



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 108th CONGRESS, SECOND SESSION

Vol. 150

WASHINGTON, TUESDAY, SEPTEMBER 28, 2004

No. 119

Senate

The Senate met at 9:45 a.m. and was called to order by the President pro tempore (Mr. STEVENS).

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

King of our lives, in sunshine or in shadows, we belong to You. You speak to us in both our moments of joy and sadness. We hear Your whispers through our pain. You prepare the earth for harvest and Your rivers never run dry.

In an uncertain world, we can turn to You for security. Thank You for forgiving us and for chasing away our gloom. You confuse those who seek to harm us, and You shield us with Your amazing grace and love.

Continue to guide and bless our Senators. Give them a peace more profound than anything the world can offer. Use them to bless our Nation and world. Keep them from temptation and deliver them from evil, for the kingdom, the power, and the glory belong to You. Amen.

PLEDGE OF ALLEGIANCE

The PRESIDENT pro tempore led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. FRIST. Mr. President, today we will begin a period of morning business for up to 60 minutes. The majority will control the first half of that time and the minority will control the remain-

ing second half. Following the 1 hour of morning business, the Senate will resume the pending intelligence reform legislation.

I do once again congratulate the chairman and ranking member, Senators COLLINS and LIEBERMAN, for their opening remarks yesterday. I am pleased we are now underway on this historic bill. We had a good start yesterday. We had a number of Members participating in the debate yesterday. Three amendments were offered, and they are now pending.

It would be my hope we could continue to make progress on the bill over the course of today, continue the good progress from yesterday and dispose of a number of amendments in addition to the ones that have been offered. Thus, we can expect votes over the course of the day on the intelligence reform amendments.

As is usual on a Tuesday, we will be breaking from 12:30 to 2:15 for the weekly policy luncheons. Again, as I mentioned yesterday, as we all know, we have scheduling challenges over the course of the week during the nights, which in many ways is good because it means we absolutely must focus, beginning right up front in the morning, and work through the day to process the bill, to process amendments, and to, of course, vote.

Again, I think every evening this week there are major commitments by both caucuses and the caucuses working together. Thus, we really absolutely must continue to work aggressively over the course of the day. There are a lot of people with a whole range of amendments to offer. We have had a long time for people to both now look at the bill but also, since late July, to have Senators and their staffs address the important issues and the recommendations which were made public in late July by the 9/11 Commission and since that time through a lot of hearings during August in the Governmental Affairs Committee that had a

superb markup where a number of amendments were offered, debated, and adopted.

It gave the Senators on that committee the opportunity to highlight the important issues, to dispose of a number of them, but also, I believe, to make it so on the floor, when we address amendments that are similar to and in some cases maybe even the same amendments, we can deal with those in very expeditious ways since so much groundwork has been laid.

I am going to encourage, with the leadership on both sides of the aisle, the managers to gather these amendments just as soon as possible. All 100 Senators need to recognize that we have very few days, really just a few more than a handful of days, before we depart on October 8. Although we have dealt with many of these issues over the last several days and weeks, it is critical that we see the amendments so we can plan out the next several days on the bill. I have encouraged all of our colleagues to bring those amendments to the managers today, this morning.

With that, I will close my remarks and turn to the Democratic leader either for general comments or comments on the course of the week.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The minority leader is recognized.

INTELLIGENCE REFORM AND SCHEDULE

Mr. DASCHLE. Mr. President, I confirm the schedule as Senator FRIST has laid it out. The majority leader has been very clear about the intent that we both have to try to finish this work as quickly yet as thoroughly as we can. I would hope that we could work on a finite list. I would hope that we could reach time agreements on amendments. This is a piece of legislation

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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that should be familiar to all Senators. It has been out there. The committee has done very good and deliberative work on both sides. It has been one of the better demonstrations of the cooperation that we used to take for granted around here. I would hope that we could continue to show that same level of cooperation as we work through this bill.

I reiterate my strong support for what the majority leader has noted. He may have said this, and I just didn't catch it, but I know we have to take up some expiring legislation this week. We have a CR. We have a transportation bill. We have TANF. All of that has to be addressed this week as well. It is my hope that we can get agreements on those and not devote a good deal of time on the Senate floor to those and keep our focus first on 9/11 and then other agreements we could get on appropriations bills. We will work throughout the day to clarify the schedule with regard to those bills.

ENSURING A STRONG FARM CREDIT SYSTEM

Mr. DASCHLE. Mr. President, the Farm Credit System is a nationwide network of borrower-owned financial institutions consisting of four farm-credit banks, one agricultural-credit bank, and nearly 100 locally owned farm-credit associations.

These institutions were created as a result of the 1916 Farm Credit Act, whose fundamental purpose was to establish a network of government-sponsored enterprises that would provide America's farmers and ranchers with a reliable source of credit at fair and competitive interest rates.

Over the years, the Farm Credit System has provided critical credit and related services to farmers, ranchers, rural homeowners, farm-related businesses, and cooperatives, including rural utilities.

In fact, the Farm Credit System provides over \$90 billion in loans to more than a half-a-million producers, agribusiness, and agricultural cooperatives. Overall, more than 25 percent of the credit needs of American agriculture are met by these important farm credit institutions.

These institutions have the unique attribute of being organized as cooperative businesses, each owned by its member-borrower stockholders, who have the right to participate in director elections and vote on issues impacting business operations.

One of the largest farm-credit institutions serving South Dakota is Farm Credit Services of America, or FCSA. FCSA also provides services in Iowa, Nebraska, and Wyoming, and it holds nearly \$8 billion in assets, which is about 8 percent of the entire Farm Credit System portfolio.

On July 30, the board of FCSA approved an agreement to be acquired by the Rabobank Group, a Dutch banking giant and international farm lender.

The agreement is subject to approval by the regulatory agency which oversees these institutions—the Farm Credit Administration or FCA. It is also subject to stockholder approval and the expiration or termination of anti-trust waiting periods.

Under the agreement, FCSA would become a wholly-owned subsidiary of Rabobank and would seek to exit the Farm Credit System under the termination provisions of the FCA's regulations.

FCSA has over 51,000 farmer and rancher customers—thousands of which are in my State of South Dakota.

Having spent a great deal of time in South Dakota over the past few months, I can say without any doubt that this proposed sale of one of our leading Farm Credit System institutions to a foreign bank has created a whirlwind of confusion and uncertainty.

While the tentative deal would pay producer-members \$600 million in patronage, FCSA would also have to pay the Federal Government an \$800 million "exit fee," which is required should a member-institution pull out of the system.

The \$800 million would go to the system's insurance fund. If the agreement is approved, FCSA would no longer exist.

At the same time, another banking interest—AgStar, which is also part of the Farm Credit System, and which operates out of Minnesota—has also sought to enter into a merger with FCSA.

Under AgStar's proposal, the new, merged AgStar would pay producers-owners \$650 million in patronage—a full \$50 million more than the Rabobank offer.

Plus, AgStar would not have to pay the \$800 million termination fee that the Rabobank deal would require.

Finally, AgStar would make a commitment to provide future patronage payments to farmers and rancher-owners.

Looking solely at these figures, the Babobank offer appears questionable. But a decision like this should not be taken lightly, and more time is needed to fully analyze all the facts and determine what would be in the best interest of the producer-owners of FCSA, and in the best interest of the overall Farm Credit System.

Senator JOHNSON and I have sought to ensure that public hearings on these matters be held by both the FCA and the appropriate committees in Congress.

The FCA has said that they will hold at least one meeting or hearing. In addition, the first of what I hope could be several congressional hearings will be held by a House Agriculture Subcommittee tomorrow.

Unfortunately, the current time line under which the Farm Credit Administration must operate would require a decision within 60 days of FCSA's submission of a termination notice—a no-

tice which could be filed as early as this week.

If the FCA approves the sale, a final vote by the FCSA shareholders could theoretically come before the end of the year, when Congress will likely be out of session.

It would be extremely difficult for the FCA to hold the public meetings or hearings that many of us think are needed, and make a thoughtful decision about the termination, within the initial 60-day time frame.

That is why, today, Senator JOHNSON and I are introducing legislation to ensure that when a Farm Credit System institution seeks to leave the system and terminate its status, the FCA will hold no less than one public meeting or hearing in each of the States in which that institution is chartered.

In this case there would be no less than one meeting or hearing in South Dakota, Iowa, Nebraska and Wyoming.

The bill would also require the FCA to wait at least six months before making a decision on the termination request by the institution—in this case, FCSA.

At best, the proposed sale of FCSA to Rabobank raises more questions than answers.

Farmers and ranchers in South Dakota and in the other impacted States fear they will have to vote on a deal before studying it and having all the appropriate information they need.

And the Farm Credit Administration, which is not a large agency, is at risk of being overburdened by an unrealistic time line.

A decision to leave the system is really monumental in the world of rural credit, and it could have a huge impact on rural America.

The Farm Credit System has served our Nation's rural communities exceedingly well for nearly 90 years.

Before any action is taken that may jeopardize that impressive record, we need to ensure that farmers, ranchers, and rural residents, as well as members of the FCA, have the time they need to analyze this profoundly important decision and reach the right conclusion.

I yield the floor.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. SMITH). Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will be a period for the transaction of morning business for up to 60 minutes, with the first 30 minutes under the control of the majority leader or his designee and the final 30 minutes under the control of the Democratic leader or his designee.

The PRESIDING OFFICER. The majority leader is recognized.