

# Pennsylvania Farm Bureau National Legislative Report

Camp Hill (Cumberland Co.) "Farm Bureau has been involved in a lot of legislative activity in Congress in recent months aimed at helping to save costs and improve net income, both long term and short term, for farmers," said Guy Donaldson, President of the Pennsylvania Farm Bureau. "Here's a report on some of the major issues, Farm Bureau has been working on."

## Crop Insurance/ Farm Assistance

President Clinton signed legislation (H.R. 2559) passed by Congress to spend \$15.2 billion for crop insurance reform and farm assistance. The legislation provides \$8.1 billion for increased premium subsidies, and expansion of crop insurance programs, including revenue insurance for livestock.

Another \$7.1 billion is included for market assistance payments with \$5.5 billion going to Agricultural Marketing Transition Assistance (AMTA) and \$1.64 billion in payments for minor crops. The legislation provides \$5.1 million for loss of income to fruit producers whose orchards must be destroyed because of Plum Pox Virus infection.

## Permanent Normal Trade Relations For China Passes House

The U.S. House of Representatives passed legislation granting Permanent Normal Trade Relations (PNTR) for China by a larger margin than expected.

The U.S. Senate agreed to consider the legislation and act on its passage without amendments. This action will avoid the need

for the legislation to go to conference, and will allow it to go directly to the President upon U.S. Senate passage.

However, Senate Majority Leader Trent Lott (R. - Miss.) is withholding Senate action on PNTR for China. The speculation is that the Senate Majority Leader is holding the PNTR vote as a bargaining chip to gain more cooperation with the administration in passing appropriation bills.

The Senate is expected to pass the legislation by a wide margin. Sen. Rick Santorum (R. - PA) favors PNTR for China, while Sen. Arlen Specter (R. - PA) opposes it.

## Estate Tax Eliminated

The House passed The Death Tax Elimination Act (H.R. 8) with a near veto-proof vote (279-136). The House-approved legislation repeals death taxes by the year 2010. The legislation retains assets (up to \$5.6 million) on a stepped up basis when the tax is repealed in 2010. The stepped-up amount would be indexed to increase automatically with the inflation rate. All estate sizes would retain stepped-up basis assets of \$1.3 million.

If an estate were larger than \$1.3 million, the heirs could choose which assets retain the stepped-up basis. There would be an additional \$3 million of assets eligible for stepped-up basis on estates transfers between spouses, bringing the total value of stepped-up basis assets in such transfers up to \$4.3 million.

The legislation also reduces all estate tax rates by about 15 percent over 10 years and lowers the bottom effective rate from 37

percent to 18 percent. The top rate is cut from 55 percent to 53 percent in 2001 and to 50 percent in 2002. All rates are reduced by one percent in 2003-06, by 1.5 percent in 2007 and by two percent in 2008-09. The unified credit is changed to an exemption in 2001 which lowers the bottom estate tax rate from 37 percent to 18 percent.

Pennsylvania's Congressional Delegation vote on the legislation split along party lines with Republicans favoring and Democrats opposing the legislation.

Most Democrats are supportive of alternative legislation that would address elimination of estate taxes for family-owned businesses. The Senate is expected to act on estate tax elimination after the July 4th recess. Passage is questionable, and the Senate legislation is expected to mirror the House version. Sen. Santorum supports estate tax elimination, while Sen. Specter is undecided. President Clinton has threatened to veto the House passed measure.

## Agriculture Appropriations

U.S. Representative George R. Nethercutt, Jr. (R. - WA) has proposed an amendment that would lift sanctions on agricultural and medical exports to Iran, Libya, North Korea, Sudan and Cuba. However, the amendment would allow the President to reimpose the sanction with both the House and Senate approval.

Lacking sufficient support to defeat the sanction's amendment in the House agricultural appropriations bill (H.R. 4461), House leadership delayed voting on the measure. A similar sanction

amendment passed the Senate Appropriations Committee and was included in the Senate agricultural appropriations bill (S. 2536). Sen. Lott will not allow the Senate to act on the agricultural appropriations bill until the House acts.

The estimated value of agricultural imports by these five currently sanctioned countries is \$7 billion. If sanctions are lifted, U.S. agricultural exports are expected to increase for rice, wheat, corn, soybeans, feed grains, milk powder, animal products, fruits and vegetables.

## Additional Issues

The Veterans Administration Housing and Urban Development (VA HUD) appropriations bill contains language to delay the Environmental Protection Agency (EPA) from implementing its proposed Total Maximum Daily Load (TMDL) changes for a year.

The language prohibits EPA from spending funds to finalize or implement the TMDL rule. The House has passed (256-169) the VA HUD and Independent Agencies Appropriations bill (H.R. 4635). The proposed TMDL changes would mean more regulatory compliance costs for farmers and owners of forest lands.

The Health and Human Services (HHS) appropriations bill stops the Occupational Safety and Health Administration (OSHA) from implementing ergonomics regulations. The Senate passed the bill on a party-line vote with Democrats, joined by Sen. Specter, opposing it. The ergonomics proposal could affect many agricultural workplaces.

# Lebanon Co. Holstein Field Night

REISTVILLE (Lebanon Co.) — This year's Holstein Field night will be hosted by Kirby and Sheryl Horst (949-2331) and family on Friday, July 21, 2000. Once again this year, we will be having a buffet style meal from 6:30 till 8:30. During that time, we will be judging three classes of animals. Door prizes and our guest speaker, Tim Abbott, from ABS is also on the agenda. Come out and enjoy some food, fun and fellowship.

Directions: From Schaeffers-town — Rt. 419 east to Millbach Rd., turn left and first farm on the left. From Myerstown — Rt. 501 south to Reistville, turn left onto Reistville Rd. and follow till the stop sign. At stop sign, turn left onto Rt. 419 east — follow to Millbach Rd., turn left and first farm on the left.

# Dauphin Holstein Twilight Meeting

HERSHEY (Dauphin Co.) — The Dauphin Co. Holstein Club will hold a twilight meeting at the Jay Melvin Brandt farm located south of Hershey, east of 743 on Schoolhouse Road, on July 27 at 7:30 p.m. There will be a judging contest. Ray Seidel will be the official judge and speaker. Refreshments will be served.

All dairymen and families are invited.

For more information, please contact Robert J. Schaffer, (717) 362-8405.

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