

that portion of the triangle of Federal land in Reservation No. 204 in the District of Columbia under the jurisdiction of the Architect of the Capitol, including any contiguous sidewalks, bound by Constitution Avenue, N.E., on the north, the branch of Maryland Avenue, N.E., running in a northeast direction on the west, the major portion of Maryland Avenue, N.E., on the south, and 2nd Street, N.E., on the east, including the contiguous sidewalks.

(c) MISCELLANEOUS.—

(1) COMPLIANCE WITH OTHER LAWS.—Compliance with this section shall be deemed to satisfy the requirements of all laws otherwise applicable to transfers of jurisdiction over parcels of Federal real property.

(2) INCLUSION IN SUPREME COURT GROUNDS.—Section 6101(b)(2) of title 40, United States Code, is amended by inserting before the period “and that parcel transferred under the Supreme Court Grounds Transfer Act of 2005”.

(3) UNITED STATES CAPITOL GROUNDS.—

(A) DEFINITION.—Section 5102 of title 40, United States Code, is amended to exclude within the definition of the United States Capitol Grounds the parcel of Federal real property described in subsection (b)(2).

(B) JURISDICTION OF CAPITOL POLICE.—The United States Capitol Police shall not have jurisdiction over the parcel of Federal real property described in subsection (b)(2) by reason of such parcel formerly being part of the United States Capitol Grounds.

(4) RECORDING OF MAP OF SUPREME COURT GROUNDS.—The Architect of the Capitol shall record with the Office of the Surveyor of the District of Columbia a map showing areas comprising the grounds of the Supreme Court of the United States that reflects—

(A) the legal boundaries described under section 6101(b)(1) of title 40, United States Code; and

(B) any portion of the United States Capitol Grounds as described under section 5102 of title 40, United States Code, which is contiguous to the boundaries or property described under subparagraph (A) of this paragraph.

(d) EFFECTIVE DATE.—This Act shall apply to fiscal year 2006 and each fiscal year thereafter.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Pennsylvania (Mr. SHUSTER) and the gentlewoman from the District of Columbia (Ms. NORTON) each will control 20 minutes.

The Chair recognizes the gentleman from Pennsylvania.

GENERAL LEAVE

Mr. SHUSTER. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and include extraneous material on S. 2116.

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

There was no objection.

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

S. 2116 transfers jurisdiction of a small parcel of land from the Architect of the Capitol to the Supreme Court of the United States.

Most of my colleagues will recognize this property as the small triangular piece of land between the Hart Senate Office Building and the Supreme Court. For the past few years it has been surrounded by security fencing and cov-

ered by construction trailers and equipment supporting the Supreme Court Modernization project.

The small parcel of land is bordered by Constitution Avenue on the north, Maryland Avenue on the west and south, and by Second Street on the east.

This transfer also includes realigning the jurisdictional boundaries of the United States Capitol Police and the United States Supreme Court Police to reflect this land transfer.

The transfer will also enable the Supreme Court Police to have control over the grounds within the bollards that are currently under construction.

The Supreme Court Land Transfer Act of 2006 is a simple and sensible solution that provides a more distinct boundary between the Capitol grounds and the Supreme Court.

Mr. Speaker, I support this legislation and encourage my colleagues to do the same.

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

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

Mr. Speaker, I thank the chairman of the subcommittee with whom I have worked so closely for making sure that this small bill got to the floor and got done.

Mr. Speaker, S. 2116 is a bill to transfer the parcel of property currently under the jurisdiction of the Architect of the Capitol to the jurisdiction of the Supreme Court. The parcel of land is a small triangle of land bounded by Constitution Avenue Northeast, Maryland Avenue Northeast, and Second Street Northeast.

Once the parcel is transferred from the Architect to the Supreme Court, the Capitol Hill Police will no longer have the security responsibility for the parcel; and, further, the definition of the Capitol grounds will be amended to show that the parcel has been deleted from the definition of the Capitol grounds.

The Supreme Court requested this transfer in order to enhance its perimeter security program. Mr. Speaker, I support this bill and urge its passage.

Mr. Speaker, before I yield back the balance of my time I do want to say that this bill brings to mind, especially since it is being transferred for security reasons, the fact that we are operating under an old 19th century organization of the police that guard the complex of most important Federal building in the District of Columbia, the Supreme Court Police, the Library of Congress Police, and the Capitol Hill police.

Mr. Speaker, at the moment we have some jurisdiction over this Federal police force. But the jurisdiction I am speaking of, which has already been passed by the Congress of the United States, is not under our jurisdiction, but because of the security which is the reason for the transfer, I do want to say that what we have with this complex of buildings that are within

sight of one another, are very different police forces.

We have a police force that is trained differently for the three most important buildings in this vicinity. The Library of Congress is trained differently. It is as if these were the police forces of Maryland, Virginia, and the District of Columbia.

Mr. Speaker, that is dangerous. That is nothing short of dangerous. We have so shored up the Capitol, that any terrorist on the lookout for something to do in this vicinity is surely going to go to places that she may believe is less well guarded, like the Library of Congress, and like, if I may so, the Supreme Court of the United States.

I have met with the Marshal of the Supreme Court of the United States and the Library of Congress. I am familiar with both their police forces. But now that this bill has been brought to the floor, I urge that we all respond to what has now become public, because the Library of Congress Police have raised the question again.

There was an article in Roll Call just a few days ago that there were real security problems with the Library of Congress and its police. I have not heard the same thing about the Supreme Court.

But I do not think we should rest well knowing that we have shored up the Congress of the United States and we hope everything is well with the Supreme Court and the Library of Congress. I think it is our obligation to make sure that it is, in fact, the case.

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

Mr. SHUSTER. Mr. Speaker, I would urge my colleagues to support this commonsense piece of legislation, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. SHUSTER) that the House suspend the rules and pass Senate bill, S. 2116.

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

A motion to reconsider was laid on the table.

MILK REGULATORY EQUITY ACT OF 2005

Mr. GOODLATTE. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 2120) to ensure regulatory equity between and among all dairy farmers and handlers for sales of packaged fluid milk in federally regulated milk marketing areas and into certain non-federally regulated milk marketing areas from federally regulated areas, and for other purposes.

The Clerk read as follows:

S. 2120

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Milk Regulatory Equity Act of 2005”.

SEC. 2. MILK REGULATORY EQUITY.

(a) **MINIMUM MILK PRICES FOR HANDLERS; EXEMPTION.**—Section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by adding at the end the following new subparagraphs:

“(M) **MINIMUM MILK PRICES FOR HANDLERS.**—

“(i) **APPLICATION OF MINIMUM PRICE REQUIREMENTS.**—Notwithstanding any other provision of this section, a milk handler described in clause (ii) shall be subject to all of the minimum and uniform price requirements of a Federal milk marketing order issued pursuant to this section applicable to the county in which the plant of the handler is located, at Federal order class prices, if the handler has packaged fluid milk product route dispositions, or sales of packaged fluid milk products to other plants, in a marketing area located in a State that requires handlers to pay minimum prices for raw milk purchases.

“(ii) **COVERED MILK HANDLERS.**—Except as provided in clause (iv), clause (i) applies to a handler of Class I milk products (including a producer-handler or producer operating as a handler) that—

“(I) operates a plant that is located within the boundaries of a Federal order milk marketing area (as those boundaries are in effect as of the date of the enactment of this subparagraph);

“(II) has packaged fluid milk product route dispositions, or sales of packaged fluid milk products to other plants, in a milk marketing area located in a State that requires handlers to pay minimum prices for raw milk purchases; and

“(III) is not otherwise obligated by a Federal milk marketing order, or a regulated milk pricing plan operated by a State, to pay minimum class prices for the raw milk that is used for such dispositions or sales.

“(iii) **OBLIGATION TO PAY MINIMUM CLASS PRICES.**—For purposes of clause (ii)(III), the Secretary may not consider a handler of Class I milk products to be obligated by a Federal milk marketing order to pay minimum class prices for raw milk unless the handler operates the plant as a fully regulated fluid milk distributing plant under a Federal milk marketing order.

“(iv) **CERTAIN HANDLERS EXEMPTED.**—Clause (i) does not apply to—

“(I) a handler (otherwise described in clause (ii)) that operates a nonpool plant (as defined in section 1000.8(e) of title 7, Code of Federal Regulations, as in effect on the date of the enactment of this subparagraph);

“(II) a producer-handler (otherwise described in clause (ii)) for any month during which the producer-handler has route dispositions, and sales to other plants, of packaged fluid milk products equaling less than 3,000,000 pounds of milk; or

“(III) a handler (otherwise described in clause (ii)) for any month during which—

“(aa) less than 25 percent of the total quantity of fluid milk products physically received at the plant of the handler (excluding concentrated milk received from another plant by agreement for other than Class I use) is disposed of as route disposition or is transferred in the form of packaged fluid milk products to other plants; or

“(bb) less than 25 percent in aggregate of the route disposition or transfers are in a marketing area or areas located in one or more States that require handlers to pay minimum prices for raw milk purchases.

“(N) **EXEMPTION FOR CERTAIN MILK HANDLERS.**—Notwithstanding any other provision of this section, no handler with distribution of Class I milk products in the marketing area described in Order No. 131 shall

be exempt during any month from any minimum price requirement established by the Secretary under this subsection if the total distribution of Class I products during the preceding month of any such handler's own farm production exceeds 3,000,000 pounds.”.

(b) **EXCLUSION OF NEVADA FROM FEDERAL MILK MARKETING ORDERS.**—Section 8c(11) of the Agriculture Adjustment Act (7 U.S.C. 608c(11)), reenacted with amendments by the Agriculture Marketing Agreement Act of 1937, is amended—

(1) in subparagraph (C), by striking the last sentence; and

(2) by adding at the end the following new subparagraph:

“(D) In the case of milk and its products, no county or other political subdivision of the State of Nevada shall be within the marketing area definition of any order issued under this section.”.

(c) **RECORDS AND FACILITY REQUIREMENTS.**—Notwithstanding any other provision of this section, or the amendments made by this section, a milk handler (including a producer-handler or a producer operating as a handler) that is subject to regulation under this section or an amendment made by this section shall comply with the requirements of section 1000.27 of title 7, Code of Federal Regulations, or a successor regulation, relating to handler responsibility for records or facilities.

(d) **EFFECTIVE DATE AND IMPLEMENTATION.**—The amendments made by this section take effect on the first day of the first month beginning more than 15 days after the date of the enactment of this Act. To accomplish the expedited implementation of these amendments, effective on the date of the enactment of this Act, the Secretary of Agriculture shall include in the pool distributing plant provisions of each Federal milk marketing order issued under subparagraph (B) of section 8c(5) of the Agriculture Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agriculture Marketing Agreement Act of 1937, a provision that a handler described in subparagraph (M) of such section, as added by subsection (a) of this section, will be fully regulated by the order in which the handler's distributing plant is located. These amendments shall not be subject to a referendum under section 8c(19) of such Act (7 U.S.C. 608c(19)).

The **SPEAKER pro tempore.** Pursuant to the rule, the gentleman from Virginia (Mr. GOODLATTE) and the gentleman from California (Mr. CARDOZA) each will control 20 minutes.

Mr. LEWIS of California. Mr. Speaker, I claim the time in opposition to the bill.

The **SPEAKER pro tempore.** Under rule XV, the gentleman from California (Mr. LEWIS) will control 20 minutes in opposition to the bill.

The Chair recognizes the gentleman from Virginia.

Mr. GOODLATTE. Mr. Speaker, I ask unanimous consent that the ranking member of the Committee on Agriculture, who I understand is on his way, and in his absence the gentleman from California (Mr. CARDOZA), to have control of time for 10 minutes, and that they be permitted to yield blocks of that time.

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

There was no objection.

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

Mr. Speaker, I rise in support of S. 2120. My original interest in this legislation was to address a loophole created in the interface of the Federal Milk Market Order System with individual State milk marketing arrangements.

Under the authority of the Agricultural Marketing Agreement Act of 1993, the Secretary of Agriculture protects dairy producers from predatory pricing by setting a minimum price that must be paid by processors who distribute fluid milk within a Federal Milk Market Order Area.

While a majority of the country is covered by one of 10 Federal orders, some States, California in particular, have enacted legislation which authorizes State agencies to regulate minimum milk price for intrastate sales.

Herein lies the dilemma. Milk processed and distributed in the neighboring State of Arizona, which operates under a Federal order, is subject to the Federal minimum pricing regulations. However, milk processed in Arizona and then sold in California is exempt from the Federal existing regulations.

And since the commercial product originates from outside the State, it is exempt from California State regulations. Because of this loophole, milk produced in Arizona and sold in California is not subject to any minimum pricing regulations. This creates an unfair advantage for out-of-state fluid milk processors.

This situation was first brought to my attention by the gentleman from California (Mr. NUNES) and I agreed to help resolve this issue.

The solution simply directs the Secretary to apply the minimum pricing regulations of the Federal order system to any covered milk handler if they sell a significant portion of their fluid milk production in States that have established minimum milk pricing regulations.

Mr. Speaker, as all of our colleagues can attest, Federal dairy policy is among the most complicated and politicized of all of our programs. Indeed, the main reason that it has taken as long as it has to bring this bill to the full House for consideration is because often the simplest dairy bills tend to act as magnets and attract all kinds of unrelated pieces that are in many ways controversial.

This legislation is no exception. While the original intent was to remedy a situation that has caused great concern to the California dairy industry, two additional provisions have been added to this legislation to address concerns elsewhere.

Admittedly, I was reluctant to include these provisions; but after meeting with members of the dairy industry and hearing their near universal support, I decided to move forward with the legislation as drafted.

The two provisions that were added simply exempt Clark County, Nevada from the existing Arizona-Las Vegas

Milk Market Order and create a 3 million pound-per-month cap on the exemption for producers who process and distribute their own milk within the Arizona-Las Vegas Order.

Mr. Speaker, I am aware that some Members may have concerns about one or more of these provisions. As I indicated, I too had some reservations. But as I stated, there is near unanimous support within the dairy community, both the producers and the processors, for these changes. I therefore urge my colleagues to support this legislation.

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

Mr. LEWIS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, far be it from me to rise and challenge the chairman of the authorizing committee regarding a dairy issue.

He and I have talked about this on many occasions; and frankly, much of that which he suggests as a potential solution to the California-Nevada-Arizona problem I am in total agreement with.

My difficulty is that I have reviewed with great care all of those suspensions that are on the floor today. This is the controversial suspension. And indeed, rather than talking policy, I will talk policy all that my colleagues would like today, I would prefer to discuss the violation of procedure that is involved here.

Under our rules, suspensions are to be addressing issues that are not controversial, that Members on both sides of the aisle are able to largely agree upon. There are minor exceptions to this. But in this case, we are talking about a violent exception.

□ 1600

It is clearly understood by people operating with this bill on both sides of the aisle that I have had very strong opposition and others have had opposition to this policy. And yet to have it come to the floor as a suspension with no notice whatsoever, I mean, I learned last Friday by accident that this bill was going to be on the floor.

Frankly, I might be on a plane today, otherwise; and it is hardly the way to treat Members on either side of the aisle dealing with a fundamental question of procedure. So for that reason initially I have expressed my very strong opposition.

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

Mr. GOODLATTE. Mr. Speaker, I yield myself 30 seconds. Just to respond to the gentleman, I certainly respect the gentleman's concerns. I too learned about the measure last Thursday or Friday, but this is very common with the scheduling of suspensions.

As the gentleman is well aware, we have been discussing this issue, and it has been on the cusp of coming to the floor for a long, long time. We need to attempt to resolve these differences, and I think the consensus, on the part

of many, is that we need to proceed with this debate today. I think that is the best way to get to the heart of what is going on here.

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

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BRADLEY of New Hampshire). Without objection, the gentleman from Minnesota (Mr. PETERSON) will control the time previously allocated to the gentleman from California (Mr. CARDOZA).

There was no objection.

Mr. PETERSON of Minnesota. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today I rise in support of the bill before us, and I would like to thank Chairman GOODLATTE and the other members of the committee for their hard work and cooperation. I would also like to acknowledge the gentlemen from California, Mr. NUNES, Mr. BACA, Mr. CARDOZA and Mr. COSTA, who have worked diligently to bring this important issue to the attention of the House.

Though this bill is not perfect, Mr. Speaker, it will begin to solve an imbalance in our regulatory structure. However, it ignores the fact that the real solution is for California to join the Federal Dairy System. Right now, one handler in Yuma, Arizona, is using a loophole in the current system to sell from a Federal milk market area into California and is not paying the minimum milk price that either institution has in place. This practice is disrupting the marketplace and undermining the goal of fairness that the regulatory system should encourage.

Unfortunately, Mr. Speaker, this bill offers a piecemeal approach when dairy policy really needs a more comprehensive adjustment. The bill will begin to address the problem more immediately, but will leave more work to be done for a later time.

Mr. Speaker, even as one part of this bill is written to ensure that the Yuma handler is on the same regulatory playing field as his competitors, the bill's second provision completely exempts Nevada processors from regulation. So one provision requires that similar rules apply to all handlers, while the other gives special status to handlers in Nevada.

It may be that the exemption for Nevada will allow the Yuma handler to regain unregulated status that the bill is meant to take away. Keep in mind, Mr. Speaker, that the goal of this bill is to level the playing field between producers and handlers, which is what I hope it will do despite the fact that it is not a particularly comprehensive solution.

Without feedback from hearings and from the USDA regarding implementation of this bill, we cannot be sure that it will resolve the problem that is occurring now with the plant in Yuma, Arizona. Who is to say that the same issue will not arise elsewhere? Are we going to legislate milk price regulation

every time a new milk processing plant opens? I hope not.

Finally, I must reiterate that the entire problem addressed by this bill could be solved if California belonged to the Federal order system. We need our policy to recognize that no State, even California, is isolated from the dairy marketplace. Each day raw milk and processed dairy products cross the California border in both directions. Despite that fact, California has taken various actions to isolate itself; most notably, in 2003 the Supreme Court ruled unanimously against California's position that its system was protected from scrutiny under the commerce clause of the U.S. Constitution.

California has attempted to stop the flow of raw milk from Nevada to California processors by requiring that the processors pay an extra fee into the California pool, a contribution that was not shared with producers supplying that milk.

Mr. Speaker, that California even felt the need to tax incoming milk in that way is a sign that the system is becoming unsustainable.

Although this bill before us today is needed and is not perfect, I just have to say that it does little to address the broader problems that arise from the two systems operating side by side. So I am here today to support this bill because it will give us a short-term solution to the problem. And I look forward to working with my colleagues as we move ahead, my colleagues in the dairy industry, to develop a more sensible plan for the long term.

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

Mr. LEWIS of California. Mr. Speaker, I yield as much time as he may consume to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, let me say that I find this discussion rather interesting today. We have a bill before us which essentially objects to a producer from Arizona, because he is doing to California what California has done to the rest of the country with respect to milk marketing orders for quite some time.

It seems to me that if we are going to be dealing with this issue, we ought to be dealing with it generically, with all of its ramifications. I don't think this bill belongs on the suspension calendar. I think if we are going to take care of somebody's side problem, we ought to take care of other problems that are associated with the milk marketing order system as well.

What this process reminds me of is something that happened a number of years ago when Mr. Gingrich was Speaker and Steve Gunderson, a Republican from Wisconsin, was chair of the Dairy Subcommittee. Steve had expected to be able, on the farm bill, to offer an amendment to the committee product dealing with milk marketing orders. He wasn't allowed to do that,

even though he was the chairman of the subcommittee handling the bill.

Instead, what happened is that there was an insider's fix between then-Speaker Gingrich and then-chairman of the Rules Committee, Mr. Solomon. They guaranteed that in return for their sweetheart deal, Gunderson wouldn't even be able to offer his amendment on the floor.

We have seen all too much of that for the past years around here, and so I have no illusions about what is going to happen to this bill, but I for one want to object to the fact that it is on the suspension calendar. I want to object to the fact that if we are going to take care of this little discrete problem that we are not, in the process, taking care of the broader issues that confront us on the whole area of milk marketing order systems.

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

Mr. GOODLATTE. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I want to take a moment to respond to the gentleman from Wisconsin regarding the concern that this legislation is targeting one or two individual producer handlers to the benefit of the rest of the dairy industry.

We are here today to discuss how to keep the current Federal milk market order, something very important to the people of Wisconsin and other States, operating in a fair and equitable manner. I do not fault companies for their success. In fact, I applaud them for it.

When one or two companies' success, however, is based on a gap in the regulatory system, I believe we have an obligation to respond. In this particular case, millions of pounds of unregulated milk flows in your State commerce in direct competition with regulated milk. This certainly has the potential to impact markets.

I support this legislation because I believe that this milk should be treated the same way by the Federal Government that we treat milk that is in direct competition with it.

This is not about punishing individuals. It is about ensuring a level playing field for competition.

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

Mr. PETERSON of Minnesota. Mr. Speaker, I yield 2½ minutes to the gentleman from California (Mr. CARDOZA).

Mr. CARDOZA. Mr. Speaker, I rise today in full support of S. 2120, the Milk Regulatory Equity Act. For those familiar with dairy policy, there is never an easy fight in dairy policy, and this legislation is no different; it will be familiar.

Throughout the years, there have been more obstacles thrown in the path of this worthy legislation than I can count. I am grateful to my friend and colleague, Devin Nunes, for his tireless leadership and pursuit of correcting this problem. I also want to thank Senator FEINSTEIN and the chairman and ranking member of the House Agri-

culture Committee for their support in moving this legislation forward.

Our dairy industry is extremely regulated and for good reason. Dairy products are both highly perishable and critical to the dietary requirements of Americans. Without a formal process for pricing, pooling and processing, the entire chain of production from producers through consumers is at risk. Dairy policy works because all players, including processors, producers, co-ops, distributors and buyers adhere to the same rules. Rules and regulations keep the dairy markets stable and allow orderly distribution of high-quality milk, cheese and butter products.

This bill will close a dangerous loophole that allows a few large producer handlers to escape all these carefully crafted Federal and State regulatory requirements. It would require those operations physically located in a Federal order, but shipping entirely into a State order, to comply with the regulations governing dairy policy in the order where their plant is located.

Do these individuals who are exploiting this loophole want to maintain it? Absolutely. However, due to the unique characteristics of a commodity like dairy, it cannot be allowed to continue. The foundation of this legislation is that all dairy organizations should be governed by the same rules. One group should not have an unfair competitive advantage over another.

The Milk Regulatory Equity Act ensures production and price of milk is fair and equitable. This is an extremely important bill for my home State of California, but also for the entire country. History has shown that things that happen first in California then spread east.

This loophole has the opportunity to affect every milk marketing order across the country. Let us stop it now before that happens. This is a good bill and one that deserves our support.

Mr. LEWIS of California. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, I will speak just for a moment, for the gentleman from California (Mr. CARDOZA) talked about a loophole. The loophole that he is talking about really is a part of an existing law. But if there is a loophole, it is handled by a regulation that has been handled by the Department recently.

That very regulation is currently being challenged in the courts, and people are attempting to codify that regulation in order to bypass my constituents' opportunity in the courts. They were due to appear in court tomorrow to defend their interest, and this bill is on the floor today, making it not just a very controversial issue, but violating our very fundamental process.

Mr. Speaker, I would urge the House to be very reserved about using the suspension process in this fashion.

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

Mr. GOODLATTE. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio (Mrs. SCHMIDT).

(Mrs. SCHMIDT asked and was given permission to revise and extend her remarks.)

Mrs. SCHMIDT. Mr. Speaker, I rise in support of S. 2120, the Milk Regulatory Equity Act, which would amend an outdated regulatory exemption within the Federal milk marketing order. I commend Chairman GOODLATTE and the gentleman from California (Mr. NUNES), the author of the bill, for their work in moving this legislation forward.

Years ago, the United States Department of Agriculture exempted small producer handler dairy farmers from regulation because they owned and milked their own cows and sold their own products directly to local consumers. Today, some of these unregulated producer handlers collect U.S. Government subsidies and have grown to be among the largest dairy processors in the country with significant market shares.

This is an unfair advantage, and this exemption can adversely affect the prices other farmers receive. Consumers also suffer as unregulated producer handlers eliminate competition. This bill eliminates the loophole that allows now large producer handler operations to be unregulated and requires equal application of the law. It still allows family producer handlers to be exempted if their product is less than 3 million pounds per month.

I urge my colleagues to support this bill.

Mr. PETERSON of Minnesota. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California (Mr. COSTA).

Mr. COSTA. Mr. Speaker, I rise today in strong support of S. 2120 and ask for your support of this bill. I too want to thank Chairman GOODLATTE and Congressman NUNES and Congressman CARDOZA for their efforts on this important piece of legislation that eventually, I think, will lead to an important part where we need to focus on comprehensive dairy policy as we look toward the 2007 farm bill.

But I rise to speak very simply about something that is complicated, that, as most of you know, is dairy policy.

□ 1615

Your support of this bill does not require the detailed knowledge of the myriad pacts that govern the dairy industry and demand a historical analysis of what is going on throughout the country and individual States.

S. 2120, though, is about fairness. Is it fair today in California some of the world's most productive dairymen and women are being undercut by a legal loophole between the Federal and State dairy programs that permits some dairies to skirt all the rules?

Is it fair that by exporting these programs, some dairies avoid all regulations, enabling them to sell to retailers at well below well-regulated dairies?

Is it fair that this bill, which has passed the United States Senate with

unanimous consent with overwhelming, obviously bipartisan support, has had to wait 3 years to be considered by the House?

Is it fair that one of the few dairies in this country that opposes this legislation claims he is simply using the free market system, while accepting nearly \$1 million a year in Federal dairy support payments?

No, it is not fair. Your support of S. 2120 will bring fairness back to dairy farms. If we are going to ultimately craft an even-handed dairy policy throughout the country, and we have competition abroad, we need to first take this first step.

I urge you to support S. 2120.

Mr. LEWIS of California. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, responding directly to my colleague from California's point, indeed it has been suggested that we are dealing with dairy policy in a major way here on the floor. If that is the case, clearly we should not be handling that very policy by way of a suspension matter. It is a fundamental violation of that process.

This bill has had a number of years for possible consideration in the authorizing committee; and, yet, the authorizing committee has never held a hearing on this subject, the subject of the Senate bill that is before us today.

I would suggest to us that our authorizers need to, in a fundamental way, look at national dairy policy and not let California continue to take such advantage of the country, as my colleague, the gentleman from Wisconsin (Mr. OBEY), suggested. In this case, we have California divided against itself, the central valley against my district.

I must tell you, a long time ago, I tried not to have to deal with dairy policy because of problems in the past, but I can tell you also you can never quite satisfy dairy people in California because any kind of competition is a problem.

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

Mr. GOODLATTE. Mr. Speaker, I am pleased to yield 2½ minutes to the gentleman from Minnesota (Mr. GUTKNECHT), the chairman of the Dairy Subcommittee of the Agriculture Committee.

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

Mr. GUTKNECHT. Mr. Speaker, this has been a very interesting debate; and if you want to get into hot water, just start debating dairy policy. It not only gets very complicated very fast, but it gets very heated.

This is not a new issue. This has been percolating around this Capitol now for at least 2½ years. I was first made aware of it by the gentleman from California (Mr. NUNES) and others on a trip to California. I have learned more about this issue than I think I really ever wanted to know; and, frankly, I think most Members of the House do

not really want to know too much about this.

Our colleague from Ohio, I think, said it well. This is really an example of where the laws were originally designed to protect small producer-handlers, and here we have a large producer-handler who has found this, and I do not want to get into a fight here over the term "loophole," but he has found this opportunity and he is exploiting this opportunity.

Now, we have said repeatedly to our colleagues in California, this essentially is a California issue, why do you not work it out. I think there was a good-faith effort on both sides of this argument to try and do that; but, unfortunately, they failed.

This is a very complicated issue, but I think all of the speakers who have preceded me have said it well, that we have a responsibility to have a Federal milk system that is fair to everybody. What we have right now is one particular producer who is trying to use the best of both worlds, who is situated right on the border; and, frankly, I think we have a responsibility to close that loophole.

Let me point out that this is not an issue, while generally milk issues divide geographically, they divide between the people who produce the milk, the dairy farmers and the processors, this is one where virtually everyone in the dairy industry, from all corners of the United States, whether they are dairy farmers large or small, whether they are processors large or small, or whether they are in the marketing side or the manufacturing side, almost universally they support this legislation.

So with all due respect to our distinguished colleague and chairman of the Appropriations Committee, I think this is an idea that has percolated for a very long time. It is time for the House to take action. I strongly support the bill, and I hope my colleagues will join me in supporting it as well and pass it here today on the House floor.

Mr. Speaker, as Chairman of the Subcommittee with jurisdiction over dairy programs and policies, I want to express my support for this legislation and reiterate the comments made by the Chairman of the Agriculture Committee.

As he said, the federal milk marketing order system has served the dairy industry well. But we have this situation where a processor from outside California can undermine the market there by under pricing the regulated competition.

Mr. NUNES and a number of others have worked to address this, and the legislation before us today would direct USDA to apply the minimum pricing regulations of the federal order system to milk processed in a federal order area and distributed into states that have a statewide system.

While we're aware that some Members have concerns with this legislation, it's important to point out that it has the strong support from nearly the entire dairy industry, both producers and processors.

Again, as Chairman of the Dairy Subcommittee, I encourage my colleagues to join me in supporting this legislation.

Mr. LEWIS of California. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, it is pretty apparent for those who have been listening that this is not a simple matter. I mean, dealing with national dairy policy by way of a suspension bill, with the presumption this is a very simple, noncontroversial item, at best, distorts the process.

Let me share with my colleagues that there is a regulation in place that covers the problems that have been raised here on the floor. The department has recently done that. That regulation is being challenged in court, and it is supposed to be heard tomorrow. So the opponents are choosing to bring the bill up today to undermine that opportunity for a family business to have an opportunity to expand their business.

I would suggest to my colleagues perhaps we should be supporting small producer-handlers across the country who would wish to expand their business, and those who have not chosen to follow that line, if it is so profitable, why do they not follow that line themselves? They, too, could become producer-handlers.

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

Mr. GOODLATTE. Mr. Speaker, I have just one speaker remaining, and I believe we have the right to close.

Mr. PETERSON of Minnesota. Mr. Speaker, I do not think we have any additional speakers, and so I yield back the balance of my time.

Mr. LEWIS of California. Mr. Speaker, I have no additional speakers, and I yield back the balance of my time.

Mr. GOODLATTE. Mr. Speaker, I yield the remaining balance of my time to the gentleman from California (Mr. NUNES).

Mr. NUNES. Mr. Speaker, I want to thank the chairman of the Ag Committee, BOB GOODLATTE, and Ranking Member PETERSON for this ongoing 3-year debate.

I find it interesting when we come to Washington, you learn that people like to use politics instead of policy. If you notice, the opposition to this bill, they did not talk or discuss the policy of this matter. They talked about the politics of it.

So since they went down that road, I would like to say that this bill is not controversial. This bill has been debated for 3 years. The Senate passed it unanimously. The Senate authorizers have said that this needs to get done. The House authorizing committee, we have the chairman of the Dairy Subcommittee who recognizes this needs to be done.

The opposition to this bill, who is a good friend of mine, but this has unanimous support across California, unanimous. Every dairy farmer in the State of California has sent letters to their Congressman, and every dairy industry, not only the dairy farmers, this is

not just about dairy farmers, this is dairy processors. This is grocery stores, and it is not only California. It is across the entire country. This has national implications to let producer-handlers game the system. This is about gaming the system.

So it is not confusing. It is not controversial, and if you look at the fact that they talk about a constituent being in California in a lawsuit that is being brought forth, that is simply not true. The lawsuit has been brought forth in Texas, and the person claims to be a constituent of Texas.

Mr. LEWIS of California. Mr. Speaker, will the gentleman yield?

Mr. NUNES. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Speaker, the gentleman involved is a constituent of mine. I can take you to his farm anytime you like, in California.

Mr. NUNES. Mr. Speaker, all I am saying is the court case you cited is filed in a Texas court, and he claims to be a resident of Texas.

Mr. LEWIS of California. One of his major farms is in my district, and all the farmers around him in California are supporting his position.

Mr. NUNES. Well, I thank the chairman for that, but I do have to say that we have a differing opinion here, and I can provide the chairman with letters, if he would like, at a later date.

But with that, I want to thank, again, the House leadership and the ranking member and especially Chairman GOODLATTE for bringing this forward, and I hope that the House will pass Senate bill 2120 as quickly as possible.

Mr. COLE of Oklahoma. Mr. Speaker, I rise today in opposition of S. 2120. Although I acknowledge there is merit to the original intent of this bill, I am unable to ignore the harm it may cause for the small business dairy industry in light of recent developments. As this industry is an integral economic contributor to my district, and indeed Oklahoma as a whole, it would be negligent of me to endorse this bill and rely on good luck to protect my constituents.

Mr. Speaker, the dairy industry is complex and there are many legitimate competing interests. With this in mind, I commend my colleagues in both bodies of Congress who diligently worked to build a rare consensus while crafting this bill. I have no doubt in my mind that the original intent of this bill was narrow in scope, focused on regulating aspects of the milk industry in certain western states. In addition, I have no doubt that the crafters of this bill believed they were protecting smaller dairy farmers, processors, and producer-handlers outside of those states from falling under similar regulations in the future.

However, Mr. Speaker, the U.S. Department of Agriculture acted before Congress, issuing a final rule on February 24, 2006, establishing similar regulations as would be established by S. 2120. I must admit Mr. Speaker, this begs the question: Why is it necessary for Congress to now duplicate what has already been legitimately addressed by the USDA? I fear the only outcome may be to codify this regulation, thereby inherently suggesting that Congress

will endorse similar such regulations in the future. This is a precedent which I can not support. I believe in our government's regulatory process Mr. Speaker, and as such, I believe there is no longer any need for Congress to act upon this particular issue. Had the USDA not taken this action, I also have no doubt I would have felt much more comfortable with this bill.

Mr. Speaker, S. 2120, although originally well-intentioned and carefully crafted to insulate dairy farmers, processors, and producer-handlers outside of these particular western states from unintended consequences, has been outdated by the regulatory actions of the USDA. Should Congress pass S. 2120, it may only serve to set a dangerous precedent which could severely harm an important part of America's dairy industry in the future.

Mr. BACA. Mr. Speaker, I rise today in support of S. 2120, The Milk Regulatory Equity Act of 2005.

Mr. Speaker, this bill comes before us today with the full support of the leadership of the House Agriculture Committee and the nearly unanimous support of the entire dairy industry.

As Ranking Member of the Department Operations, Oversight, Dairy, Nutrition and Forestry Subcommittee of the House Agriculture Committee, I can speak to how rare it is for a bill to achieve such wide consensus and agreement among government officials and industry representatives.

This bill is good legislation that will close an unintended loophole created by past federal regulations. While most states determine their milk prices based on their Federal Milk Market Order Area, certain states have enacted legislation which authorizes state agencies to determine milk prices for intrastate milk sales. This then allows some out of state milk processors to be completely exempt from any minimum price regulations and creates an unfair market advantage. S. 2120 will fix this problem and place all milk processors on a level playing field.

Dairy operators in the Inland Empire of California, including Chino and Ontario—in or near my district—are being hurt by this loophole. Hard-working farmers all across America are facing the same situation, and we owe it to them to provide regulatory action that will help all dairy processors.

I want to commend Chairman GOODLATTE and Ranking Member PETERSON of the full Committee for their excellent work on this legislation.

I also want to thank Chairman GUTKNECHT of our Subcommittee for his leadership on this matter.

I urge my colleagues to vote in favor of this bill and continue the federal government's tradition of offering American consumers consistently priced high quality milk.

Mr. UDALL of Colorado. Mr. Speaker, I rise in opposition to S. 2120, the Milk Regulatory Equity Act.

I think there well may be a need for Congress to consider legislation dealing with Federal Milk Marketing Orders (FMMOs). But the subject is too important to be handled the way this bill has been.

The suspension calendar is supposed to be reserved for bills that the relevant committees have reviewed and that are not controversial, which is why debate is limited and no amendments are allowed.

However, there has been no hearing on this bill and it has never been approved by any

Committee—in either the House or Senate—so there has been no opportunity to consider the testimony of anyone who might be affected, including at least one Colorado company that has told me of their objections to the bill as it now stands.

Before we make a change in Federal dairy policy that has been in place for 70 years I think it is appropriate to hear all sides of the debate. Because that has not happened, I cannot support the bill.

I urge all Members to join me in voting no today, so that the bill can receive a more careful evaluation and so that possible revisions can be considered in the Agriculture Committee.

The SPEAKER pro tempore (Mr. CULBERSON). The question is on the motion offered by the gentleman from Virginia (Mr. GOODLATTE) that the House suspend the rules and pass the Senate bill, S. 2120.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. LEWIS of California. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this question will be postponed.

GENERAL LEAVE

Mr. GOODLATTE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just considered.

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

There was no objection.

LOCAL COMMUNITY RECOVERY ACT OF 2006

Mr. SHUSTER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4979) to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to clarify the preference for local firms in the award of certain contracts for disaster relief activities, as amended.

The Clerk read as follows:

H.R. 4979

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Local Community Recovery Act of 2006".

SEC. 2. USE OF LOCAL FIRMS AND INDIVIDUALS FOR DISASTER RELIEF ACTIVITIES.

Section 307 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5150) is amended by adding at the end the following: "In carrying out this section, a contract or agreement may be set aside for award based on a specific geographic area."

SEC. 3. SENSE OF CONGRESS.

It is the sense of Congress that the Corps of Engineers should promptly implement the