federal Crop Insurance Act (7 U.S.C. 1505) is amended by striking subsection (a) and inserting the following:

“(a) BOARD OF DIRECTORS.—

“(1) IN GENERAL.—The management of the Corporation shall be vested in a Board of Directors, subject to the general supervision of the Secretary.

“(2) COMPOSITION.—The Board shall consist of—

“(A) 4 members who are active agricultural producers with or without crop insurance, with 1 member appointed from each of the 4 regions of the United States (as determined by the Secretary);

“(B) 1 member who is active in the crop insurance business;

“(C) 1 member who is active in the reinsurance business;

“(D) the Under Secretary for Farm and Foreign Agricultural Services;

“(E) the Under Secretary for Rural Development; and

“(F) the Chief Economist of the Department of Agriculture.

“(3) APPOINTMENT AND TERMS OF PRIVATE SECTOR MEMBERS.—The members of the Board described in subparagraphs (A), (B), and (C) of paragraph (2)—

“(A) shall be appointed by, and hold office at the pleasure of, the Secretary;

“(B) shall not be otherwise employed by the Federal Government;

“(C) shall be appointed to staggered 4-year terms, as determined by the Secretary; and

“(D) shall serve not more than 2 consecutive terms.

“(4) CHAIRPERSON.—The Board shall select a member of the Board described in subparagraph (A), (B), or (C) of paragraph (2) to serve as Chairperson of the Board.

“(5) OFFICE OF RISK MANAGEMENT.—The Office of Risk Management shall provide assistance to the Board in developing, reviewing, and recommending—

“(A) new plans of insurance and pilot projects under this title that are proposed by the Office or by a private insurance provider;

“(B) terms of the Standard Reinsurance Agreement;

“(C) rates for plans of insurance under this title; and

“(D) other issues involved in the administration of Federal crop insurance, as requested by the Board.

“(6) EXECUTIVE DIRECTOR; STAFF.—

“(A) EXECUTIVE DIRECTOR.—An executive director appointed by the Secretary, with the concurrence of the Board, shall—

“(i) assist the Board, as provided in subparagraph (C); and

“(ii) report to the Secretary.

“(B) STAFF.—

“(i) IN GENERAL.—A staff of 4 individuals appointed by the Executive Director shall report to the Executive Director.

“(ii) **QUALIFICATIONS.**—An individual described in clause (i) (except the Executive Director) shall be knowledgeable and experienced in quantitative mathematics and actuarial rating.

“(C) **FUNCTIONS.**—The Executive Director and staff appointed under this paragraph shall—

“(i) assist the Board in reviewing and approving policies and materials with respect to plans of insurance or other materials authorized or submitted under section 508, 522, or 523;

“(ii) provide at least monthly reports to the Board on crop insurance issues, which shall be based on comments received from producers, approved insurance providers, and other sources that the Executive Director and staff consider appropriate;

“(iii) review policies and materials with respect to—

“(I) subsidized plans of insurance authorized under section 508; and

“(II) unsubsidized plans of insurance submitted to the Board under section 508(h);

“(iv) make recommendations to the Board with respect to approval of the policies and materials, including recommendations with respect to the disapproval of any policies and materials that contain terms or conditions that promote fraud;

“(v) make recommendations to the Board to encourage cooperation between United States attorneys, the Corporation, and approved insurance providers to minimize fraud in connection with an insurance plan or policy under this title;

“(vi) review and make recommendations to the Board with respect to methodologies for rating plans of insurance under this title; and

“(vii) perform such other functions as the Board considers appropriate.

“(D) **FUNDING.**—

“(i) **INSURANCE FUND.**—From amounts in the insurance fund under section 516(c)(1), effective for fiscal year 2001, \$500,000 shall be available to pay the salaries and expenses of the Executive Director and staff appointed under this paragraph.

“(ii) **SALARIES AND EXPENSES.**—Subject to the availability of appropriations, the Risk Management Agency shall transfer \$500,000 for fiscal year 2001, and \$1,000,000 for each subsequent fiscal year, at the beginning of the fiscal year to the Executive Director for the salaries and expenses of the Executive Director and staff appointed under this paragraph.”

(b) **SUBMISSION OF POLICIES AND MATERIALS TO BOARD.**—Section 508(h) of the Federal Crop Insurance Act (7 U.S.C. 1508(h)) is amended—

(1) by striking paragraphs (1) through (4) and inserting the following:

“(1) **IN GENERAL.**—In addition to any standard forms or policies that the Board may require be made available to producers under subsection (c), a person may propose to the Board—

“(A) loss of yield or revenue insurance coverage on an individual, area, or a combination of individual and area basis, for 1 or more agricultural commodities;

“(B) rates of premium for a proposed or existing policy; and

“(C) underwriting systems for a proposed or existing policy.

“(2) **SUBMISSION OF PROPOSALS.**—

“(A) **IN GENERAL.**—Subject to subparagraph (B) and paragraph (3), a proposal submitted to the Board under this subsection may be prepared without regard to the limitations of this title, including limitations—

“(i) concerning actuarial soundness;

“(ii) concerning levels of coverage;

“(iii) concerning rates of premium;

“(iv) that the price level for coverage for each insured commodity must equal the expected market price for the commodity as established by the Board; and

“(v) that an approved insurance provider shall provide coverage under a policy throughout a State for all commodities if the approved insurance provider elects to provide any coverage in the State.

“(B) **MAXIMUM ALLOWABLE SUBSIDY.**—The payment by the Corporation of a portion of the premium of the policy approved by the Board under this subsection may not exceed the amount that would otherwise be authorized under subsection (e).

“(3) **STANDARDS.**—

“(A) **IN GENERAL.**—The Board shall approve a proposal under this subsection for subsidy and reinsurance if the Board finds that the proposal adequately ensures that—

“(i) the interests of producers of commodities are adequately protected;

“(ii) premiums charged to producers are actuarially appropriate;

“(iii) the underwriting system included in the proposal is appropriate and adequate; and

“(iv) the proposal is reinsured under this title, is reinsured through private reinsurance, or is self-insured;

“(B) **RATES OF PREMIUM.**—A proposed rate of premium (including the part of premium paid by the Corporation) shall be considered to be actuarially appropriate if the rate is sufficient to cover projected losses and expenses, a reasonable reserve, and the amount of operating and administrative expenses of the approved insurance provider determined under subsection (d)(2).

“(C) **PROPOSED UNDERWRITING PLANS.**—A proposed underwriting plan—

“(i) may be on an area or individual farm basis; and

“(ii) shall, at a minimum, specify factors such as yield history for the farm or region, soils and resource quality for the farm, and farm production practices.

“(D) **REINSURANCE.**—

“(i) **FEDERAL REINSURANCE.**—The Corporation shall, to the maximum extent practicable, make reinsurance available to an approved insurance provider under this subsection.

“(ii) **PRIVATE OR FEDERAL REINSURANCE.**—An approved insurance provider may—

“(I) obtain private reinsurance for the proposal;

“(II) obtain reinsurance for the proposal under this title; or

“(III) self-insure the proposal.

“(E) **ACTUARIALLY APPROPRIATE.**—The Board shall prescribe standards for determining whether premium rates are actuarially appropriate considering the risk inherent in the proposed product.

“(4) **REVIEW AND APPROVAL BY BOARD.**—With respect to any policy or other material submitted to the Board after October 1, 2000, under this subsection, the following guidelines shall apply:

“(A) **IN GENERAL.**—The policy or other material shall be reviewed by the Board in accordance with subparagraphs (C) and (D).

“(B) **MULTIPLE INSURANCE AGREEMENTS.**—The Corporation may enter into more than 1 reinsurance agreement simultaneously with the approved insurance provider to facilitate the offering of the new policy.

“(C) **PROCEDURES FOR SUBMISSION AND REVIEW.**—The Corporation shall promulgate regulations that establish procedures for the submission and review by the Board of proposals submitted to the Board under this subsection, including—

“(i) the standards applicable to a proposal under paragraph (3) (including documentation required to establish that a proposal satisfies the standards);

“(ii) procedures concerning the time limitations provided under this paragraph; and

“(iii) procedures that provide an applicant the opportunity to present the proposal to the Board in person.

“(D) **REVIEW BY THE BOARD.**—

“(i) **PERIOD FOR APPROVAL.**—Notwithstanding any other provision of law, a proposal submitted to the Board shall be considered to be approved unless the Board disapproves the proposal by the date that is 60 business days after the later of—

“(I) the date of submission of the completed proposal to the Board; or

“(II) the date on which the applicant provides to the Board notice of intent to modify the proposal under clause (ii)(IV).

“(ii) **NOTICE OF DISAPPROVAL.**—

“(I) **IN GENERAL.**—Not later than 15 days before the date on which the Board intends to announce disapproval of a proposal, the Board shall provide the applicant, by registered mail, with notice of intent to disapprove the proposal.

“(II) **RIGHT TO MODIFY.**—An applicant that is notified under subclause (I) may modify the proposal.

“(III) **ORIGINAL APPLICATION.**—For the purposes of this clause, any modified proposal shall be considered to be an original proposal.

“(IV) **NOTICE OF INTENT TO MODIFY.**—Not later than 5 business days after receipt of a notice under subclause (I), an applicant that intends to modify the proposal shall so notify the Board.

“(E) **TIMING.**—In establishing procedures under this subsection, the Board shall prescribe a reasonable deadline for the submission of proposals that approved insurance providers expect to market during the reinsurance year.

“(F) **CONFIDENTIALITY.**—

“(i) **IN GENERAL.**—A proposal submitted to the Board under this subsection (including any information generated from the proposal) shall be considered to be confidential commercial or financial information for the purposes of section 552(b)(4) of title 5, United States Code.

“(ii) **STANDARD OF CONFIDENTIALITY.**—Except as provided in clauses (iii) and (iv), if information concerning a proposal could be withheld by the Secretary under the standard for privileged or confidential information pertaining to trade secrets and commercial or financial information under section 552(b)(4) of title 5, United States Code, the information shall not be released to the public.

“(iii) **EXCEPTION FOR PURCHASERS OF PLANS OF INSURANCE.**—Clause (ii) shall not apply in the case of an approved insurance provider that elects to pay a fee to sell a plan of insurance developed by another provider under paragraph (5).

“(iv) **APPROVED PROPOSALS.**—In lieu of publication in the Federal Register, a general summary of the content of the proposal shall be made available to other approved insurance providers at the time at which the proposal is approved by the Board, consisting of a description of—

“(I) the identity of the approved insurance provider;

“(II) the coverage provided; and

“(III) the area to be covered by the approved proposal.”;

(2) by striking paragraphs (6), (8), and (10); and

(3) by redesignating paragraphs (7) and (9) as paragraphs (6) and (7), respectively.

(c) **CONFORMING AMENDMENTS.**—Section 516(b)(1) of the Federal Crop Insurance Act (7 U.S.C. 1516(b)(1)) is amended—

(1) in subparagraph (B), by striking “; and” and inserting a semicolon;

(2) in subparagraph (C), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

“(D) the salaries and expenses of the Executive Director and staff appointed under section 505(a)(6) for fiscal year 2001, but not to exceed \$500,000 for the fiscal year; and”.

**SEC. 302. GOOD FARMING PRACTICES.**

Section 508(a)(3) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)(3)) (as amended by section 103(d)) is amended in subparagraph (A)(iii) by inserting after “good farming practices” the following: “, including scientifically sound sustainable and organic farming practices”.

**SEC. 303. SANCTIONS FOR PROGRAM NONCOMPLIANCE AND FRAUD.**

(a) **IN GENERAL.**—Section 506 of the Federal Crop Insurance Act (7 U.S.C. 1506) is amended

by striking subsection (n) and inserting the following:

“(n) **SANCTIONS FOR PROGRAM NONCOMPLIANCE AND FRAUD.**—

“(1) **FALSE INFORMATION.**—A producer, agent, loss adjuster, approved insurance provider, or other person that willfully and intentionally provides any false or inaccurate information to the Corporation or to an approved insurance provider with respect to a policy or plan of insurance under this title may, after notice and an opportunity for a hearing on the record, be subject to 1 or more of the sanctions described in paragraph (3).

“(2) **COMPLIANCE.**—A person may, after notice and an opportunity for a hearing on the record, be subject to 1 or more of the sanctions described in paragraph (3) if the person is—

“(A) a producer, agent, loss adjuster, approved insurance provider, or other person that willfully and intentionally fails to comply with a requirement of the Corporation; or

“(B) an agent, loss adjuster, approved insurance provider, or other person (other than a producer) that willfully and intentionally fails to comply with a requirement of the Standard Reinsurance Agreement.

“(3) **AUTHORIZED SANCTIONS.**—If the Secretary determines that a person covered by this subsection has committed a material violation under paragraph (1) or (2), the following sanctions may be imposed:

“(A) **CIVIL FINES.**—A civil fine may be imposed for each violation in an amount not to exceed the greater of—

“(i) the amount of the pecuniary gain obtained as a result of the false or inaccurate information provided or the noncompliance with a requirement of this title; or

“(ii) \$10,000.

“(B) **DEBARMENT.**—

“(i) **PRODUCERS.**—In the case of a violation committed by a producer, the producer may be disqualified for a period of up to 5 years from receiving any monetary or nonmonetary benefit provided under—

“(I) this title;

“(II) the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.), including the noninsured crop disaster assistance program under section 196 of that Act (7 U.S.C. 7333);

“(III) the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.);

“(IV) the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.);

“(V) the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.);

“(VI) title XII of the Food Security Act of 1985 (16 U.S.C. 3801 et seq.);

“(VII) the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.); and

“(VIII) any law that provides assistance to a producer of an agricultural commodity affected by a crop loss or a decline in the prices of agricultural commodities.

“(ii) **OTHER PERSONS.**—In the case of a violation committed by an agent, loss adjuster, approved insurance provider, or other person (other than a producer), the violator may be disqualified for a period of up to 5 years from participating in any program, or receiving any benefit, under this title.

“(4) **ASSESSMENT OF SANCTION.**—The Secretary shall consider the gravity of the violation of the person covered by this subsection in determining—

“(A) whether to impose a sanction under this subsection; and

“(B) the amount of the sanction to be imposed.

“(5) **DISCLOSURE OF SANCTIONS.**—Each policy or plan of insurance under this title shall provide notice about the sanctions prescribed under paragraph (3) for willfully and intentionally—

“(A) providing false or inaccurate information to the Corporation or to an approved insurance provider; or

“(B) failing to comply with a requirement of the Corporation or the Standard Reinsurance Agreement.

“(6) **INSURANCE FUND.**—Any funds collected under this subsection shall be deposited into the insurance fund under section 516(c)(1).”

(b) **CONFORMING AMENDMENTS.**—Section 516(c) of the Federal Crop Insurance Act (7 U.S.C. 1516(c)) is amended by striking paragraph (1) and inserting the following:

“(1) **IN GENERAL.**—There is established the insurance fund, which shall include (to remain available without fiscal year limitation)—

“(A) premium income;

“(B) amounts made available under subsection (a)(2); and

“(C) civil fines collected under section 506(n)(3)(A).”

#### **SEC. 304. OVERSIGHT OF AGENTS AND LOSS ADJUSTERS.**

Section 506(q) of the Federal Crop Insurance Act (7 U.S.C. 1506(q)) is amended by adding at the end the following:

“(3) **OVERSIGHT OF AGENTS AND LOSS ADJUSTERS.**—The Corporation shall—

“(A) develop procedures for an annual review by an approved insurance provider of the performance of each agent and loss adjuster used by the approved insurance provider;

“(B) oversee the annual review conducted by each approved insurance provider; and

“(C) consult with each approved insurance provider regarding any remedial action that is determined necessary as a result of the annual review of an agent or loss adjuster.

“(4) **COMPLIANCE REPORTS.**—Not later than the end of each fiscal year, the Corporation shall submit, to the Committee on Agriculture of the House of Representatives, the Committee on Agriculture, Nutrition, and Forestry of the Senate, and the Board, a report concerning compliance by approved insurance providers, agents, and loss adjusters with this title, including any recommendations for legislative or administrative changes that could further improve compliance.”

#### **SEC. 305. ADEQUATE COVERAGE FOR STATES.**

Section 508(a) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)) (as amended by section 107) is amended by adding at the end the following:

“(9) **ADEQUATE COVERAGE FOR STATES.**—

“(A) **DEFINITION OF ADEQUATELY SERVED.**—In this paragraph, the term ‘adequately served’ means having a participation rate that is at least 50 percent of the national average participation rate.

“(B) **REVIEW.**—The Board shall review the plans of insurance that are offered by approved insurance providers under this title to determine if each State is adequately served by the plans of insurance.

“(C) **REPORT.**—

“(i) **IN GENERAL.**—Not later than 30 days after completion of the review under subparagraph (B), the Board shall submit to Congress a report on the results of the review.

“(ii) **RECOMMENDATIONS.**—The report shall include recommendations to increase participation in States that are not adequately served by the plans of insurance.”

#### **SEC. 306. RECORDS AND REPORTING.**

(a) **CONDITION OF OBTAINING COVERAGE.**—Section 508(f)(3)(A) of the Federal Crop Insurance Act (7 U.S.C. 1508(f)(3)(A)) is amended by striking “provide,” and all that follows through “sought” and inserting “provide annually records acceptable to the Secretary regarding crop acreage, acreage yields, and production for each agricultural commodity insured under this title”.

(b) **COORDINATION AND USE OF RECORDS AND REPORTS.**—Section 506(h) of the Federal Crop Insurance Act (7 U.S.C. 1506(h)) is amended—

(1) by striking “The Corporation” and inserting the following:

“(1) **IN GENERAL.**—The Corporation”; and

(2) by adding at the end the following:

“(2) **COORDINATION AND USE OF RECORDS AND REPORTS.**—

“(A) **COORDINATION.**—The Secretary shall ensure that recordkeeping and reporting requirements under this title and section 196 of the Agricultural Market Transition Act (7 U.S.C. 7333) are coordinated by the Corporation and the Farm Service Agency—

“(i) to avoid duplication of records and reports;

“(ii) to streamline procedures involved with the submission of records and reports; and

“(iii) to enhance the accuracy of records and reports.

“(B) **USE.**—Records submitted under this title and section 196 of the Agricultural Market Transition Act (7 U.S.C. 7333) shall be available to agencies and local offices of the Department, appropriate State and Federal agencies and divisions, and approved insurance providers for use in carrying out this title, that section, and other agricultural programs and related responsibilities.”

#### **SEC. 307. FEES FOR PLANS OF INSURANCE.**

(a) **IN GENERAL.**—Section 508(h) of the Federal Crop Insurance Act (7 U.S.C. 1508(h)) is amended by striking paragraph (5) and inserting the following:

“(5) **FEES FOR PLANS OF INSURANCE.**—

“(A) **FEES FOR EXISTING PLANS OF INSURANCE.**—

“(i) **IN GENERAL.**—Effective beginning with the 2001 reinsurance year, if an approved insurance provider elects to sell a plan of insurance that was developed by another approved insurance provider and the plan of insurance was approved by the Board before January 1, 2000, the approved insurance provider that developed the plan of insurance shall have the right to receive a fee from the approved insurance provider that elects to sell the plan of insurance.

“(ii) **AMOUNT.**—The amount of the fee that is payable by an approved insurance provider for a plan of insurance under clause (i) shall be—

“(I) for each of the first 5 crop years that the plan is sold, \$2.00 for each policy under the plan that is sold by the approved insurance provider;

“(II) for each of the next 3 crop years that the plan is sold, \$1.00 for each policy under the plan that is sold by the approved insurance provider; and

“(III) for each crop year thereafter that the plan is sold, 50 cents for each policy under the plan that is sold by the approved insurance provider.

“(B) **FEES FOR NEW PLANS OF INSURANCE.**—

“(i) **IN GENERAL.**—Effective beginning with the 2001 reinsurance year, if an approved insurance provider elects to sell a plan of insurance that was developed by another approved insurance provider, the plan of insurance was approved by the Board under this subsection on or after January 1, 2000, and the plan of insurance was not available at the time at which the plan of insurance was approved by the Board, the approved insurance provider that developed the plan of insurance shall have the right to receive a fee from the approved insurance provider that elects to sell the plan of insurance.

“(ii) **AMOUNT.**—

“(I) **IN GENERAL.**—Subject to subclause (II), the amount of the fee that is payable by an approved insurance provider for a plan of insurance under clause (i) shall be an amount that is—

“(aa) determined by the approved insurance provider that developed the plan; and

“(bb) approved by the Board.

“(II) **APPROVAL.**—The Board shall not approve the amount of a fee under clause (i) if the amount of the fee unnecessarily inhibits the use of the plan of insurance, as determined by the Board.

“(C) **PAYMENTS.**—The Corporation shall annually—

“(i) collect from an approved insurance provider the amount of any fees that are payable by the approved insurance provider under subparagraphs (A) and (B); and

“(ii) credit any fees that are payable to an approved insurance provider under subparagraphs (A) and (B).

“(D) EXCEPTIONS.—In the case of a policy developed by an approved insurance provider that does not conduct business in a State—

“(i) the approved policy may be marketed in the State by another approved insurance provider if the approved insurance provider marketing the policy pays any fee for marketing the policy imposed by the developing provider; and

“(ii) the developing provider shall not deny payment of a fee by another provider to maintain full marketing rights of the approved policy.”

(b) FUNDING.—Section 516 of the Federal Crop Insurance Act (7 U.S.C. 1516) (as amended by sections 301(c) and 303(b)) is amended—

(1) in subsection (b)(1), by adding at the end the following:

“(E) payment of fees in accordance with section 508(h)(5)(C).”; and

(2) in subsection (c)(1)(A), by inserting “and fees” after “premium income”.

#### SEC. 308. LIMITATION ON DOUBLE INSURANCE.

Subsection (m) of section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) (as redesignated by section 207(a)(2)) is amended by adding at the end the following:

“(3) LIMITATION ON DOUBLE INSURANCE.—The Corporation may offer plans of insurance or reinsurance for only 1 agricultural commodity produced on specific acreage during a crop year, unless—

“(A) there is an established practice of double-cropping in an area, as determined by the Corporation;

“(B) the additional plan of insurance is offered with respect to an agricultural commodity that is customarily double-cropped in the area; and

“(C) the producer has a history of double cropping or the specific acreage has historically been double-cropped.”

#### SEC. 309. SPECIALTY CROPS.

(a) IN GENERAL.—The Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) (as amended by sections 201 through 203) is amended by adding at the end the following:

##### “SEC. 523. SPECIALTY CROPS.

“(a) RESEARCH REGARDING THE DEVELOPMENT OF NEW OR REVISED CROP INSURANCE POLICIES.—To encourage the development of new or revised crop insurance policies and other materials for specialty crops by qualified private entities, and the submission of those insurance policies and other materials to the Corporation under section 508(h), the Specialty Crops Coordinator may—

“(1) make grants on a competitive basis for the research and development of plans of insurance for underserved specialty crops;

“(2) reimburse research costs associated with product development; and

“(3) enter into contracts on a competitive basis for the research and development of plans of insurance for underserved specialty crops.

“(b) PARTNERSHIPS FOR DEVELOPMENT OF RISK MANAGEMENT TOOLS FOR SPECIALTY CROPS.—

“(1) PURPOSE.—The purpose of this subsection is to authorize the Specialty Crops Coordinator, on behalf of the Corporation, to enter into partnerships with qualified public and private entities for the purpose of increasing the availability of risk management tools for producers of specialty crops.

“(2) AUTHORITY.—

“(A) IN GENERAL.—For each of fiscal years 2001 through 2004, the Corporation may use not more than \$20,000,000 from funds in the insurance fund under section 516(c)(1) to enter into partnerships with the Cooperative State Research, Education, and Extension Service, the Agricultural Research Service, the National Oceanic and Atmospheric Administration, and other appropriate public and private entities

with demonstrated capabilities in developing and implementing risk management and marketing options for specialty crops.

“(B) EXCLUSION.—Amounts necessary to carry out subparagraph (A) shall not be counted toward the limitation on research and development expenses established in section 516(b)(2)(A).

“(3) OBJECTIVES.—The Corporation may enter into a partnership under this subsection to—

“(A) enhance the notice, and timeliness of notice of weather conditions, that could negatively affect specialty crop yields, quality, and final product use in order to allow producers to take preventive actions to increase end-product profitability and marketability and to reduce the possibility of crop insurance claims;

“(B) develop a multifaceted approach to pest management to decrease inputs, decrease the development of pest resistance, and increase the effectiveness of pest prevention applications;

“(C) develop a multifaceted approach to fertilization to decrease inputs, decrease excessive nutrient loading to the environment, and increase application efficiency;

“(D) develop or improve techniques for planning, breeding, growing, maintaining, harvesting, storage, and shipping that will address quality and quantity challenges for specialty crops and livestock associated with year-to-year and regional variations;

“(E) provide assistance to State foresters or equivalent officials for the prescribed use of burning on private forest land for the prevention, control, and suppression of fire; and

“(F) develop other risk management tools that specialty crop producers can use to further increase their economic and production stability.

“(c) TIME PERIODS FOR PURCHASE OF COVERAGE FOR SPECIALTY CROPS.—

“(1) SALES CLOSING DATE.—The sales closing date for obtaining coverage for a specialty crop under this title may not expire before the end of the 120-day period beginning on the date of the final release of materials for policies from the Risk Management Agency and the Specialty Crops Coordinator.

“(2) PURCHASE DURING INSURANCE PERIOD.—A producer of a specialty crop may purchase new coverage or increase coverage levels for the specialty crop at any time during the insurance period, subject to a 30-day waiting period and an inspection by the insurance provider to verify acceptability by the insurance provider, if the Corporation determines that the risk associated with the crop can be adequately rated.

“(d) STUDIES OF NEW SPECIALTY CROP INSURANCE POLICIES.—

“(1) IN GENERAL.—The Corporation and the Specialty Crops Coordinator authorized under section 507(g) shall jointly conduct studies of the feasibility of developing new insurance policies for specialty crops, including policies based on the cost of production or adjusted gross income, quality-based policies, or an intermediate program with a higher coverage and cost than the catastrophic risk protection offered on the date of enactment of this section.

“(2) SUBMISSION OF RESULTS.—Not later than 1 year after the date of enactment of this section, and annually thereafter, the Corporation and the Specialty Crops Coordinator shall submit to Congress a report containing the results of the studies required under this subsection.

“(e) FISCAL YEARS.—Subsections (b) and (c) shall apply to each of fiscal years 2001 through 2004.”

(b) REPORT ON COVERAGE OF NEW AND SPECIALTY CROPS AND METHOD FOR PROVISION OF CATASTROPHIC RISK PROTECTION.—Not later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall submit to the President, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report assessing—

(1)(A) the progress made by the Department of Agriculture in expanding crop insurance coverage for new and specialty crops; and

(B) the plans of the Department to continue to expand coverage for additional crops; and

(2)(A) whether provision of catastrophic risk protection by private sector insurance providers—

(i) has resulted in a uniform quality of risk protection services in all regions of the United States; and

(ii) has fulfilled the goal of increased participation in the Federal crop insurance program, particularly in States with traditionally low crop insurance participation rates and States with a high proportion of specialty crops; and

(B) whether, particularly in States described in subparagraph (A)(ii), the Secretary should resume direct provision of catastrophic risk protection and performance of loss adjustment functions through local offices of the Department.

#### SEC. 310. FEDERAL CROP INSURANCE IMPROVEMENT COMMISSION.

Section 515 of the Federal Crop Insurance Act (7 U.S.C. 1515) is amended to read as follows:

##### “SEC. 515. FEDERAL CROP INSURANCE IMPROVEMENT COMMISSION.

“(a) DEFINITION.—In this section the term ‘Commission’ means the Federal Crop Insurance Improvement Commission established by subsection (b).

“(b) ESTABLISHMENT OF COMMISSION.—There is established a Commission to be known as the ‘Federal Crop Insurance Improvement Commission’.

“(c) MEMBERSHIP.—

“(1) IN GENERAL.—The Commission shall be composed of the following 15 members:

“(A) The Under Secretary for Farm and Foreign Agricultural Services of the Department.

“(B) The manager of the Corporation.

“(C) The Chief Economist of the Department or a person appointed by the Chief Economist.

“(D) An employee of the Office of Management and Budget, appointed by the Director of the Office of Management and Budget.

“(E) A representative of the National Association of Insurance Commissioners, experienced in insurance regulation, appointed by the Secretary.

“(F) Representatives of 4 approved insurance providers or related organizations that provide advisory or analytical support to the crop insurance industry, appointed by the Secretary.

“(G) 2 agricultural economists from academia, appointed by the Secretary.

“(H) 4 representatives of major farm organizations and farmer-owned cooperatives, appointed by the Secretary.

“(2) TIME OF APPOINTMENT.—The members of the Commission shall be appointed not later than 60 days after the date of enactment of the Risk Management for the 21st Century Act.

“(3) TERM.—A member of the Commission shall serve for the life of the Commission.

“(d) DUTIES.—The Commission shall review and make recommendations concerning the following issues:

“(1) The extent to which approved insurance providers should bear the risk of loss for federally subsidized crop insurance.

“(2) Whether the Corporation should—

“(A) continue to provide financial assistance for the benefit of agricultural producers by reinsuring coverage written by approved insurance providers; or

“(B) provide assistance in another form, such as by acting as an excess insurer.

“(3) The extent to which development of new insurance products should be undertaken by the private sector, and how to encourage such development.

“(4) How to focus research and development of new insurance products to include the development of—

“(A) new types of products such as combined area and yield and whole farm revenue coverages; and

“(B) insurance products for specialty crops.

“(5) The use by the Corporation of private sector resources under section 507(c).

“(6) The progress of the Corporation in reducing administrative and operating costs of approved insurance providers under section 508(k)(5).

“(7) The identification of methods, and of organizational, statutory, and structural changes, to enhance and improve—

“(A) delivery of reasonably priced crop insurance products to agricultural producers;

“(B) loss adjustment procedures;

“(C) good farming practices;

“(D) the establishment of premiums; and

“(E) compliance with this title (including regulations issued under this title, the terms and conditions of insurance coverage, and adjustments of losses).

“(e) COMMISSION OPERATIONS.—

“(1) CHAIRPERSON; VOTING.—The Under Secretary for Farm and Foreign Agricultural Services of the Department of Agriculture shall—

“(A) serve as Chairperson of the Commission; and

“(B) vote in the case of a tie.

“(2) MEETINGS.—The Commission shall meet regularly, but not less than 6 times per year.

“(3) DISCLOSURE.—To the extent that the records, papers, or other documents received, prepared, or maintained by the Commission are subject to public disclosure, the documents shall be available for public inspection and copying at the Office of Risk Management.

“(f) FINAL REPORT.—

“(1) IN GENERAL.—Not later than 2 years after the date of enactment of the Risk Management for the 21st Century Act, the Commission shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a final report on the review under subsection (d).

“(2) COPIES.—The Commission shall provide copies of the final report to—

“(A) the Secretary; and

“(B) the Board.

“(3) INTERIM REPORTS.—To expedite completion of the work of the Commission, the Commission may submit 1 or more interim reports or reports on 1 or more of the issues to be reviewed.

“(g) TERMINATION.—The Commission shall terminate on the earlier of—

“(1) 60 days after the date on which the Commission submits the final report under subsection (f); or

“(2) September 30, 2004.

“(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.”

#### SEC. 311. HIGHLY ERODIBLE LAND AND WETLAND CONSERVATION.

(a) HIGHLY ERODIBLE LAND.—Section 1211(3) of the Food Security Act of 1985 (16 U.S.C. 3811(3)) is amended—

(1) in subparagraph (C), by striking “or” at the end;

(2) in subparagraph (D), by striking the period at the end and inserting “; or”; and

(3) by adding at the following:

“(E) crop or revenue insurance, or a risk management payment, under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.).”

(b) WETLAND CONSERVATION.—Section 1221(b)(3) of the Food Security Act of 1985 (16 U.S.C. 3821(b)(3)) is amended by adding at the end the following:

“(E) Crop or revenue insurance, or a risk management payment, under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.).”

#### SEC. 312. PROJECTED LOSS RATIO.

Section 506(o) of the Federal Crop Insurance Act (7 U.S.C. 1506(o)) is amended by striking paragraph (2) and inserting the following:

“(2) PROJECTED LOSS RATIO.—The Corporation shall take such actions, including the establishment of adequate premiums, as are necessary to

improve the actuarial soundness of Federal multiperil crop insurance made available under this title to achieve—

“(A) during the period beginning on October 1, 1998, and ending with the 2001 crop year, an overall projected loss ratio of not greater than 1.075; and

“(B) beginning with the 2002 crop year, an overall projected loss ratio of not greater than 1.0.”

#### SEC. 313. COMPLIANCE WITH STATE LICENSING REQUIREMENTS.

Section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) (as amended by section 207(a)(1)) is amended by adding at the end the following:

“(n) COMPLIANCE WITH STATE LICENSING REQUIREMENTS.—Any person that sells or solicits the purchase of a policy or plan of insurance or adjusts losses under this title, including catastrophic risk protection, in any State shall be licensed and otherwise qualified to do business in that State, and shall comply with all State regulation of such sales and solicitation activities (including commission and anti-rebating regulations), as required by the appropriate insurance regulator of the State in accordance with the relevant insurance laws of the State.”

#### TITLE IV—MISCELLANEOUS PROVISIONS

##### SEC. 401. IMPROVED RISK MANAGEMENT EDUCATION.

Title IV of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621 et seq.) is amended by adding at the end the following:

##### “SEC. 409. IMPROVED RISK MANAGEMENT EDUCATION FOR AGRICULTURAL PRODUCERS.

“(a) DEFINITIONS.—In this section:

“(1) CENTER.—The term ‘Center’ means a Risk Management Education Coordinating Center established under subsection (c)(1).

“(2) LAND-GRANT COLLEGE.—The term ‘land-grant college’ means any 1862 Institution, 1890 Institution, or 1994 Institution.

“(b) PROGRAM.—

“(1) IN GENERAL.—The Secretary shall carry out a program to improve the risk management skills of agricultural producers, including the owners and operators of small farms, limited resource producers, and other targeted audiences, to make informed risk management decisions.

“(2) PURPOSE.—The program shall be designed to assist a producer to develop the skills necessary—

“(A) to understand the financial health and capability of the producer’s operation to withstand price fluctuations, adverse weather, environmental impacts, diseases, family crises, and other risks;

“(B) to understand marketing alternatives, how various commodity markets work, the use of crop insurance products, and the price risk inherent in various markets; and

“(C) to understand legal, governmental, environmental, and human resource issues that impact the producer’s operation.

“(c) COORDINATING CENTERS.—

“(1) ESTABLISHMENT AND PURPOSE.—The Secretary shall establish a Risk Management Education Coordinating Center in each of 5 regions of the United States (as determined by the Secretary) to administer and coordinate the provision of risk management education to producers and their families under the program in that region.

“(2) SITE SELECTION.—

“(A) IN GENERAL.—The Secretary shall locate the Center for a region at—

“(i) a risk management education coordinating office of the Cooperative State Research, Education, and Extension Service that is in existence at a land-grant college on the date of enactment of this section; or

“(ii) an appropriate alternative land-grant college in the region approved by the Secretary.

“(B) LAND-GRANT COLLEGES.—To be selected as the location for a Center, a land-grant col-

lege must have the demonstrated capability and capacity to carry out the priorities, funding distribution requirements, and reporting requirements of the program.

“(d) COORDINATING COUNCIL.—

“(1) ESTABLISHMENT.—Each Center shall establish a coordinating council to assist in establishing the funding and program priorities for the region for which the Center was established.

“(2) MEMBERSHIP.—Each council shall consist of a minimum of 5 members, including representatives from—

“(A) public organizations;

“(B) private organizations;

“(C) agricultural producers; and

“(D) the Regional Service Offices of the Risk Management Agency in that region.

“(e) CENTER ACTIVITIES.—

“(1) INSTRUCTION FOR RISK MANAGEMENT PROFESSIONALS.—Each Center shall coordinate the offering of intensive risk management instructional programs, involving classroom learning, distant learning, and field training work, for professionals who work with agricultural producers, including professionals who are—

“(A) extension specialists;

“(B) county extension faculty members;

“(C) private service providers; and

“(D) other individuals involved in providing risk management education.

“(2) EDUCATION PROGRAMS FOR PRODUCERS.—

Each Center shall coordinate the provision of educational programs, including workshops, short courses, seminars, and distant-learning modules, to improve the risk management skills of agricultural producers and their families.

“(3) DEVELOPMENT AND DISSEMINATION OF MATERIALS.—Each Center shall coordinate the efforts to develop new risk management education materials and the dissemination of such materials.

“(4) COORDINATION OF RESOURCES.—

“(A) IN GENERAL.—Each Center shall make use of available and emerging risk management information, materials, and delivery systems, after careful evaluation of the content and suitability of the information, materials, and delivery systems for producers and their families.

“(B) USE OF AVAILABLE EXPERTISE.—To assist in conducting the evaluation under subparagraph (A), each Center shall use available expertise from land-grant colleges, nongovernmental organizations, government agencies, and the private sector.

“(f) GRANTS.—

“(1) SPECIAL GRANTS.—Each Center shall reserve a portion of the funds provided under this section to make special grants to land-grant colleges and private entities in the region to conduct 1 or more of the activities described in subsection (e).

“(2) COMPETITIVE GRANTS.—Each Center shall reserve a portion of the funds provided under this section to conduct a competitive grant program to award grants to both public and private entities that have a demonstrated capability to conduct 1 or more of the activities described in subsection (e).

“(g) NATIONAL AGRICULTURE RISK EDUCATION LIBRARY.—The National Agriculture Risk Education Library shall—

“(1) serve as a central agency for the coordination and distribution of risk management educational materials; and

“(2) provide a means for the electronic delivery of risk management information and materials.

“(h) FUNDING PROVISIONS.—

“(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$30,000,000 for fiscal year 2001 and each subsequent fiscal year.

“(2) DISTRIBUTION.—

“(A) NATIONAL AGRICULTURE RISK EDUCATION LIBRARY.—For each fiscal year, of the funds made available to carry out this section, 2.5 percent shall be distributed to the National Agriculture Risk Education Library.



“(B) CENTERS.—For each fiscal year, the remainder of the funds made available to carry out this section shall be distributed equally among the Centers.

“(C) ADMINISTRATION BY LAND-GRANT COLLEGES.—The land-grant college at which a Center is located shall be responsible for administering and disbursing funds described in subparagraph (B), in accordance with applicable State and Federal financial guidelines, for activities authorized by this section.

“(3) PROHIBITION ON CONSTRUCTION.—

“(A) LOCATION OF CENTERS.—Each Center shall be located in a facility in existence on the date of enactment of this section.

“(B) PROHIBITION.—Funds provided under this section shall not be used to carry out construction of any facility.

“(i) EVALUATION.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, shall evaluate the activities of each Center to determine whether the risk management skills of agricultural producers and their families are improved as a result of their participation in educational activities financed using funds made available under subsection (h).”.

#### SEC. 402. SENSE OF THE SENATE REGARDING THE FEDERAL CROP INSURANCE PROGRAM.

It is the sense of the Senate that—

(1) farmer-owned cooperatives play a valuable role in achieving the purposes of the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) by—

(A) encouraging producer participation in the Federal crop insurance program;

(B) improving the delivery system for crop insurance; and

(C) helping to develop new and improved insurance products;

(2) the Risk Management Agency, through its regulatory activities, should encourage efforts by farmer-owned cooperatives to promote appropriate risk management strategies among their membership;

(3) partnerships between approved insurance providers and farmer-owned cooperatives provide opportunity for agricultural producers to obtain needed insurance coverage on a more competitive basis and at a lower cost;

(4) the Risk Management Agency is following an appropriate regulatory process to ensure the continued participation by farmer-owned cooperatives in the delivery of crop insurance;

(5) efforts by the Risk Management Agency to finalize regulations that would incorporate the currently approved business practices of cooperatives participating in the Federal crop insurance program should be commended; and

(6) not later than 180 days after the date of enactment of this Act, the Federal Crop Insurance Corporation should complete promulgation of the proposed rule entitled “General Administrative Regulations; Premium Reductions; Payment of Rebates, Dividends, and Patronage Refunds; and Payments to Insured-Owned and Record-Controlling Entities”, published by the Federal Crop Insurance Corporation on May 12, 1999 (64 Fed. Reg. 25464), in a manner that—

(A) effectively responds to comments received from the public during the rulemaking process;

(B) provides an effective opportunity for farmer-owned cooperatives to assist the members of the cooperatives to obtain crop insurance and participate most effectively in the Federal crop insurance program;

(C) incorporates the currently approved business practices of farmer-owned cooperatives participating in the Federal crop insurance program; and

(D) protects the interests of agricultural producers.

#### SEC. 403. SENSE OF CONGRESS ON RALLY FOR RURAL AMERICA AND RURAL CRISIS.

(a) FINDINGS.—Congress finds that—

(1) on March 20–21, 2000, thousands of rural citizens, working families, and those representing the environmental and religious com-

munities traveled to Washington, D.C., to participate in the Rally for Rural America;

(2) a broad coalition of over 30 farm, environmental, and labor organizations that are concerned that rural America has been left behind during this time of prosperity participated in organizing the Rally for Rural America;

(3) although the majority of America has reaped the benefits of the strong economy, rural Americans are facing their toughest times in recent memory;

(4) the record low prices on farms and ranches of the United States have rippled throughout rural America causing rural communities to face numerous challenges, including—

(A) a depressed farm economy;

(B) an escalation of mergers and acquisitions;

(C) a loss of businesses and jobs on rural main street;

(D) erosion of health care and education;

(E) a decline in infrastructure;

(F) a reduction of capital investments; and

(G) a loss of independent family farmers;

(5) the Rally for Rural America urged Congress to reform the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104-127) to formulate rural policies in a manner that will alleviate the agricultural price crisis, ensure fair and open markets, and encourage fair trade;

(6) thousands of rural citizens have advocated farm policies that include—

(A) a strong safety net for all agricultural producers;

(B) competitive markets;

(C) an investment in rural education and health care;

(D) protection of natural resources for the next generation;

(E) a safe and secure food supply;

(F) revitalization of our farm families and rural communities; and

(G) fair and equitable implementation of government programs;

(7) because agricultural commodity prices are so far below the costs of production, eventually family farmers will no longer be able to pay their bills or provide for their families;

(8) anti-competitive practices and concentration are a cause of concern for American agriculture;

(9) rural America needs a fair and well reasoned farm policy, not unpredictable and inequitable disaster payments;

(10) disaster payments do not provide for real, meaningful change; and

(11) the economic conditions and pressures in rural America require real change.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the participants in the Rally for Rural America are commended and their pleas have been heard; and

(2) Congress should respond with a clear and strong message to the participants and rural families that Congress is committed to giving the crisis in agriculture, and all of rural America, its full attention by reforming rural policies in a manner that will—

(A) alleviate the agricultural price crisis;

(B) ensure competitive markets;

(C) invest in rural education and health care;

(D) protect our natural resources for future generations; and

(E) ensure a safe and secure food supply for all.

#### TITLE V—EFFECTIVE DATES; TERMINATION OF AUTHORITY

##### SEC. 501. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsections (b) and (c)(2) and section 502(a), this Act and the amendments made by this Act take effect on the date of enactment of this Act.

(b) DELAYED OBLIGATION.—The Federal Crop Insurance Corporation shall not obligate funds to carry out subsection (c)(2) and the amendments made by sections 102, 103, 105, 106, 201 through 207, 309, and 310 until October 1, 2000.

(c) REGULATIONS.—

(1) IN GENERAL.—Not later than 60 days after the date of enactment of this Act, the Secretary of Agriculture shall promulgate regulations to carry out this Act and the amendments made by this Act.

(2) INDEMNITY PAYMENTS FOR CERTAIN PRODUCERS OF DURUM WHEAT.—

(A) IN GENERAL.—Except as otherwise provided in this paragraph, notwithstanding section 508(c)(5) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)(5)), a producer of durum wheat that purchased a 1999 Crop Revenue Coverage wheat policy by the sales closing date prescribed in the actuarial documents in the county where the policy was sold shall receive an indemnity payment in accordance with the policy.

(B) BASE AND HARVEST PRICES.—The base price and harvest price under the policy shall be determined in accordance with the Commodity Exchange Endorsement for wheat published by the Federal Crop Insurance Corporation on July 14, 1998 (63 Fed. Reg. 37829).

(C) REINSURANCE.—Subject to subparagraph (B), notwithstanding section 508(c)(5) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)(5)), the Corporation shall provide reinsurance with respect to the policy in accordance with the Standard Reinsurance Agreement.

(D) VOIDING OF BULLETIN.—Bulletin MGR-99-004, issued by the Administrator of the Risk Management Agency of the Department of Agriculture, is void.

(E) EFFECTIVE DATE.—This paragraph takes effect on October 1, 2000.

##### SEC. 502. TERMINATION OF AUTHORITY.

(a) EFFECTIVE DATE.—This section and the amendments made by this section take effect on September 30, 2004.

(b) REPEAL.—

(1) IN GENERAL.—The amendments made by sections 102, 103, 105, 106, 203(b), and 310 are repealed.

(2) APPLICABILITY.—The Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) and section 196 of the Agricultural Market Transition Act (7 U.S.C. 7333) shall be applied and administered as if the provisions described in paragraph (1) had not been enacted.

(3) CONFORMING AMENDMENT.—Section 508(a) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)) is amended by redesignating paragraph (8) (as added by section 107) and paragraph (9) (as added by section 305) as paragraph (7) and paragraph (8), respectively.

(c) PILOT PROGRAMS.—Section 522 of the Federal Crop Insurance Act (as added by sections 201, 202, 203, 205, and 206) is amended—

(1) in subsection (a)—

(A) in paragraph (3)—

(i) in subparagraph (D), by adding “and” at the end;

(ii) by striking subparagraphs (E) and (G);

(iii) in subparagraph (F), by striking “; and” and inserting a period; and

(iv) by redesignating subparagraph (F) as subparagraph (E);

(B) by striking paragraphs (4), (6), and (7); and

(C) by redesignating paragraphs (5) and (8) as paragraphs (4) and (5), respectively;

(2) in subsection (b)—

(A) by striking paragraph (2); and

(B) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively; and

(3) by striking subsections (c), (d), and (e).

(d) BOARD OF DIRECTORS OF CORPORATION.—Section 516(b)(1) of the Federal Crop Insurance Act (7 U.S.C. 1516(b)(1)) (as amended by sections 301(c) and 307(b)(1)) is amended—

(1) in subparagraph (C), by inserting “and” after the semicolon;

(2) by striking subparagraph (D); and

(3) by redesignating subparagraph (E) as subparagraph (D).

(e) SPECIALTY CROPS.—

(1) IN GENERAL.—Section 523 of the Federal Crop Insurance Act (as added by section 309(a)) is amended—

(A) in subsection (b)—  
 (i) by striking paragraph (2); and  
 (ii) by redesignating paragraph (3) as paragraph (2);  
 (B) by striking subsections (c) and (e); and  
 (C) by redesignating subsection (d) as subsection (c).

(2) *REPORT.*—Section 309 of this Act is amended by striking subsection (b).

(f) *FUNDING.*—Neither the Secretary of Agriculture nor the Federal Crop Insurance Corporation may use the funds of the insurance fund under section 516(c)(1) of the Federal Crop Insurance Act (7 U.S.C. 1516(c)(1)), the funds of the Commodity Credit Corporation, or funds under any provision of law to carry out a provision repealed or struck by this section.

Mr. LUGAR. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. President, I ask unanimous consent that the Chair be authorized to appoint conferees on the part of the Senate.

There being no objection, the Presiding Officer (L. CHAFEE) appointed Mr. LUGAR, Mr. HELMS, Mr. COCHRAN, Mr. COVERDELL, Mr. ROBERTS, Mr. HARKIN, Mr. LEAHY, Mr. CONRAD, and Mr. KERREY conferees on the part of the Senate.

#### COMMENDATION OF STAFF

Mr. LUGAR. Mr. President, I commend the staff of Senator ROBERTS, particularly Mike Seyfert; Senator KERREY's staff, Bev Paul; Senator HARKIN's staff, Mark Halverson and Stephanie Mercier; Senator GRASSLEY's staff, Mark Reisinger; my own staff, Andy Morton, Michael Knipe, Chimene Dupler, Bob Sturm, Dave Johnson, Keith Luse, and Terri Nintemann; Senator COCHRAN's staff, Hunt Shipman; and Senator DASCHLE's staff, Zabree Valentine, who made very instrumental contributions to this bill.

Mr. HARKIN. Mr. President, I want to thank the Chairman for his leadership and work with all of us on the Agriculture Committee and in the Senate as a whole to bring this bill along to this point. It is a good bill and it will provide a lot of needed help to our nation's farmers and rural economy. I also want to thank and congratulate my colleagues, especially Senator KERREY and Senator ROBERTS, for their fine efforts. I too express my gratitude for the hard work and dedication of all the staff as mentioned by Chairman LUGAR, who have contributed to crafting this important piece of legislation.

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

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

Mr. LOTT. Mr. President, I congratulate Senator LUGAR, the chairman of the Committee on Agriculture, and Senator ROBERTS, on the bipartisan

work that was done on this legislation. While it didn't get a 100-percent vote, I think they should be commended for keeping their commitment made last fall to get crop insurance to the floor. Senator LUGAR, in his usual way, has worked very hard to bring all divergent views together. I thank the Senator for this important legislation.

Mr. DASCHLE. Will the Senator yield?

Mr. LOTT. I am happy to yield to the Senator.

Mr. DASCHLE. Mr. President, I associate myself with the remarks of the majority leader. Senator LUGAR, in the committee as well as on the floor, demonstrated once again why he is admired on both sides of the aisle as a leader in agriculture. This was not easy for him, beginning last year. He maneuvered the committee and brought the Senate to a point where we successfully completed our work.

I congratulate the Senator, and especially I congratulate Senators ROBERTS, KERREY, CONRAD, and others who had a role to play in bringing the Senate to this point. Our thanks to all Senators for their cooperation. I am grateful for the opportunity to have completed this work.

Mr. LOTT. Mr. President, let me add, thanks, too, to Senator KERREY and others involved on the Democratic side of the aisle. It was truly a bipartisan effort. I think they should be congratulated. I hope when it comes out of conference it will have 100-percent support.

#### SENATOR TED STEVENS— ALASKAN OF THE CENTURY

Mr. LOTT. Mr. President, I wish to comment at this time about one of the most effective and respected Senators in this Chamber. He can be ferocious in trying to get his work done, but he always winds up doing it with a smile on his face. He quite often acts as a typical trial lawyer making his case against the opposing counsel or pleading his case to the jury. Of course, we enjoy referring to him sometimes as the "Tasmanian devil." When he comes to the Senate floor wearing his Tasmanian devil tie, look out; he is ready to do the people's business in quick order.

For more than 30 years, the Alaskan of the Year Committee has named an Alaskan of the year who has significantly affected the character and the development of the 49th State. Thus, it is no surprise that in 1974 Senator STEVENS, along with the newspaper publisher, was named "Alaskan of the Year." Recently, the Alaskan of the Year Committee set out to name the Alaskan of the Century.

I inquired of the Senator from Alaska, which century? The past century for past favors or the present century for expected ones? With the usual sense of humor, he deferred to maybe the past century.

Mr. President, 88 names of great Alaskans appeared on the first ballot.

The second ballot contained 12; the third ballot contained 3. On the final ballot, Alaska's senior Senator, who has served so well in this body, TED STEVENS, was named "Alaskan of the Century."

What a great honor. On Saturday night, in Anchorage, AK, surrounded by family and friends, this great honor, Alaskan of the Century, will be conferred on Senator STEVENS. Senator STEVENS has had a role in every significant event in Alaska for the last half century, whether it be as a youth working for Alaskan statehood or his mastery in crafting and shepherding through Congress the Alaska Native Claims Settlement Act, landmark legislation for which there is no other precedent.

It would take all day to list the great many things Senator STEVENS has accomplished during his 31 years serving in the Senate, and even longer to list all of his friends. Mr. President, not only is TED STEVENS a great Senator and a great Alaskan, he is, above all, a loyal friend to all who know him. Even in the heat of battle, when it gets tough around here, in the next minute or the next hour, he is lovingly trying to do something to help his previous opponent, whether it be in the leadership of his own party or across the aisle in the other party.

His 6 children and 10 grandchildren, and his wife, Catherine, who is special in her own way, know for sure that Senator TED STEVENS, chairman of the Appropriations Committee, senior Senator for the 49th State, is indeed worthy of the honor he will receive this week as Alaskan of the Century.

His service in the military, his service in that State, his service of bringing that State into the Union, his service as a Senator, and his service as chairman of the Appropriations Committee is truly unique. I offer my personal congratulations. I know I speak for all of my colleagues in applauding TED STEVENS.

I don't know how in the world we would even pick a Mississippian of the century. There have been so many great ones in this past century, but in Alaska, it is obvious: The man for that job and for that honor is TED STEVENS. Thank you, TED, for what you do for your country and for your State. We are proud.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. DASCHLE. Mr. President, let me say with enthusiasm how completely this Senator agrees with the statement made by the majority leader. Ted STEVENS is one who is admired, I say even loved, by colleagues on both sides of the aisle. We have worked with him; we have admired his work; we have seen on so many occasions he has effectively led not only the Appropriations Committee but the Senate itself in bringing together the kind of consensus, the