

stronger motivating factor, let me say this: the spread of HIV/AIDS poses very grave threats to economic growth and security in countries whose stability has a direct impact on our own. If we do not help address the threat now, it may well be to our detriment tomorrow. I urge the House to take up and pass the measure on which the Senate has just completed action.

The fight is not over. Next year, I plan to reintroduce legislation to improve the Heavily Indebted Poor Countries Initiative so that countries dealing with the AIDS epidemic are better able to respond. I hope that my colleagues will support these efforts. It is also my sincere hope that the Senate will revisit the provisions that we dropped in order to reach compromise with our House colleagues. Failure to do so would be unwise.

THE SMALL BUSINESS DROUGHT RELIEF ACT

Mr. KERRY. Mr. President, as the Senate and the House prepare to bring the 107th session to a close, we leave some important small business legislation unfinished. Regrettably, that includes passage of the Small Business Drought Relief Act because of serial holds from Republicans since August 1-3 and a half months. This emergency legislation passed our committee with unanimous support, and yet Senators with no jurisdiction in small business, instigated by an administration that claims to support small business, obstructed passage.

The committee reached out to those Senate members and their staffs time and again, and there was no cooperation. Sixteen Governors—Governor Hodges of South Carolina, Governor Easley of North Carolina, Governor Barnes of Georgia, Governor Foster of Louisiana, Governor Musgrove of Mississippi, Governor Perry of Texas, Governor Wise of West Virginia, Governor Patton of Kentucky, Governor Glendening of Maryland, Governor Holden of Missouri, Governor Keating of Oklahoma, Governor Sundquist of Tennessee, Governor Warner of Virginia, Governor Siegelman of Alabama, Governor Huckabee of Arkansas, and Governor Guinn of Nevada—reached out to the Congress asking for us to pass this bill, and they got no cooperation. The committee was ultimately able to overcome tremendous differences between CBO's cost estimate and OMB's cost estimate to reach agreement with the Office of Management and Budget on passing this emergency legislation last week, but not even that moved the Republican leadership to cooperate.

So we go home tonight, and our small businesses—main street America—needlessly struggle to make ends meet, keep their doors open and employees on the payroll, because of partisan politics.

For those who don't remember, this is emergency legislation to help small

non-farm-related businesses across this Nation that are in dire straits because of drought conditions in their State. Just like the farmers and ranchers, the owners of rafting businesses, marinas, and bait and tackle shops lose a lot of business because of drought.

Right now these small businesses can't get help through the SBA's disaster loan program because of something taxpayers hate about government—bureaucracy. SBA denies these businesses access to disaster loans because its lawyers say drought is not a sudden event and therefore it is not a disaster by definition. Contrary to the Agency's position that drought is not a disaster, as of July 16, 2002, the day we introduced this bill, the SBA had in effect drought disaster declarations in 36 States. Unfortunately, the assistance was limited to farm-related small businesses.

The 36 States include: Arizona, California, Colorado, Delaware, Georgia, Idaho, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Montana, Nebraska, Nevada, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

The situation has only gotten worse judging by SBA's own numbers. Since the bill was introduced, the SBA has declared disasters in two more States and the District of Columbia. Instead of rising to the occasion and using their statutory authority to help the small businesses in these areas, they continue to deny them access to disaster loans, hiding behind a legal opinion—a legal opinion that they will not provide to the committee.

To make sure the facts of this legislation are accurate, let the record show that this bill does not expand the SBA disaster loan program. SBA already has this authority, and this bill simply restates and clarifies that authority to ensure that the law is applied fairly. Let the record show that SBA, contrary to its claims, has the expertise to determine when a drought is a disaster. First, the SBA already declares drought disasters and does so mainly by working with the U.S. Secretary of Agriculture. Second, in addition to working with the Secretary of Agriculture, there are existing SBA guidelines for declaring disasters, and those guidelines apply to drought too. For example, the Governor of a State can request a declaration from the Administrator of the SBA after certifying that more than five small businesses have suffered economic injury because of a disaster. Last, let the record show that this legislation is modest in cost. CBO estimated that this bill would cost \$5 million per year for 5 years, far less than OMB's estimate of approximately \$100 million per year. And last week, as I referenced earlier, we were able to reach an agreement with OMB that

capped the cost at \$9 million for fiscal year 2003, enough to cover the cost of the bill as passed by the committee and the Bond/Enzi/Burns/Crapo amendment. Unfortunately, even OMB's concurrence and the support of many Senators and Governors did not persuade the remaining Senator blocking passage of the bill to put aside his differences for the sake of small businesses and permit it to pass.

I thank the many supporters of this bill. My 22 colleagues who are cosponsors—Senators BOND, HOLLINGS, LANDRIEU, BAUCUS, BINGAMAN, DASCHLE, JOHNSON, EDWARDS, CARNAHAN, CLELAND, ENZI, LIEBERMAN, HARKIN, ENSIGN, REID, HELMS, ALLEN, BENNETT, TORRICELLI, LEVIN, CRAPO and THURMOND. All the Governors who put small businesses first and politics last. Mr. Donald Wilhite, director of the National Drought Mitigation Center at the University of Nebraska in Lincoln, for all his assistance to my staff in understanding the scope of drought in this country and for writing in support of the legislation. National Small Business United, for always being there to stand up for small businesses. The many small business owners and small business advocates, such as Wildlife Action, in South Carolina, who took the time to write me regarding the drought and their problems with the SBA. And last, but certainly not least, from my home State, I thank Bob Durand of the Massachusetts Emergency Management Association for his help and support. We will take this fight up again in the next Congress.

Mr. President, I ask unanimous consent that several letters of support and my remarks be included in the RECORD.

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

SOUTHERN GOVERNORS' ASSOCIATION,
Washington, DC, August 19, 2002.

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

DEAR SENATOR KERRY: We are deeply concerned that small businesses in states experiencing drought are being devastated by drought conditions that are expected to continue through the end of the summer. We urge you to support legislation that would allow small businesses to protect themselves against the detrimental effects of drought.

Much like other natural disasters, the effects of drought on local economies can be crippling. Farmers and farm-related businesses can turn in times of drought to the U.S. Department of Agriculture. However, non-farm small businesses have nowhere to go, not even the Small Business Administration (SBA), because their disaster loans are not made available for damage due to drought.

To remedy this omission, Sen. John Kerry (D-Mass.) introduced the Small Business Drought Relief Act (S. 2734) on July 16, 2002, to make SBA disaster loans available to those small businesses debilitated by prolonged drought conditions. This bill was passed by the Senate Small Business Committee just eight days later. Also, the companion legislation (H.R. 5197) was introduced by Rep. Jim DeMint (R-S.C.) on July 24, 2002.

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