

Both bills are gaining bipartisan support, and we hope you will cosponsor this important legislation and push for its rapid enactment in the 107th Congress.

As 11 southern states are presently experiencing moderate to exceptional drought conditions this summer, we cannot afford to wait to act. We urge you to cosponsor the Small Business Drought Relief Act and push for its consideration as soon as possible.

Sincerely,

Governors Don Siegelman of Alabama, Mike Huckabee of Arkansas, Roy E. Barnes of Georgia, Paul E. Patton of Kentucky, M.J. "Mike" Foster, Jr. of Louisiana, Parris N. Glendening of Maryland, Ronnie Musgrove of Mississippi, Bob Holden of Missouri, Michael F. Easley of North Carolina, Frank Keating of Oklahoma, Jim Hodges of South Carolina, Don Sundquist of Tennessee, Rick Perry of Texas, Mark Warner of Virginia, Bob Wise of West Virginia.

OFFICE OF THE GOVERNOR,
STATE OF SOUTH CAROLINA,
Columbia, SC, July 9, 2002.

Hon. JOHN KERRY,
U.S. Senate, Russell Building,
Washington, DC.

DEAR SENATOR KERRY: The State of South Carolina is in its fifth year of drought status, the worst in over fifty years. Some parts of the state are in extreme drought status and the rest is in severe drought status.

99% of our streams are flowing at less than 10% of their average flow for this time of year. 60% of those same streams are running at lowest flow on record for this date. The levels of South Carolina's lakes have dropped anywhere from five feet to twenty feet. Some lakes have experienced a drop in water level so significant that tourist and recreational use has diminished.

State and national climatologists are not hopeful that we will receive any significant rainfall in the near future. To end our current drought, we would need an extended period of average to above average rainfall.

Droughts, particularly prolonged ones such as we are experiencing now, have extensive economic effects. For farmers who experience the economic effects of such a drought, assistance is available through the USDA. For small businesses, assistance is available only for agriculture related small businesses, i.e. feed and seed stores. For businesses that are based on tourism around Lakes and Rivers, there is currently no assistance available.

We have reports of lake and river tourism dependent businesses experiencing 17% to 80% declines in revenue. The average decline in revenue is probably near 50% across the board.

My staff has contacted Small Business Administration and they are not authorized to offer assistance to these businesses because a drought is not defined as a sudden occurrence. Nonetheless, a drought is an ongoing natural disaster that is causing great economic damage to these small business owners.

I am requesting that you assist us in this situation by proposing that the Small Business and Entrepreneurship Committee take action to at least temporarily amend the SBA authorizing language and allow them to offer assistance to small businesses affected by prolonged drought. This would allow Governors to ask SBA for an administrative declaration of economic injury because of drought. The low interest loans SBA can offer these businesses would allow many of them to weather the drought and remain in business for the long run.

My staff has also been in contact with Senator Hollings' legislative staff. I hope to-

gether, we can find an expedient solution to the plight of these small business owners. Short of finding a way to control the weather, this may be our only option to help their dire situation.

Sincerely,

JIM HODGES,
Governor.

DISASTER RELIEF

Mrs. CLINTON. Mr. President, I would like to express my disappointment at the delay in providing crop disaster relief to farmers across the country. Mother Nature has not been kind this year, dealing farmers weather that has devastated their crops and threatened the survival of family farms.

In New York State crop damage has not come solely from drought. Unseasonably high temperatures in the spring followed by frost and hailstorms have devastated specialty crops such as apples, peaches, pears, grapes, strawberries, stone fruits, onions, and cherries.

The unfortunate result of this disastrous weather is that a large percentage of these fruit farmers are bordering on financial ruin. I have met with the farmers and growers of New York, and their stories are heartbreaking as they talk about bankruptcy and selling off their family's farm. Crop disaster relief is truly needed to keep these farms going as well as the rural economies that they support.

In order to provide this much needed assistance, I have worked with my colleagues to pass legislation that would provide financial relief to farmers who have suffered losses due to natural disaster aid. I cosponsored S. 2800, a bill that would provide emergency disaster assistance to agricultural producers. I cosponsored the crop disaster amendment to the Interior appropriations that passed with 79 votes. And I support Senator BAUCUS today in his continued efforts on behalf of this Nation's farmers and our rural communities.

This year has been a true disaster for so many farmers. On behalf of farmers and growers from the State of New York, I will continue to support crop disaster relief, particularly for specialty crop producers. I urge my colleagues to support these efforts to provide assistance.

Mr. ENZI. Mr. President, I have heard my colleagues on the Senate floor today talking about drought and the desperate need for drought assistance. Throughout this session, I have been a fervent advocate of drought assistance for producers in Wyoming. I am speaking today because the need for assistance persists.

Today's discussion has focused on farmers. They need help. Farmers missed out on the emergency livestock programs provided by the administration. Even with crop insurance, farmers are facing serious difficulties.

As this drought has continued for multiple years, crop insurance premiums have increased each time a pro-

ducer is forced to take a loss. Yield averages, the basis for insurance payments, have been dropping with dismal production each year. Crop yields are so low this year that market prices are actually higher. The farm bill counter cyclical payments that were designed to support prices when markets fell below a certain level have been thwarted by these higher prices. These higher prices are meaningless when the quantities have been so drastically reduced. Therefore, this protection has been rendered useless.

Farmers clearly need help, but I also think it is important to remember that our ranchers aren't safe yet either. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Bob and Nancy Tarver. They are a ranching family from near my home of Gillette, WY.

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

TARVER HEART X RANCH,
Gillette, WY, September 30, 2002.

Congresswoman BARBARA CUBIN,
U.S. Capitol, Washington, DC.

HON. REP. CUBIN: Thank you for the opportunity to share the impact of the past three years of drought to our livestock business in Northeastern Wyoming. The Heart X Ranch consists of my husband, Bob, and two sons, Robert and James. I believe we comprise a true family farm/ranch that is so often referenced as to what congress wishes to save. Our income is derived totally from agriculture and we provide the labor and management for our ranch operation. Bob and I have been in agriculture all of our lives. I was raised on a ranch in Southeastern Montana and Bob is a Wyoming native whose roots are Wyoming ranching. Our oldest son, Robert, is married and his wife, Michelle teaches at Little Powder School. Michelle's teaching has not only contributed to their family living but also the benefits of health insurance for their family. They have two sons, Tayler 6 years and Wyatt 3 years old. James is engaged to be married.

My husband and I had a dream when we married to buy a ranch. We have managed to buy a small place and lease the majority of acres that we operate on. Along with our sons we run cow-calf and a yearling operation. We are ultra conservative and run our outfit as economically as possible. . . as our fleet of 1978 ranch pickups exemplify.

The cost of drought to a ranching operation is staggering. Explanation and computations of drought cost are detailed in Attachment A. Summarizing the examples of additional cost for this year is as follows:

Hay: \$120.00 per cow; Cake: \$21.00 per cow; Lick & Liquid feed: \$29.40 per cow; Heifer calf-feed lot: \$18.75 per cow; Pounds & dollars lost due to drought: \$185.00 per cow; \$374.15.

The additional expenses that I have covered are the reality of drought.

This is our third year of drought. The above are additional cost for this year alone!

I am most grateful for the Feed Program—\$23 per head, Livestock Compensation Program—\$18 per head, and the Nap program—\$1.00 per acre (depends on % loss, and if acres are eligible) it is very evident from these numbers to see the critical need for these programs and also the Disaster Program for Livestock Assistance and Crop Disaster. Drought is a natural disaster and the economic consequences are devastating to agriculture. The necessity to have the Disaster Programs for 2001 and 2002 are vital to save

the drought areas of American ranching and farming.

I believe with my whole heart and soul that to keep America strong we need our farms and ranches providing the American consumers the safest and best products in the world.

It is very humbling to share this information. However, I am very proud to be a rancher and I am overwhelmed by not only the financial devastation but also the mental pressures of trying to save a viable family ranching operation from the ravages of an unforgiving drought.

The drought in Wyoming has been compared to the 1930's. It is heartbreaking to think that in America, commonly thought of as the land of opportunity, the only ones that will be left following the drought are the very wealthy and the hobby rancher.

Thank you for your dedicated and persistent efforts to help us in agriculture to survive the drought.

Sincerely,

NANCY TARVER.

SCHEDULE A.—ADDITIONAL COST OF DROUGHT 2002

1. We normally produce 1200–2000 ton of hay per year. 2000, 2001, and 2002 we produced only 150 ton per year. We have been faced with purchasing hay because of very little hay produced. Hay prices have jumped because of the far-reaching drought conditions. The demand exceeds the supply. Cow alfalfa hay prices (depending on your location/freight) have ranged from \$110 to \$130 per ton for cow grass alfalfa hay. The cost for our operation to replace the hay we did not grow because of the drought is \$80.00 per ton. [Using purchased hay costing \$115 per ton–\$35 (cost to put up your own hay) = \$80 dollars per ton].

The drought mandates we feed hay for at least 5 months (150 days @ 20 pounds per day = 1½ ton per cow X \$80 dollars per ton = \$120.00 per cow.

2. Additional cattle cake is needed because of loss of natural grazing vegetation. Cattle cake is fed along with the hay to balance the nutritional needs of cattle. Because of the drought twice the amount of pounds of cake per cow are fed to meet the nutritional needs. We need wheat mids cake (14 %protein) normal ration 2 pounds. The increase in cake cost is 14 cents a day. The additional expense for cake for 150 days is \$21.00 per head.

3. To enhance the limited natural vegetation supplemental feeds (lick tubs or liquid feed) were used for 7 months this year. The additional expense was 14 cents per day per cow—210 dayX.14 cents=\$29.40 per cow.

4. Additional Pasture & freight we have not found additional pasture. The cost of moving is substantial: a. \$8.00 per head to freight about anywhere; b. \$18.00–\$25.00 per head to pasture cow calf pairs.

5. We pasture our heifer calves until they are yearlings, keeping some as replacements for our herd and selling the remainder as bred heifers and open yearlings. This year because of the drought the heifers calves will be sent a feed yard for the winter months. The cost to feed the calves a growth ration only is \$1.00 per day. If we had the feed we would do this cheaper at home. The additional cost to us will be at least 25 cents per day. 25cents X 150 =\$37.50 per heifer calf. For loss computation I have used 50% heifer calves in a herd so this loss would be \$18.75 for calculation purposes.

6. Less pounds have caused loss of income. We had to sell steer calves and the small heifer calves starting August 15, normally we sell calves the end of October. Our steer calves in August weighted an average of 420

pounds compared to 600 pounds last October. A 180-pound per steer calf loss is devastating. Unfortunately there was a 20% drop in calf prices, which compounded the pound loss. Steer calf income took a 31% drop in 2002 for our ranch operation—\$420 dollars compared to \$605 dollars the previous year. \$185 per cow loss in steer calf dollars produced.

7. Liquidation of the cowherd. Foundation stock cow sales are giving up a lifetime commitment and are so very costly. Herd genetics are a ranchers pride and also our profit. It takes years to build a quality herd of cattle that does well in our area and on our range. We would find buying back quality cows that fit our ranching operation near impossible and certainly cost prohibitive. The dollar value of this cannot be measured.

Mr. ENZI. Mr. President, I won't read the entire letter, but I would like to highlight a few points that Bob and Nancy make. They are very thankful for the assistance given through the Livestock Feed Assistance Program and the Livestock Compensation Program. These programs together provide about \$41 of assistance per cow. With this assistance, they have purchased additional feed to supply their needs for the winter. The Tavers point out in their letter, however, that they have lost about \$374 per cow in 2002 due to drought. This loss has occurred primarily through reduced forage growth in pastures, increased hay costs and lower cattle weights. The drought assistance provided so far has been short term. If we are going to save our family ranchers, we must do more.

The Senate has consistently supported providing real relief to our producers. In September we voted on an emergency agricultural amendment I cosponsored. That amendment would have provided almost \$6 billion on both farmers and livestock producers endangered by the drought across America. After it was passed 79–16, the amendment was stalled along with the Interior Appropriations bill. This was not the first time the Senate has shown strong support for disaster relief only to have it snatched away. Senator BAUCUS and I successfully added an agricultural disaster assistance package to the farm bill with a steady 69–30 vote. The assistance package was removed from the conference report by the House.

We are not following through on our promises. The time has come to fulfill our words with action. If we have missed our final opportunity in this Congress, I urge my colleagues to pass emergency agricultural assistance as a top priority when we begin the 108th session. Thank you.

HELMS-LEAHY SMALL WEBCASTER SETTLEMENT ACT OF 2002

Mr. HELMS. Mr. President, last week, I introduced the Small Webcaster Settlement Act of 2002, along with the chairman of the Senate Judiciary Committee, Senator LEAHY. Having now been passed by both Houses of Congress, this bill is expected soon to be signed by the President.

The Helms-Leahy bill is the result of a sustained and arduous negotiating process involving numerous stakeholders. Its enactment enables small Internet radio services and the recording industry, if they both choose, to settle their longstanding disputes regarding the amount of royalties webcasters must pay in order to perform sound recordings over the Internet.

This consensus legislation will bring much-needed stability to the emerging webcasting industry by permitting small commercial webcasters to establish with final certainty their financial obligations, thereby enabling entrepreneurs to secure additional venture capital and to avoid bankruptcy in many cases.

Moreover, as enacted, this bill will ensure that privately negotiated settlements will not be enacted into positive law, thereby negatively impacting, either directly or indirectly, any industry or entity that does not or cannot yet settle their liabilities for these royalties.

Finally, this bill will require artists to be paid directly their congressionally mandated share of performance royalties, so that there will no longer be any risk that record companies with disproportionate bargaining leverage will, by contract, squeeze recording artists out of their fair share.

The Digital Millennium Copyright Act, DMCA, required, for the first time, users of music recordings to pay performance royalties to owners of copyrights in sound recordings. The creation of this new performance royalty represented a dramatic reversal of decades of U.S. public policy.

Prior precedent had established that performances of sound recordings on traditional broadcast radio were not deemed to result in liability for performance royalties to sound recording copyright owners because it was those very same performances that introduced songs to the listening public, thereby promoting sales of sound recordings and generating revenue for copyright owners and recording artists.

Notwithstanding this longstanding precedent, the DMCA required Internet radio services to pay sound recording performance royalties and determined that the royalties should be set by a panel or arbitrators, known as the Copyright Arbitration Royalty Panel or CARP.

Unfortunately, the arbitration process has become too lengthy, too technical, and too expensive for many stakeholders. As a result, thousands of small commercial webcasters, broadcasters, noncommercial webcasters, college radio stations and hobbyists have been effectively denied the opportunity to participate in the arbitration proceedings in any meaningful way. Perhaps it was because these smaller interests were not adequately represented in the CARP proceeding that the resultant royalty was so high and the rate structure so inflexible that the