

As chair of the House Committee on Science's Subcommittee on Technology, we have held six hearings on the Year 2000 problem, many in conjunction with the Committee on Government Reform and Oversight's Subcommittee on Operations, chaired by the gentleman from California (Mr. HORN).

In legislation, we required the creation of a national Federal strategy on the Year 2000 problem. Federal quarterly reporting requirements and a statutory prohibition on the Federal purchase of any information technology which is not Year 2000 compliant.

I am also very pleased that the President has finally joined with Congress to help ensure that our Nation will address the Year 2000 problem in a timely and effective manner. The President's recent Executive order establishing a Year 2000 Conversion Council, chaired by John Koskinen, to make correcting the problem the highest priority attention for both the public and private sector, is vital to our Nation's ability to correct the problem by the unrelenting deadline. This is an important step if we are to avert catastrophic failure of government and industry computer systems. We have been calling for leadership from our Nation's chief executive for over a year. The President is at last giving this issue the attention it deserves.

And while I am anxious to work with Mr. Koskinen and the national Year 2000 Council on future efforts, today I intend to support this necessary measure to ensure the American people that not only is their money safe, but they will have reasonable timely access to it in the Year 2000 and beyond.

So, Mr. Speaker, I urge all of my colleagues to join me in passing H.R. 3116. I also want to again congratulate Chairman LEACH and Ranking Member LAFALCE for their leadership, and I look forward to working with them as Congress moves to enact other Year 2000 solutions.

Mr. LAFALCE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LEACH. Mr. Speaker, I yield myself such time as I may consume just to conclude by saying this issue is extraordinarily important for consumers. It is important for America's competitive position abroad. To become Year 2000 compliant will involve a multi-billion dollar cost to the economy and success or failure will affect the competitive position of many types of private sector organizations at home and abroad.

I am particularly concerned at home with the competitive position of various vendors to financial institutions, some of which are on top of the problem, some of which are less so. Abroad, we could literally see a run to American financial institutions who are on top of the problem, in contrast with foreign competitors. Europe is intertwined with a series of problems relat-

ed to European Community. In Asia there is a series of very different kinds of problems. Neither in the world is putting as much attention as the United States is. So as there are challenges, there are also potential opportunities for those institutions who are on top of this particular subject matter.

Mr. Speaker, let me just conclude by saying that also from a job sense, we are going to see perhaps the greatest shortage of software engineers and technicians in the history of the country in almost any industry. And it is important for individuals not only in the financial services sector, but in other types of critical industries, to be very sensitive to these issues. Obviously, relating to airlines which is one most in the public mind, but there are many others as well.

In any regard, this is a very, very modest bill that the Congress is putting forth. Behind the bill is also the sense that involved is an education process of which the Congress is a part. And while this bill will not be an answer to anything, it is intended to precipitate serious attention to the issue.

Mr. Speaker, with that, I have no further requests for time. I would like to thank particularly the gentleman from New York (Mr. LAFALCE) and the gentlewoman from New Jersey (Mrs. ROUKEMA), as well as the gentlewoman from Maryland (Mrs. MORELLA) for her thoughtful attention.

Mr. PAUL. Mr. Speaker, this Legislation, H.R. 3116, will not solve the Year 2000 problem. Giving some financial regulators "statutory parity" with other regulators will not solve the problem. Everyone will have to take responsibility to secure that their own systems will be Year 2000-compliant. We must hope that the government will be as diligent in its compliance with the so-called Millennium Bug problem as it want the private sector to be.

The General Accounting Office (GAO) has reported unfavorably on the FDIC's readiness. Before the Subcommittee on Financial Services and Technology, Committee on Banking, Housing and Urban Affairs, US Senate, Jack L. Brock, Jr., Director, Governmentwide and Defense Information Systems, testified on February 10, 1998 (Year 2000 Computing Crisis: Federal Deposit Insurance Corporation's Efforts to Ensure Bank's Systems Are Year 2000 Compliant) that the Federal Deposit Insurance Corporation (FDIC) has not met its own "y2k-compliant" standards. According to GAO, the FDIC has not yet completed the assessment phase of the remediation process, despite its own standard that banks under the agency's supervision should have completed this phase by the end of the third quarter of 1997.

The bill requires the regulators to provide information (seminars, etc.), make available to financial institutions model approaches to address the Year 2000 problem, and to give the regulators examination authority to examine third party service providers under contract to federally-insured institutions.

James Mills, of NAFCU, testified before the House Committee on Banking and Financial Services, "Historically, the role of providing education and training is one best performed

by the private sector, namely trade associations and industry-related organizations . . . Rather than require federal agencies to offer seminars, perhaps any legislative efforts should require federal agencies to participate in such programs or make it advisable and permissible to participate." NAFCU believes that the focus of H.R. 3116 should be strictly limited to ensuring compliance. In its present form, H.R. 3116 contains a broad and permanent expansion of NCUA's examination and regulatory authority . . . Legitimate questions may be raised as to whether, absent the year 2000 issue, NCUA, as a federal financial regulatory agency, should have the authority not just to examine but to actually regulate private business enterprises incorporated under the laws of various states. The authority given to NCUA in H.R. 3116, is not limited to the examination and regulation of credit unions, but would allow NCUA to examine and regulate third-party businesses, vendors and outside providers. Do the members of the Committee intend to give NCUA authority to regulate private entities?"

Ellen Seidman, Director OTS, added, "Clearly, the primary responsibility and liability for Year 2000 compliance rests with the regulated institutions themselves, including those that rely on service providers . . . Some service providers, however, have been resistant to these contractual provisions and, as a result, thrifts have been hindered in their ability to contract for services."

This bill raises legal liability questions that may actually thwart a financial institution's ability to address the y2k problem more effectively. Introducing legislation on the y2k issue would only give more people more incentive to sue companies which are not compliant. How does the bill define "year 2000 compliance"? It isn't clear. Such ambiguity only causes further problems. The real problem with y2k isn't the computers, its the people. More legislation will only compound the problem.

Year 2000 issues with computers cause numerous headaches but by no means unsolvable problems. Solutions exist, and since we do exist in a relatively free market, we should allow it to work.

Mr. LEACH. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SHAW). The question is on the motion offered by the gentleman from Iowa (Mr. LEACH) that the House suspend the rules and pass the bill, H.R. 3116, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LEACH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to include in the RECORD additional statements and to revise and extend their remarks on H.R. 3116, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION RE-AUTHORIZATION ACT OF 1998

Mr. SMITH of Oregon. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 365) regarding the bill S. 1150, the Agricultural Research, Extension, and Education Reauthorization Act of 1998.

The Clerk read as follows:

H. RES. 365

Resolved, That, upon the adoption of this resolution, the House shall be considered to have—

(1) taken from the Speaker's table the bill S. 1150, to ensure that federally funded agricultural research, extension, and education address high-priority concerns with national or multistate significance, to reform, extend, and eliminate certain agricultural research programs, and for other purposes;

(2) struck out all after the enacting clause of the bill S. 1150 and inserted in lieu thereof an amendment consisting of the text of the bill H.R. 2534, to reform, extend, and repeal certain agricultural research, extension, and education programs, and for other purposes, as passed by the House;

(3) passed the bill S. 1150 as amended; and

(4) insisted on the House amendment and requested a conference with the Senate thereon.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Oregon (Mr. SMITH) and the gentleman from Texas (Mr. STENHOLM) each will control 20 minutes.

The Chair recognizes the gentleman from Oregon (Mr. SMITH).

Mr. SMITH of Oregon. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of House Resolution 365. This resolution, upon adoption, will delete all of the Senate language within S. 1150, including that which has been the cause of concern of many Members, and insert in its place the language of H.R. 2534, which was passed by the House last November.

Passage of the resolution is merely a necessary procedural step which allows the House to declare itself in disagreement with the Senate and to request a conference on the House-passed language.

Mr. Speaker, so there is no confusion, I know my colleagues had concern with the Senate language. The objective here in H.R. 365 is simply to reauthorize the Foreign Agricultural Research Extension and Education Programs within the Department of Agriculture. The funding provisions which came under scrutiny in the Senate version are not, I repeat, are not in this bill or the language in this resolution.

The language identical to 365 passed the Committee on Agriculture by a unanimous vote on Wednesday, October 29, and the full House on November 8 by a vote of 291 to 125. It is the first comprehensive overhaul of agricultural research programs since 1977. It encompasses over \$14 billion in 5 years.

The last two decades have brought sweeping changes to agricultural trade, production, and the government's ap-

proach to agriculture culminating in the reforms accomplished in the Federal Agriculture Improvement and Reform Act of 1996, commonly referred to as the Freedom to Farm Bill.

In the Committee on Agriculture, we have adapted to these changes by focusing on American agriculture's competitiveness around the globe, working to eliminate barriers to American farm products and to open international markets.

Mr. Speaker, every farmer I know would prefer a market to a subsidy, and it is on that principle and in that knowledge that Congress, 2 years ago, began getting government out of the farmers' business. But that is not to say that government does not still have a role. It clearly does, and agricultural research is an enormous part of it.

Today, agricultural research is more important than ever in transitioning to a market economy and securing new markets for American farm products overseas and ensuring that we continue to produce the world's highest quality food and fiber at competitive prices. The core bill, H.R. 365 lives up to this challenge in addition to reauthorizing numerous agricultural research programs through the year 2002.

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The bill includes reform provisions to ensure peer and merit review of all USDA research programs, greater accountability in the development of Federal research priorities, and greater dependence on cost sharing through requirements for matching funds. I urge my colleagues to support the resolution so that we may move forward with this issue.

Mr. Speaker, I reserve the balance of my time.

Mr. STENHOLM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in strong support of H.R. 365, a resolution which contains four provisions that upon their adoption will provide the following:

One, it will take Senate bill 1150 from the Speaker's table; two, it will strike all after the enacting clause and insert the text of H.R. 2534 as passed by the House and ably described by the gentleman from Oregon (Mr. SMITH); three, it will pass Senate bill 1150 as amended by H.R. 2534 and insist on the House amendment and request a conference with the Senate.

I would like to make it perfectly clear that this resolution merely allows us to go to conference with the Senate. That is all.

H.R. 2534 passed the House on November the 8th, 1997, by a vote of 291 to 125 and is the result of a bipartisan effort. H.R. 2534 provides for a straightforward reauthorization and reform of current USDA agricultural research programs. H.R. 2534 does not contain any of the savings and reallocation measures associated with Senate bill 1150.

Confusion and concern over this issue prevented our going to conference on

this bill at the end of the first session, the 105th Congress. I recognize that there are concerns about provisions in the Senate bill. For this reason I urge Members to permit us to go to conference so we can begin to work through these differences. The sooner we begin working on a suitable conference report, the more time we will have to carefully consider these concerns while ensuring that support for vital agricultural research programs is not unnecessarily delayed.

Again, I strongly urge passage of this resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Oregon. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana (Mr. LIVINGSTON).

(Mr. LIVINGSTON asked and was given permission to revise and extend his remarks.)

Mr. LIVINGSTON. Mr. Speaker, I thank the gentleman for yielding me this time; and I rise in support of the resolution.

I would like to take the opportunity to congratulate the Committee on Agriculture on this bill. Agricultural research is the heart of a system of agriculture which allows less than 2 million American farmers and ranchers to feed 260 million Americans and hundreds of millions of more people overseas.

This bill reflects great credit on the distinguished chairman of the committee, my good friend, the gentleman from Oregon (Mr. SMITH), and all of his colleagues, particularly my two good friends, the gentleman from Texas (Mr. COMBEST) and the distinguished ranking member, the gentleman from Texas (Mr. STENHOLM).

I do wish to raise a serious concern about the bill that has come out of the other body. That bill, creates more than \$1 billion in new mandatory spending that I believe contradicts all the hard work that has been done in cutting the budget here in this House in the last 3 years.

In particular, section 301 of the Senate bill creates a new \$780 million mandatory spending program for research; and I would point out that we already are spending annually about \$1.6 billion in the two major agriculture research programs in the discretionary account.

Section 226 of the Senate bill adds \$300 million to an existing mandatory program called "The Fund for Rural America." About half of the annual \$100 million of spending in that program goes to research which, as I have already pointed out, already gets substantial discretionary funding.

The other half of the annual \$100 million goes to rural development activities. I would like to remind all my colleagues that, in the current fiscal year, we are supporting a program level of more than \$6 billion in rural development through discretionary funding.

Again, I think the House bill is a good bill; and I commend the gentleman from Oregon (Mr. SMITH) and