

ARLEN SPECTER SPEAKS

THE ADMINISTRATION OF IRAQ

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Working Towards an Asbestos Agreement The Senate vote on the issue of loans v. grants to fund the reconstruction of Iraq was a very significant vote that ended 51-47 in favor of loans. If you take a look at the issue from the narrow perspective of the \$20 billion to rebuild Iraq, there's a good bit of logic in making it a loan instead of a grant. Iraq's extensive resources and potential led me to originally support the loans.

In a broader context, the perspective is different. The President is using the grants as part of his overall approach to win international cooperation in the administration of Iraq and to bring in a fledgling democracy.

On October 7, 2003, the President called about ten Senators, including myself, to the White House to discuss his plan for Iraq. He was very fervent and very intense, more so than I have seen him since 9/11.

President Bush emphasized the importance of demonstrating to the world that the United States had not gone into Iraq for the oil, and that the funds should be in the form of a grant. I do believe that this position in favor of grants instead of loans was a factor in getting the unanimous UN Security Counsel Resolution.

There is more involved than just the narrow focus of \$20 billion to rebuild Irag.

There is the impact on the timing. If there is to be a loan, it would take more time to find a contracting party to sign the loan papers. There is also a real need to move ahead with the power grids in Iraq and with the reconstruction to try and expedite the time table for getting our troops out.

With the President's trip to the Far East and the Madrid



donor conference in October, it just seemed to me that we ought to let the President have his program at this time.

I don't often shift my position on issues, but there were factors concerning Iraq that warranted further consideration and that is why I ultimately decided to support the President's plan for Iraq.

HELPING FIRST RESPONDERS

Over the past several months I have toured twenty-seven fire companies in Pennsylvania to meet with the state's first responders. It's really a great tradition of American volunteerism to see how these fire companies function and bring communities together.

Senator Santorum and I have been very pleased to announce extensive grants from the federal government to small local fire companies to help them purchase the equip-

ment they need to quickly and effectively respond to emergencies in their

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FIRST RESPONDERS (CONTINUED)

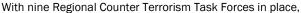
for whatever may arise, including a terrorist attack launched against a smaller community.

Recently, while in Chester County meeting with the Fame Fire Company, I was advised that approximately \$3 million had not been disbursed from federal funds in the custody of the Commonwealth of Pennsylvania for Fiscal Years 2000, 2001, 2002, and 2003. It was emphasized by those present that they are in urgent need of the disbursal of these funds.

Following a discussion with Chester County officials, I wrote to Governor Rendell asking him to promptly

look into this matter so that these funds could be disbursed in a timely fashion. Governor Rendell has since pledged to clear any backlogs for first responders by the year's end. Pennsylvania Emergency Management Agency will also add expert personnel and resources to assure that the considerable federal assistance awarded to Pennsylvania will reach the state's first responders in an expedited fashion.

communities. These grants will be very helpful in preparing them



Pennsylvania leads the nation in Regional Counter Terrorism planning and preparedness. In FY 03, I helped secure \$68 million for Pennsylvania First Responders. This funding, which is distributed through the Pennsylvania Emergency Management Agency, can be used to purchase equipment, and fund planning and training programs related to counter-terrorism response.

I will be continuing my tour of small fire companies to evaluate their first responder capabilities. I enjoy the opportunity to meet with these local officials. So much attention is focused on the prepared-

ness of large cities like Philadelphia and Pittsburgh, but terrorism can occur anywhere.

It is important to ensure Pennsylvania communities are adequately prepared to meet any emergencies which may arise. When properly funded, first responders are a tremendous resource to our local communities.

ATTORNEY GENERAL FISHER NOMINATED FOR FEDERAL BENCH

Pennsylvania Attorney General Mike Fisher has been nominated for the United States Court for the Third Circuit by President Bush on the recommendation of Senator Santorum and myself. He comes to this position with an extraordinarily distinguished record in public service and he is very well qualified and fit to serve on the bench.

I've known Mike for a long time and he has an exemplary record, having been in the State House for six years and in the State Senate for sixteen years. He has been Pennsylvania's Attorney General now for six years, and possesses a distinguished practice of law and an equally distinguished academic record.

A point of concern that has arisen is a situation that A.G. Mike Fisher inherited when he was elected in 1996. The case involved two agents in the attorney general's Bureau of Narcotics Investigations who were transferred to other cases after 120 cases were dismissed. Federal and State Prosecutors refused to take the Bureau's cases because of doubts in the agent's credibility.

"Attorney General Fisher comes to this position with an extraordinarily distinguished record and he is very well qualified"

To resolve the issue, A. G. Fisher transferred the agents to other assignments. In a lawsuit against the attorney general, a jury eventually rewarded the agents \$225,000,citing that their rights were violated by the transfer.

Out of respect for the verdict which was handed down by a jury in the Middle District Federal Court, I want to take a close look at the underlying facts of the case. I had hoped to have the two people who were plaintiffs at the Judiciary hearing on October 16, 2003, but the practice of the Committee is not allow outside witnesses to testify. I was able to meet with the two agents and their attorney in my Washington office and question them on the matter.

The Senate has a responsibility to determine the fitness of a Presidential nominee for the federal bench. I think that due diligence requires taking a look at the facts in this case and making an independent determination, with respect to the jury's verdict, about the Attorney General's conduct in order to evaluate his overall qualification for the federal bench.

I am happy to report that the Senate Judiciary Committee voted A.G. Fisher out of committee on November 6, 2003. He now awaits a final vote for confirmation by the full Senate.



PENNSYLVNIA DAIRY FARMERS TRAVEL TO WASHINGTON

On Tuesday, September 30th and Thursday, October 2nd, I hosted two separate meetings with Pennsylvania dairy farmers in my Washington, D.C. office to discuss "The National Dairy Equity Act." Twenty-four dairy farmers from across the state attended the meetings.

For many of the farmers, this was their first trip to our nation's capital and the first time they were asked their input on important legislation affecting their industry. The attendees represented the dairy industry

(large and small), the PA Dairy Task Force, the PA Department of Agriculture, PA Farm Bureau, Pennsylvania State University, and dairy cooperatives.

The Pennsylvania dairy farmers are up against in-

creasing costs of production and the decreasing price of milk. Many farmers have seen their income decrease by almost 10 percent over the past 20 years, while the retail price of milk has increased by 60 percent. There has been enormous fluctuation in the price of milk, sometimes it's more than \$17 per hundred weight, sometimes it's less than \$10 per hundred weight.

Within the last 18 months, dairy farmers have been struggling with extremely low milk prices, the lowest in 25 years. Despite a slight increase in milk prices in the last two months, the situation remains grave.

Easing the burden on Pennsylvania dairy farmers, who make up 40 percent of the state's agriculture industry, has been a high priority.

On April 8, 2003, I authored a letter, which eleven Northeast Senators signed. urging Secretary Veneman to review the 1937 Agricultural Marketing Agreement Act (AMAA), which takes into consideration the regional costs of feed, feed availability, or

other region specific economic factors. Section 608c(18) of the AMAA clearly called for the consideration of the economic factors regarding the marketing of milk in the regional orders across the country.

Additionally, I requested that upon the Secretary's review of the AMAA, that it be fully enforced, which would eliminate the hardships inherent to the dairy farmers' cost of production.

On March 12, 2003, I, along with

eleven other Senators from the Northeast, signed onto a letter urging the GAO to investigate the disparity between farm and retail milk prices. Since the expiration of the Northeast Interstate Dairy Compact on October 1, 2001, farmers in the Northeastern U.S. have suffered significant farm milk

price drops, while retail milk prices have remained fairly consistent.

During the course of the July and August recesses. I met with farmers across Pennsylvania to craft legislation which will essentially tie the price of milk to the cost of production.

The proposed legislation would stabilize the price of milk and support the income of dairy farmers through an overorder price system, which would require a minimum price to be paid to eligible producers. The legislation would also include provisions that take into consideration of the cost of production, including the price of feed, the cost of labor, machinery expenses, and other cash expenses such as hauling and veterinary services.

The plight of the dairy farmers nationally is very bad, especially in Pennsylvania where each year we find a number of dairy farms which go out of business. I will continue consulting with them to formulate legislation that will stabilize prices and keep them in existence.

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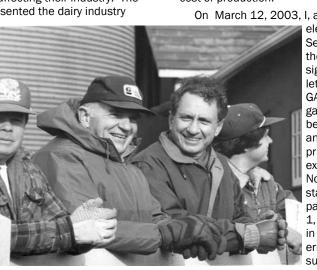
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AMISH LEGISLATION

Congressman Joe Pitts and I have introduced legislation which would permit Amish youth, ages 14-18, to work in sawmills. With the elimination of many of the farm areas, it has been necessary for the Amish elders to find other suitable lines of employment for the young people. The sawmills are spots where these young people can work and carry on productive activity.

In prior years, the federal government has imposed fines on sawmill owners under the generalized proposition that it was unsafe to have young people doing this work. Congressman Pitts and I have visited the sawmills and taken a look at where the 14 year olds work and the safety equipment on location. Together, we have crafted legislation which would protect the safety and health of the young people, but would allow them to undertake this kind of work.

I've introduced similar legislation in the last three Congresses. Congressman Pitts has introduced the legislation and has been successful in the House of Representatives in having it enacted. We have confidence that in this Congress, we can get this legislation passed. "The sawmills are spots where these young people can work and carry on productive activity."

We believe this legislation will pay respect to the Amish wishes to have these young people gainfully employed in a process which teaches discipline and values and will also protect their safety.

WORKING TOWARDS ASBESTOS AGREEMENT

The Senate Judiciary Committee has passed a bill on asbestos reform, an extraordinarily complicated subject. I have not seen one more complicated in my tenure in the Senate. A resolution in this matter is really very necessary because many people very seriously injured from asbestos are not getting any compensation because the companies have gone bankrupt.

At the same time, people who are not seriously injured are being given awards, and there are many, many bankruptcies that have shaken the economy. It is a major item of concern, and a very comprehensive bill was worked out.

Regrettably, the vote was pretty much along party lines, and as I said during the committee hearings, if there is a party line vote, there is likely to be a filibuster, which will defeat the bill.

We are going to work hard

to try to find a bill which will be acceptable to all parties.

In August, Chief Judge Emeritus Edward R. Becker of the United States Court of Appeals for the Third Circuit and I met with representatives of business, manufacturers, insurance companies, AFL-CIO and trial lawyers in an effort to mediate

"I have not seen a more complicated subject in my tenure in the Senate."

controversial issues on the asbestos bill now pending in the Senate.

Senator Orrin Hatch has done an outstanding job in putting together a \$108 billion trust fund with the possibility of it being supplemented with \$45 billion in addition, depending on certain contingencies.

On September 26, Judge Becker and I continued, in an all day meeting, to resolve some of the many concerns with the bill. Substantial progress was made among the parties but the critical factor remained as to what amount of money would be put up by the manufacturers and the insurance companies.

To date, we have held eight meetings on the issue. Senator Frist helped to broker an arrangement which is now being considered by the claimants, principally the AFL-CIO representing the claimants. Despite this recent progress, there remain a great many problems, and we are trying to get through them so that we can bring that bill to the floor and get it passed.