

103RD CONGRESS
2^D SESSION

H. R. 4217

AMENDMENT

In the Senate of the United States,

August 25 (legislative day, August 18), 1994.

Resolved, That the bill from the House of Representatives (H.R. 4217) entitled “An Act to reform the Federal crop insurance program, and for other purposes”, do pass with the following

AMENDMENT:

Strike out all after the enacting clause and insert:

1 SECTION. 1. TABLE OF CONTENTS.

2 *The table of contents of this Act is as follows:*

Sec. 1. Table of contents.

TITLE I—FEDERAL CROP INSURANCE REFORM

SUBTITLE A—CATASTROPHIC RISK AND ADDITIONAL COVERAGE INSURANCE

Sec. 1100. Short title; references.

Sec. 1101. Authority to offer insurance.

Sec. 1102. Catastrophic risk protection.

Sec. 1103. General coverage levels.

Sec. 1104. Premiums.

Sec. 1105. Eligibility.

Sec. 1106. Yield determinations.

Sec. 1107. Insurance policies.

Sec. 1108. Claims for losses.

Sec. 1109. Reinsurance.

Sec. 1110. Funding.

Sec. 1111. Advisory Committee for Federal Crop Insurance.

Sec. 1112. Management of Corporation.

SUBTITLE B—NONINSURED ASSISTANCE PROGRAM

- Sec. 1201. Noninsured assistance program.*
Sec. 1202. Payment and income limitations.

SUBTITLE C—MISCELLANEOUS

- Sec. 1301. Ineligibility for catastrophic risk and noninsured assistance payments.*
Sec. 1302. Prevented planting.
Sec. 1303. Conforming amendments.
Sec. 1304. Disaster assistance.
Sec. 1305. Use of Commodity Credit Corporation funds to cover certain costs for fall-planted 1995 crops.
Sec. 1306. Poultry labeling, public hearings.
Sec. 1307. Agriculture employees first amendment rights.
Sec. 1308. Adjusted cost of thrifty food plan.
Sec. 1309. Effective dates.
Sec. 1310. Termination of authority.

TITLE II—DEPARTMENT OF AGRICULTURE REORGANIZATION

SUBTITLE A—SHORT TITLE; PURPOSE; DEFINITIONS

- Sec. 2101. Short title.*
Sec. 2102. Purpose.
Sec. 2103. Definitions.

SUBTITLE B—GENERAL AUTHORITIES OF THE SECRETARY

- Sec. 2201. Delegation of functions to the Secretary.*
Sec. 2202. Reorganization.
Sec. 2203. Personnel reductions.
Sec. 2204. Consolidation of headquarters offices.
Sec. 2205. Reports by the Secretary.

SUBTITLE C—NATIONAL APPEALS DIVISION

- Sec. 2301. Definitions.*
Sec. 2302. National Appeals Division and Director.
Sec. 2303. Transfer of functions.
Sec. 2304. Personnel of the Division.
Sec. 2305. Notice and opportunity for hearing.
Sec. 2306. Informal hearings.
Sec. 2307. Rights of participants.
Sec. 2308. Division hearings and Director review.
Sec. 2309. Judicial review.
Sec. 2310. Implementation of final determinations of Division.
Sec. 2311. Decisions of State and county committees.
Sec. 2312. Prohibition on adverse action while appeal is pending.
Sec. 2313. Relationship to other laws.
Sec. 2314. Evaluation of agency decisionmakers and other employees.
Sec. 2315. Conforming amendments.

SUBTITLE D—FARM AND INTERNATIONAL TRADE SERVICES

- Sec. 2401. Under Secretary for Farm and International Trade Services.*
Sec. 2402. Farm Service Agency.
Sec. 2403. State and county committees.

Sec. 2404. International Trade Service.

SUBTITLE E—RURAL ECONOMIC AND COMMUNITY DEVELOPMENT

Sec. 2501. Under Secretary for Rural Economic and Community Development.

Sec. 2502. Rural Utilities Service.

Sec. 2503. Rural Housing and Community Development Service.

Sec. 2504. Rural Business and Cooperative Development Service.

SUBTITLE F—FOOD, NUTRITION, AND CONSUMER SERVICES

Sec. 2601. Under Secretary of Agriculture for Food, Nutrition, and Consumer Services.

Sec. 2602. Food and Consumer Service.

Sec. 2603. Nutrition Research and Education Service.

SUBTITLE G—NATIONAL RESOURCES AND ENVIRONMENT

Sec. 2701. Natural Resources Conservation Service.

Sec. 2702. Reorganization of Forest Service.

SUBTITLE H—MARKETING AND INSPECTION SERVICES

Sec. 2801. Grain Inspection, Packers and Stockyards Administration.

SUBTITLE I—RESEARCH, ECONOMICS, AND EDUCATION

Sec. 2901. Federal Research and Information Service.

Sec. 2902. Cooperative State Research and Education Service.

Sec. 2903. Agricultural Economics and Statistics Service.

Sec. 2904. Program Policy and Coordination Staff.

SUBTITLE J—FOOD SAFETY

Sec. 2951. Food Safety Service.

SUBTITLE K—MISCELLANEOUS

Sec. 2981. Assistant Secretaries of Agriculture.

Sec. 2982. Removal of obsolete provisions.

Sec. 2983. Additional conforming amendments.

Sec. 2984. Termination of authority.

Sec. 2985. Elimination of duplicative inspection requirements.

1 **TITLE I—FEDERAL CROP**
 2 **INSURANCE REFORM**
 3 **Subtitle A—Catastrophic Risk and**
 4 **Additional Coverage Insurance**

5 **SEC. 1100. SHORT TITLE; REFERENCES.**

6 (a) *SHORT TITLE.*—This title may be cited as the
 7 “Federal Crop Insurance Reform Act of 1994”.

1 (b) *REFERENCES TO FEDERAL CROP INSURANCE*
2 *ACT.*—*Except as otherwise expressly provided, whenever in*
3 *this title an amendment or repeal is expressed in terms of*
4 *an amendment to, or repeal of, a section or other provision,*
5 *the reference shall be considered to be made to a section or*
6 *other provision of the Federal Crop Insurance Act (7 U.S.C.*
7 *1501 et seq.).*

8 ***SEC. 1101. AUTHORITY TO OFFER INSURANCE.***

9 *Section 508 (7 U.S.C. 1508) is amended—*

10 (1) *by striking subsection (a) and inserting the*
11 *following new subsection:*

12 “(a) *AUTHORITY TO OFFER INSURANCE.*—

13 “(1) *IN GENERAL.*—*If sufficient actuarial data*
14 *are available (as determined by the Corporation), the*
15 *Corporation may insure, or provide reinsurance for*
16 *insurers of, producers of agricultural commodities*
17 *grown in the United States under 1 or more plans of*
18 *insurance determined by the Corporation to be adapt-*
19 *ed to the agricultural commodity concerned. To qual-*
20 *ify for coverage under a plan of insurance, the losses*
21 *of the insured commodity shall be due to drought,*
22 *flood, or other natural disaster (as determined by the*
23 *Secretary).*

24 “(2) *PERIOD.*—*Except in the cases of tobacco*
25 *and potatoes, insurance shall not extend beyond the*

1 *period during which the insured commodity is in the*
2 *field. As used in the preceding sentence, in the case*
3 *of aquacultural species, the term ‘field’ means the en-*
4 *vironment in which the commodity is produced.*

5 “(3) *EXCLUSIONS.—Insurance provided under*
6 *this subsection shall not cover losses due to—*

7 “(A) *the neglect or malfeasance of the pro-*
8 *ducer;*

9 “(B) *the failure of the producer to reseed to*
10 *the same crop in such areas and under such cir-*
11 *cumstances as it is customary to so reseed; or*

12 “(C) *the failure of the producer to follow*
13 *good farming practices (as determined by the*
14 *Secretary).”;*

15 (2) *by striking subsections (c), (e), (g), (l), and*
16 *(n); and*

17 (3) *by redesignating subsections (b), (d), (f), (h),*
18 *(i), (j), (k), and (m) as subsections (g) through (n),*
19 *respectively.*

1 **SEC. 1102. CATASTROPHIC RISK PROTECTION.**

2 *Section 508 (7 U.S.C. 1508) (as amended by section*
3 *1101) is further amended by inserting after subsection (a)*
4 *the following new subsection:*

5 *“(b) CATASTROPHIC RISK PROTECTION.—*

6 *“(1) IN GENERAL.—The Corporation shall offer a*
7 *catastrophic risk protection plan to indemnify pro-*
8 *ducers for crop loss due to loss of yield or prevented*
9 *planting when the producer is unable, because of*
10 *drought, flood, or other natural disaster (as deter-*
11 *mined by the Secretary), to plant crops for harvest on*
12 *the acreage for that crop year.*

13 *“(2) AMOUNT OF COVERAGE.—Catastrophic risk*
14 *protection shall offer a producer 50 percent loss in*
15 *yield coverage, on an individual yield or area yield*
16 *basis, indemnified at 60 percent of the expected mar-*
17 *ket price, or a comparable coverage (as determined by*
18 *the Corporation).*

19 *“(3) PAYMENT.—A catastrophic risk payment*
20 *may reflect a reduction that is proportionate to the*
21 *lack of out-of-pocket expenses associated with the fail-*
22 *ure to plant, grow, or harvest the crop, as determined*
23 *by the Corporation.*

24 *“(4) YIELD AND LOSS BASIS.—A producer shall*
25 *have the option of basing the catastrophic coverage of*
26 *the producer on an individual yield and loss basis or*

1 *on an area yield and loss basis, if both options are*
2 *offered by the Corporation.*

3 *“(5) SALE OF CATASTROPHIC RISK COVERAGE.—*

4 *“(A) IN GENERAL.—Catastrophic risk cov-*
5 *erage may be offered by—*

6 *“(i) private insurance providers, if*
7 *available in an area; and*

8 *“(ii) at the option of the Secretary that*
9 *is based on considerations of need, local of-*
10 *fices of the United States Department of Ag-*
11 *riculture (referred to in this title as the ‘De-*
12 *partment’).*

13 *“(B) NEED.—For purposes of considering*
14 *need under subparagraph (A)(ii), the Secretary*
15 *may take into account the most efficient and*
16 *cost-effective use of resources, the availability of*
17 *personnel, fairness to local producers, the needs*
18 *and convenience of local producers, and the*
19 *availability of private insurance carriers.*

20 *“(6) ADMINISTRATIVE FEE.—*

21 *“(A) IN GENERAL.—As a condition of cata-*
22 *strophic risk protection, a producer shall pay an*
23 *administrative fee. The administrative fee shall*
24 *be \$50 per crop per county, but not to exceed*
25 *\$100 per producer per county. The administra-*

1 *tive fee shall be paid at the service point, at the*
2 *local office of the Department, or to the approved*
3 *insurance provider, at the time of application.*

4 “(B) *FEE WAIVERS.*—*The administrative*
5 *fee shall be waived—*

6 “(i) *for farmers of limited resources (as*
7 *defined by the Corporation); or*

8 “(ii) *if the producer elects to purchase*
9 *additional protection at 65 percent or more*
10 *of the recorded or appraised average yield*
11 *and 100 percent of the expected market*
12 *price, or an equivalent coverage, offered by*
13 *an approved insurance provider.*

14 “(C) *USE OF FEES COLLECTED.*—*Funds*
15 *collected as administrative fees shall be retained*
16 *by the Department or the approved insurance*
17 *provider for operating and administrative ex-*
18 *penditures for the delivery of catastrophic risk pro-*
19 *tection policies.*

20 “(7) *PARTICIPATION REQUIREMENT.*—*A pro-*
21 *ducer may obtain catastrophic risk coverage for a*
22 *crop of the producer on land in the county only if the*
23 *producer obtains such coverage for the crop on all in-*
24 *surable land of the producer in that county.*

1 “(8) *ELIGIBILITY FOR DEPARTMENT PRO-*
2 *GRAMS.—*

3 “(A) *IN GENERAL.—To be eligible for any*
4 *price support or production adjustment program*
5 *or any benefit described in section 371 of the*
6 *Consolidated Farm and Rural Development Act,*
7 *the producer must obtain at least the cata-*
8 *strophic level of insurance for each crop of eco-*
9 *nomical significance grown on each farm in the*
10 *county in which the producer has an interest, if*
11 *insurance is available in the county for the crop.*

12 “(B) *DEFINITION OF CROP OF ECONOMIC*
13 *SIGNIFICANCE.—As used in this paragraph, the*
14 *term ‘crop of economic significance’ means a*
15 *crop that has contributed, or is expected to con-*
16 *tribute, 10 percent or more of the total expected*
17 *value of all crops grown by the producer.*

18 “(9) *LIMITATION DUE TO RISK.—The Corpora-*
19 *tion may limit catastrophic risk coverage in any*
20 *county or area, or on any farm, on the basis of the*
21 *insurance risk concerned.*

22 “(10) *SIMPLIFICATION.—*

23 “(A) *CATASTROPHIC RISK PROTECTION*
24 *PLANS.—In developing and carrying out the*
25 *policies and procedures for a catastrophic risk*

1 *protection plan under this title, the Corporation*
2 *shall, to the maximum extent practicable, mini-*
3 *mize the paperwork required and the complexity*
4 *and costs of procedures governing applications*
5 *for, processing, and servicing of the plan for all*
6 *parties involved.*

7 *“(B) OTHER PLANS.—To the extent that the*
8 *policies and procedures developed under subpara-*
9 *graph (A) may be applied to other plans of in-*
10 *surance offered under this title without jeopard-*
11 *izing the actuarial soundness or integrity of the*
12 *crop insurance program, the Corporation shall*
13 *apply the policies and procedures to the other*
14 *plans of insurance within a reasonable period of*
15 *time (as determined by the Corporation) after*
16 *the effective date of this paragraph.”.*

17 **SEC. 1103. GENERAL COVERAGE LEVELS.**

18 *Section 508 (7 U.S.C. 1508) (as amended by section*
19 *1102) is further amended by inserting after subsection (b)*
20 *the following new subsection:*

21 *“(c) GENERAL COVERAGE LEVELS.—*

22 *“(1) IN GENERAL.—The Corporation shall offer*
23 *plans of insurance that provide levels of coverage that*
24 *are greater than the level available under catastrophic*
25 *risk protection under subsection (b). A producer may*

1 *purchase such a plan only from an approved insur-*
2 *ance provider, if the private insurance is available.*
3 *Nothing in this paragraph restricts the Corporation*
4 *from offering insurance plans if coverage from private*
5 *insurance providers is unavailable.*

6 “(2) *TRANSFER OF INSURANCE FILES.*—*If a pro-*
7 *ducer has already applied for catastrophic risk pro-*
8 *tection at the local office of the Department and elects*
9 *to purchase additional coverage, the insurance file for*
10 *the crop of the producer shall be transferred to the ap-*
11 *proved insurance provider servicing the additional*
12 *coverage crop policy.*

13 “(3) *YIELD AND LOSS BASIS.*—*A producer shall*
14 *have the option of purchasing additional coverage*
15 *based on an individual yield and loss basis or on an*
16 *area yield and loss basis, if both options are offered*
17 *by the Corporation.*

18 “(4) *LEVEL OF COVERAGE.*—*The level of coverage*
19 *shall be dollar denominated and may be purchased at*
20 *any level not to exceed 85 percent of the individual*
21 *yield or 95 percent of the area yield (as determined*
22 *by the Corporation). By the beginning of the 1996*
23 *crop year, the Corporation shall provide producers*
24 *with information on catastrophic risk and additional*

1 *coverage in terms of dollar coverage (within the allow-*
2 *able limits of coverage provided in this paragraph).*

3 “(5) *PRICE LEVEL.*—*The Corporation shall es-*
4 *tablish a price level for each commodity on which in-*
5 *surance is offered that—*

6 “(A) *shall not be less than the projected*
7 *market price for the commodity (as determined*
8 *by the Corporation); or*

9 “(B) *at the discretion of the Corporation,*
10 *may be based on the actual market price at the*
11 *time of harvest (as determined by the Corpora-*
12 *tion).*

13 “(6) *PRICE ELECTIONS.*—

14 “(A) *IN GENERAL.*—*Subject to subpara-*
15 *graph (B), insurance coverage shall be made*
16 *available to the producer on the basis of any*
17 *price election that equals or is less than the price*
18 *election established by the Corporation. The cov-*
19 *erage shall be quoted in terms of dollars per acre.*

20 “(B) *MINIMUM PRICE ELECTIONS.*—*The*
21 *Corporation may establish minimum price elec-*
22 *tions below which levels of insurance shall not be*
23 *offered.*

24 “(C) *WHEAT VARIETIES.*—*The Corporation*
25 *shall, over a period of time as determined prac-*

1 *ticable by the Corporation, offer producers dif-*
2 *ferent price elections for varieties of wheat, in*
3 *addition to the standard price election, that re-*
4 *fect different market prices, as determined by*
5 *the Corporation. The Corporation shall offer ad-*
6 *ditional coverage for each variety determined*
7 *under this subparagraph and charge a premium*
8 *for each variety that is actuarially sound.*

9 *“(7) SUBSTITUTE COVERAGE FOR FIRE AND*
10 *HAIL.—*

11 *“(A) IN GENERAL.—For levels of coverage*
12 *65 percent or more of the recorded or appraised*
13 *average yield and 100 percent of the expected*
14 *market price, or an equivalent coverage, the pro-*
15 *ducer may elect to delete from the insurance cov-*
16 *erage provided under this title coverage against*
17 *damage caused by fire or hail, if an equivalent*
18 *or greater dollar amount of coverage for damage*
19 *caused by fire or hail is obtained from a private*
20 *fire or hail insurance provider.*

21 *“(B) CREDIT FOR SUBSTITUTE COV-*
22 *ERAGE.—On written notice of an election under*
23 *subparagraph (A) to the company issuing the*
24 *policy providing coverage under this title and*
25 *submission of evidence of substitute coverage on*

1 *the commodity insured, the premium of the pro-*
2 *ducer shall be reduced by an amount determined*
3 *by the Corporation to be actuarially appro-*
4 *priate, taking into account the actuarial value of*
5 *the remaining coverage provided by the Corpora-*
6 *tion. The producer shall not be given a reduction*
7 *for an amount of premium determined to be*
8 *greater than the actuarial value of the protection*
9 *against losses caused by fire or hail that is in-*
10 *cluded in the coverage under this title for the*
11 *crop.*

12 “(8) *STATE PREMIUM SUBSIDIES.*—*The Corpora-*
13 *tion may enter into agreements with any State or*
14 *agency of a State under which the State or agency*
15 *may pay to the approved insurance provider an addi-*
16 *tional premium subsidy to further reduce the portion*
17 *of the premium paid by the producers in the State.*

18 “(9) *LIMITATION DUE TO RISK.*—*The Corpora-*
19 *tion may limit or refuse insurance in any county or*
20 *area, or on any farm, on the basis of the insurance*
21 *risk concerned.*

22 “(10) *ADMINISTRATIVE FEE.*—

23 “(A) *IN GENERAL.*—*As a condition of cov-*
24 *erage that is in addition to catastrophic risk*
25 *protection but less than 65 percent of the re-*

1 *corded or appraised average yield and 100 per-*
2 *cent of the expected market price, or an equiva-*
3 *lent coverage, a producer shall pay an adminis-*
4 *trative fee. The administrative fee shall be \$50*
5 *per crop per county, but not to exceed \$100 per*
6 *producer per county. The administrative fee*
7 *shall be paid to the approved insurance provider*
8 *or the Department, as applicable, at the time of*
9 *application.*

10 “(B) *FEE WAIVERS.—The administrative*
11 *fee shall be waived—*

12 “(i) *for farmers of limited resources (as*
13 *defined by the Corporation); or*

14 “(ii) *if the producer elects to purchase*
15 *additional protection at 65 percent or more*
16 *of the recorded or appraised average yield*
17 *and 100 percent of the expected market*
18 *price, or an equivalent coverage, offered by*
19 *an approved insurance provider.*

20 “(C) *USE OF FEES COLLECTED.—Funds*
21 *collected as administrative fees shall be retained*
22 *by the approved insurance provider or the De-*
23 *partment, as applicable, for operating and ad-*
24 *ministrative expenses.”.*

1 **SEC. 1104. PREMIUMS.**

2 *Section 508 (7 U.S.C. 1508) (as amended by section*
3 *1103) is further amended by inserting after subsection (c)*
4 *the following new subsection:*

5 “(d) *PREMIUMS.*—

6 “(1) *LEVELS.*—

7 “(A) *CATASTROPHIC RISK PROTECTION.*—

8 *For catastrophic risk protection coverage, the*
9 *amount of premium shall be sufficient to cover*
10 *anticipated losses and a reasonable reserve.*

11 “(B) *ADDITIONAL COVERAGE.*—*For levels of*
12 *coverage below 65 percent of the recorded or ap-*
13 *praised average yield and 100 percent of the ex-*
14 *pected market price, or an equivalent coverage,*
15 *but greater than catastrophic risk protection cov-*
16 *erage, the amount of premium shall be sufficient*
17 *to cover anticipated losses, a reasonable reserve,*
18 *and an amount for operating and administra-*
19 *tive expenses (as determined by the Corporation)*
20 *that is less than the amount established for cov-*
21 *erage at 65 percent of the recorded or appraised*
22 *average yield and 100 percent of the expected*
23 *market price, or an equivalent coverage.*

24 “(C) *HIGH COVERAGE.*—*For levels of cov-*
25 *erage of at least 65 percent of the recorded or ap-*
26 *praised average yield and 100 percent of the ex-*

1 *pected market price, or an equivalent coverage,*
2 *the amount of premium shall be sufficient to*
3 *cover anticipated losses, a reasonable reserve,*
4 *and an amount to pay the operating and admin-*
5 *istrative expenses (as determined by the Corpora-*
6 *tion) on an industry-wide basis as a percentage*
7 *of the total premium.*

8 *“(2) PAYMENT OF PART OF PREMIUM.—For the*
9 *purpose of encouraging the broadest possible partici-*
10 *pation, the Corporation shall pay a part of the pre-*
11 *mium equivalent to—*

12 *“(A) for catastrophic risk protection cov-*
13 *erage, an amount equal to the premium estab-*
14 *lished under paragraph (1)(A);*

15 *“(B) for levels of coverage below 65 percent*
16 *of the recorded and appraised average yield and*
17 *100 percent of the expected market price, or an*
18 *equivalent coverage, but greater than cata-*
19 *strophic risk protection, an amount equal to the*
20 *sum of the amount of premium established for*
21 *catastrophic risk protection coverage and the*
22 *amount for operating and administrative ex-*
23 *penditures established under paragraph (1)(B); and*

24 *“(C) for levels of coverage at or greater than*
25 *65 percent of the recorded and appraised yield*

1 *and 100 percent of the expected market price, or*
2 *an equivalent coverage, on an individual or area*
3 *basis, an amount equal to the sum of—*

4 *“(i) the premium established for—*

5 *“(I) in the case of each of the*
6 *1995 and 1996 crop years, 50 percent*
7 *loss in yield indemnified at 80 percent*
8 *of the expected market price;*

9 *“(II) in the case of the 1997 crop*
10 *year, 50 percent loss in yield indem-*
11 *nified at 77.5 percent of the expected*
12 *market price; and*

13 *“(III) in the case of the 1998 and*
14 *each subsequent crop year, 50 percent*
15 *loss in yield indemnified at 75 percent*
16 *of the expected market price; and*

17 *“(ii) the amount for operating and ad-*
18 *ministrative expenses established under*
19 *paragraph (1)(C).*

20 *“(3) REDUCTIONS BY PRIVATE PROVIDERS.—If a*
21 *private insurance provider determines that the pro-*
22 *vider may provide insurance more efficiently than the*
23 *expense reimbursement amount set by the Corpora-*
24 *tion, the private insurance provider may, with the*
25 *approval of the Corporation, reduce the premium*

1 *charged the insured by the amount of the efficiency.*
2 *A reduction pursuant to the preceding sentence shall*
3 *be subject to such rules, limitations, and procedures*
4 *as are established by the Corporation.*

5 *“(4) INDIVIDUAL AND AREA CROP INSURANCE*
6 *COVERAGE.—The Corporation shall allow approved*
7 *insurance providers to offer a plan of insurance to*
8 *producers that combines both individual yield cov-*
9 *erage and area yield coverage at a premium rate de-*
10 *termined by the provider under the following condi-*
11 *tions:*

12 *“(A) The individual yield coverage shall be*
13 *equal to or greater than catastrophic risk protec-*
14 *tion as described in subsection (b).*

15 *“(B) The combined policy shall include area*
16 *yield coverage that is offered by the Corporation*
17 *or similar area coverage, as determined by the*
18 *Corporation.*

19 *“(C) The Corporation shall provide reinsur-*
20 *ance on the area yield portion of the combined*
21 *policy at the request of the provider, except that*
22 *the provider shall agree to pay to the producer*
23 *any portion of the area yield and loss indemnity*
24 *payment received from the Corporation or a*
25 *commercial reinsurer that exceeds the individual*

1 *indemnity payment made by the provider to the*
2 *producer.*

3 “(D) The Corporation shall pay a part of
4 the premium equivalent to—

5 “(i) the amount authorized under
6 paragraph (2) (except provisions regarding
7 operating and administrative expenses);
8 and

9 “(ii) the amount of operating and ad-
10 ministrative expenses authorized by the Cor-
11 poration for the area yield coverage portion
12 of the combined policy.

13 “(E) The provider shall provide all under-
14 writing services for the combined policy, includ-
15 ing the determination of individual yield cov-
16 erage premium rates, the terms and conditions of
17 the policy, and the acceptance and classification
18 of applicants into risk categories, subject to sub-
19 paragraph (F).

20 “(F) The Corporation shall approve the
21 combined policy unless the Corporation deter-
22 mines that the policy is not actuarially sound or
23 that the interests of producers are not adequately
24 protected.”.

1 **SEC. 1105. ELIGIBILITY.**

2 (a) *IN GENERAL.*—Section 508 (7 U.S.C. 1508) (as
3 amended by section 1104) is further amended by inserting
4 after subsection (d) the following new subsection:

5 “(e) *ELIGIBILITY.*—

6 “(1) *IN GENERAL.*—To participate in cata-
7 strophic risk protection coverage under this section, a
8 producer shall submit an application at the local of-
9 fice of the Department or to an approved insurance
10 provider.

11 “(2) *SALES CLOSING DATE.*—For coverage under
12 this title, each producer shall purchase crop insurance
13 on or before the sales closing date for the crop by pro-
14 viding the required information and executing the re-
15 quired documents. Subject to the goal of ensuring ac-
16 tuarial soundness for the crop insurance program, the
17 sales closing date shall be established by the Corpora-
18 tion to maximize convenience to producers in obtain-
19 ing benefits under price and production adjustment
20 programs of the Department. Beginning with the
21 1995 crop year, the Corporation shall establish, for an
22 insurance policy for each insurable crop that is plant-
23 ed in the spring, a sales closing date that is 30 days
24 earlier than the corresponding sales closing date that
25 was established for the 1994 crop year.

1 “(3) *RECORDS.*—For coverage under this title,
2 each producer shall provide records, acceptable to the
3 Corporation, of previous acreage and production or
4 accept a yield determined by the Corporation.

5 “(4) *REPORTING.*—For coverage under this title,
6 each producer shall report acreage planted and pre-
7 vented from planting by the designated acreage re-
8 porting date for the crop and location as established
9 by the Corporation.”.

10 (b) *PRODUCER ELIGIBILITY.*—Section 520 (7 U.S.C.
11 1520) is amended to read as follows:

12 **“SEC. 520. PRODUCER ELIGIBILITY.**

13 “Except as otherwise provided in this title, a producer
14 shall not be denied insurance under this title if—

15 “(1) for purposes of catastrophic risk protection
16 coverage, the producer is a ‘person’ (as defined by the
17 Secretary); and

18 “(2) for purposes of any other plan of insurance,
19 the producer is 18 years of age and has a bona fide
20 insurable interest in a crop as an owner-operator,
21 landlord, tenant, or sharecropper.”.

22 **SEC. 1106. YIELD DETERMINATIONS.**

23 Section 508 (7 U.S.C. 1508) (as amended by section
24 1105(a)) is further amended by inserting after subsection
25 (e) the following new subsection:

1 “(f) *YIELD DETERMINATIONS.*—

2 “(1) *IN GENERAL.*—Subject to paragraph (2), the
3 *Corporation shall implement crop insurance under-*
4 *writing rules that ensure that yield coverage is pro-*
5 *vided to eligible producers participating in the Fed-*
6 *eral crop insurance program.*

7 “(2) *YIELD COVERAGE PLANS.*—

8 “(A) *ACTUAL PRODUCTION HISTORY.*—Sub-
9 *ject to subparagraph (B), the yield for a crop*
10 *shall be based on the actual production history*
11 *for the crop, if the crop was produced on the*
12 *farm without penalty during each of the 4 crop*
13 *years immediately preceding the crop year for*
14 *which actual production history is being estab-*
15 *lished, building up to a production data base for*
16 *each of the 10 consecutive crop years preceding*
17 *the crop year for which actual production his-*
18 *tory is being established.*

19 “(B) *ASSIGNED YIELD.*—If the producer
20 *does not provide satisfactory evidence of the yield*
21 *of a commodity under subparagraph (A), the*
22 *producer shall be assigned a yield that is not less*
23 *than 65 percent of the transitional yield of the*
24 *producer (adjusted to reflect actual production*
25 *reflected in the records acceptable to the Corpora-*

1 *tion for continuous years), as specified in regula-*
2 *tions issued by the Corporation based on produc-*
3 *tion history requirements.*

4 *“(C) AREA YIELD.—The Corporation may*
5 *offer a crop insurance plan based on an area*
6 *yield that allows an insured producer to qualify*
7 *for an indemnity if a loss has occurred in an*
8 *area (as specified by the Corporation) in which*
9 *the farm of the producer is located. Under an*
10 *area yield plan, an insured producer shall be al-*
11 *lowed to select the level of area production at*
12 *which an indemnity will be paid consistent with*
13 *such terms and conditions as are established by*
14 *the Corporation.*

15 *“(D) COMMODITY-BY-COMMODITY BASIS.—A*
16 *producer may choose between individual yield or*
17 *area yield coverage or combined coverage (as*
18 *provided in subsection (d)(4)), if available, on a*
19 *commodity-by-commodity basis.*

20 *“(3) NOTICE.—The Corporation shall ensure that*
21 *producers are given adequate notice of the applicable*
22 *yield coverage provisions of this section in advance of*
23 *the crop insurance application period for the crops to*
24 *which the provisions first will apply.*

1 “(4) *TRANSITIONAL YIELDS FOR PRODUCERS OF*
2 *FEED OR FORAGE.*—

3 “(A) *IN GENERAL.*—If a producer does not
4 provide satisfactory evidence of the yield under
5 paragraph (2)(A), the producer shall be assigned
6 a yield that is at least 80 percent of the transi-
7 tional yield established by the Corporation (ad-
8 justed to reflect the actual production history of
9 the producer) if the Secretary determines that—

10 “(i) the producer grows feed or forage
11 primarily for on-farm use in a livestock,
12 dairy, or poultry operation; and

13 “(ii) over 50 percent of the net farm
14 income of the producer is derived from the
15 livestock, dairy, or poultry operation.

16 “(B) *YIELD CALCULATION.*—The Corpora-
17 tion shall—

18 “(i) for the first year of participation
19 of a producer, provide the assigned yield
20 under this paragraph to the producer of feed
21 or forage; and

22 “(ii) for the second year of participa-
23 tion of the producer, apply the actual pro-
24 duction history or assigned yield require-
25 ment, as provided in this subsection.

1 “(C) *TERMINATION OF AUTHORITY.*—The
2 *authority provided by this paragraph shall ter-*
3 *minate on the date that is 2 years after the effec-*
4 *tive date of this paragraph.*”.

5 **SEC. 1107. INSURANCE POLICIES.**

6 *Subsection (g) of section 508 (7 U.S.C. 1508) (as redes-*
7 *ignated by section 1101(3)) is amended—*

8 (1) *in paragraph (1), by striking “(a)” and in-*
9 *serting “(c)”;*

10 (2) *by striking paragraph (2) and inserting the*
11 *following new paragraph:*

12 “(2) *PREPARATION OF POLICIES.*—A *policy or*
13 *other material submitted to the Corporation under*
14 *this subsection may be prepared without regard to the*
15 *limitations specified in this title, including the re-*
16 *quirements concerning the levels of coverage and rates*
17 *and the requirement that a price level for each com-*
18 *modity insured shall equal the projected market price*
19 *for the commodity as established by the Corporation.*
20 *The policy may be subsidized only at an amount*
21 *equivalent to coverage authorized under this title.*”;

22 (3) *in paragraph (3)—*

23 (A) *in the first sentence, by striking “taking*
24 *into consideration the risks covered by the policy*
25 *or other material”;* and

1 (B) in the second sentence, by inserting
2 “with a private insurance provider” after “rein-
3 surance agreement”; and

4 (4) by striking paragraph (4) and inserting the
5 following new paragraphs:

6 “(4) *REQUIRED PUBLICATION.*—Any policy, pro-
7 vision of a policy, or rate approved under this sub-
8 section shall be published as a notice in the Federal
9 Register and made available to each person who con-
10 tracts with or is reinsured by the Corporation under
11 the same terms and conditions as are applicable be-
12 tween the Corporation and the submitting person.

13 “(5) *PILOT COST OF PRODUCTION RISK PROTEC-*
14 *TION PLAN.*—

15 “(A) *IN GENERAL.*—The Corporation shall
16 offer, to the extent practicable, a cost of produc-
17 tion risk protection plan of insurance that would
18 indemnify producers (including new producers)
19 for insurable losses as provided in this para-
20 graph.

21 “(B) *PILOT BASIS.*—The cost of production
22 risk protection plan shall—

23 “(i) be established as a pilot project for
24 each of the 1996 and 1997 crop years; and

1 “(ii) be carried out in a number of
2 counties that is determined by the Corpora-
3 tion to be adequate to provide a comprehen-
4 sive evaluation of the feasibility, effective-
5 ness, and demand among producers for the
6 plan.

7 “(C) *INSURABLE LOSS*.—An insurable loss
8 shall be incurred by a producer if the gross in-
9 come of the producer (as determined by the Cor-
10 poration) is less than an amount determined by
11 the Corporation, as a result of a reduction in
12 yield or price resulting from an insured cause.

13 “(D) *DEFINITION OF NEW PRODUCER*.—As
14 used in this paragraph, the term ‘new producer’
15 means a person that has not been actively en-
16 gaged in farming for a share of the production
17 of the insured crop for more than 2 crop years,
18 as determined by the Secretary.

19 “(6) *ADDITIONAL PREVENTED PLANTING POLICY*
20 *COVERAGE*.—

21 “(A) *IN GENERAL*.—Beginning with the
22 1995 crop year, the Corporation shall offer to
23 producers additional prevented planting coverage
24 that insures producers against losses in accord-
25 ance with this paragraph.

1 “(B) *APPROVED INSURANCE PROVIDERS.*—
2 *Additional prevented planting coverage shall be*
3 *offered by the Corporation through approved in-*
4 *surance providers.*

5 “(C) *TIMING OF LOSS.*—*A crop loss shall be*
6 *covered by the additional prevented planting cov-*
7 *erage if—*

8 “(i) *crop insurance policies were ob-*
9 *tained for—*

10 “(I) *the crop year the loss was ex-*
11 *perienced; and*

12 “(II) *the crop year immediately*
13 *preceding the year of the prevented*
14 *planting loss; and*

15 “(ii) *the cause of the loss occurred—*

16 “(I) *after the sales closing date for*
17 *the crop in the crop year immediately*
18 *preceding the loss; and*

19 “(II) *before the sales closing date*
20 *for the crop in the year in which the*
21 *loss is experienced.*

22 “(7) *PILOT TRANSITIONAL YIELD PROGRAM FOR*
23 *NEW PRODUCERS.*—

24 “(A) *INCREASED TRANSITIONAL YIELD.*—

25 *The Corporation shall offer, to the extent prac-*

1 *licable, a transitional yield program for new*
2 *producers to provide 110 percent of the transi-*
3 *tional yield established by the Corporation.*

4 *“(B) PILOT BASIS.—The transitional yield*
5 *program shall—*

6 *“(i) be established as a pilot project for*
7 *each of the 1995 and 1996 crop years; and*

8 *“(ii) be carried out in 30 counties that*
9 *are determined by the Corporation to be*
10 *adequate to provide a comprehensive eval-*
11 *uation of the feasibility, effectiveness, and*
12 *demand among new producers for the plan.*

13 *“(C) DEFINITION OF NEW PRODUCER.—As*
14 *used in this paragraph, the term ‘new producer’*
15 *means a person that has not been actively en-*
16 *gaged in farming for a share of the production*
17 *of the insured crop for more than 2 crop years,*
18 *as determined by the Secretary.”.*

19 **SEC. 1108. CLAIMS FOR LOSSES.**

20 *Subsection (i) of section 508 (7 U.S.C. 1508) (as redes-*
21 *ignated by section 1101(3)) is amended to read as follows:*

22 *“(i) CLAIMS FOR LOSSES.—*

23 *“(1) IN GENERAL.—The Corporation may pro-*
24 *vide for adjustment and payment of claims for losses*
25 *as provided under subsection (a) under rules pre-*

1 *scribed by the Corporation. The rules prescribed by*
2 *the Corporation shall establish standards to ensure*
3 *that all claims for losses are adjusted, to the extent*
4 *practicable, in a uniform and timely manner.*

5 *“(2) DENIAL OF CLAIMS.—*

6 *“(A) IN GENERAL.—Subject to subpara-*
7 *graph (B), if a claim for indemnity is denied by*
8 *the Corporation or by the private insurance pro-*
9 *vider, an action on the claim shall only be*
10 *brought against the Corporation or Secretary or*
11 *the insurance provider in the United States Dis-*
12 *trict Court for the district in which the insured*
13 *farm is located.*

14 *“(B) STATUTE OF LIMITATIONS.—A suit on*
15 *the claim may be brought not later than 1 year*
16 *after the date on which written notice of denial*
17 *of the claim is provided to the claimant.*

18 *“(3) INDEMNIFICATION.—The Corporation shall*
19 *provide insurance companies, agents, and brokers*
20 *with indemnification, including costs and reasonable*
21 *attorney fees, from the Corporation for errors or omis-*
22 *sions on the part of the Corporation.”.*

23 **SEC. 1109. REINSURANCE.**

24 *Section 508 (7 U.S.C. 1508) is amended—*

1 (1) by striking subsection (j) (as redesignated by
2 section 1101(3)) and inserting the following new sub-
3 section:

4 “(j) REINSURANCE.—Notwithstanding any other pro-
5 vision of this title, the Corporation shall, to the maximum
6 extent practicable, provide reinsurance, on such terms and
7 conditions as the Corporation determines to be consistent
8 with subsections (b) and (c) and sound reinsurance prin-
9 ciples, to insurers (as defined by the Corporation) that in-
10 sure producers of any agricultural commodity under 1 or
11 more plans acceptable to the Corporation. Each reinsurance
12 agreement of the Corporation with a reinsured company
13 shall require the reinsured company to bear a sufficient
14 share of any potential loss under the agreement so as to
15 ensure that the reinsured company will sell and service poli-
16 cies of insurance in a sound and prudent manner, taking
17 into consideration the availability of private reinsurance.”;
18 and

19 (2) in subsection (k) (as so redesignated), by
20 striking “provide” and inserting “offer plans of”.

21 **SEC. 1110. FUNDING.**

22 Section 516 (7 U.S.C. 1516) is amended to read as
23 follows:

24 **“SEC. 516. FUNDING.**

25 “(a) AUTHORIZATION OF APPROPRIATIONS.—

1 “(1) *EXPENSES OF CORPORATION.*—There are
2 *authorized to be appropriated such sums as are nec-*
3 *essary to cover the salaries and expenses of the Cor-*
4 *poration and the administrative and operating ex-*
5 *periences of the Corporation for the sales commissions of*
6 *agents.*

7 “(2) *EXPENSES OF PROVIDERS.*—There are au-
8 *thorized to be appropriated such sums as are nec-*
9 *essary to cover the administrative and operating ex-*
10 *periences of an approved insurance provider for the de-*
11 *livery of policies with coverage that is greater than*
12 *catastrophic risk protection.*

13 “(b) *PAYMENT OF EXPENSES.*—

14 “(1) *ADMINISTRATIVE AND OPERATING EX-*
15 *PENSES.*—Beginning with the 1996 crop year, the
16 *Corporation is authorized to pay, from the insurance*
17 *fund established under subsection (c), the administra-*
18 *tive and operating expenses of an approved insurance*
19 *provider, other than expenses covered under subsection*
20 *(a)(1).*

21 “(2) *OTHER EXPENSES.*—The Corporation is au-
22 *thorized to pay from the insurance fund established*
23 *under subsection (c)—*

24 “(A) *all other expenses of the Corporation*
25 *(other than expenses covered in subsection*

1 (a)(1)), including all premium subsidies and in-
2 demnities;

3 “(B) for the 1995 crop year, all administra-
4 tive and expense reimbursements due under a re-
5 insurance agreement with an approved insur-
6 ance provider; and

7 “(C) to the extent necessary, expenses in-
8 curred by the Corporation to carry out research
9 and development.

10 “(c) *INSURANCE FUND.*—

11 “(1) *IN GENERAL.*—There is established an in-
12 surance fund for the deposit of premium income, in-
13 come from reinsurance operations, and amounts made
14 available under subsection (a)(2).

15 “(2) *SOURCE OF FUNDING.*—There are appro-
16 priated, without fiscal year limitation, such sums as
17 may be necessary to carry out subsection (b) through
18 the insurance fund.”.

19 ***SEC. 1111. ADVISORY COMMITTEE FOR FEDERAL CROP IN-***
20 ***SURANCE.***

21 The Act is amended by inserting after section 514 (7
22 U.S.C. 1514) the following new section:

1 **“SEC. 515. ADVISORY COMMITTEE FOR FEDERAL CROP IN-**
2 **SURANCE.**

3 “(a) *ESTABLISHMENT.*—*The Secretary may establish*
4 *within the Department a committee to be known as the ‘Ad-*
5 *visory Committee for Federal Crop Insurance’ (referred to*
6 *in this section as the ‘Advisory Committee’), which shall*
7 *remain in existence until September 30, 1998.*

8 “(b) *MEMBERSHIP.*—*The Advisory Committee shall be*
9 *composed of—*

10 “(1) *the Manager of the Corporation;*

11 “(2) *the Secretary or a designee; and*

12 “(3) *not fewer than 10 representatives of organi-*
13 *zations or agencies involved with the Federal crop in-*
14 *surance program, which may include insurance com-*
15 *panies, insurance agents, farm producer organiza-*
16 *tions, experts on agronomic practices, and banking*
17 *and lending institutions.*

18 “(c) *ADMINISTRATIVE PROVISIONS.*—

19 “(1) *TERMS.*—*Members of the Advisory Commit-*
20 *tee shall be appointed by the Secretary for a term of*
21 *not more than 2 years from nominations made by the*
22 *participating organizations and agencies referred to*
23 *in subsection (b). The terms of the members shall be*
24 *staggered.*

25 “(2) *CHAIRPERSON.*—*The Advisory Committee*
26 *shall be chaired by the Manager of the Corporation.*

1 “(3) *MEETINGS.*—*The Advisory Committee shall*
2 *meet at least annually. The meetings of the Advisory*
3 *Committee shall be publicly announced in advance*
4 *and shall be open to the public. Appropriate records*
5 *of the activities of the Advisory Committee shall be*
6 *kept and made available to the public on request.*

7 “(d) *PRIMARY RESPONSIBILITY.*—*The primary re-*
8 *sponsibility of the Advisory Committee shall be to advise*
9 *the Secretary on the implementation of this title and on*
10 *other issues related to crop insurance (as determined by the*
11 *Manager of the Corporation).*

12 “(e) *REPORTS.*—*Not later than June 30 of each year,*
13 *the Advisory Committee shall prepare, and submit to the*
14 *Secretary, a report specifying the conclusions of the Advi-*
15 *sory Committee on—*

16 “(1) *the progress toward implementation of this*
17 *title;*

18 “(2) *the actuarial soundness of the Federal crop*
19 *insurance program; and*

20 “(3) *the rate of participation in the catastrophic*
21 *and the additional coverage programs under this*
22 *title.”.*

23 **SEC. 1112. MANAGEMENT OF CORPORATION.**

24 (a) *IN GENERAL.*—*The second sentence of section*
25 *505(a) (7 U.S.C. 1505(a)) is amended—*

1 (1) by striking “program, the Under Secretary”
2 and inserting “program, 1 additional Under Sec-
3 retary”; and

4 (2) by striking “responsible for the farm credit
5 programs of the Department of Agriculture” and in-
6 serting “; as designated by the Secretary of Agri-
7 culture (referred to in this title as the ‘Secretary’)”.

8 (b) *GENERAL POWERS.*—Section 506 (7 U.S.C. 1506)
9 is amended—

10 (1) by redesignating subsections (j) through (n)
11 as subsections (k) through (o), respectively;

12 (2) by inserting after subsection (i) the following
13 new subsection:

14 “(j) *SETTLING CLAIMS.*—The Corporation shall have
15 the authority to make final and conclusive settlement and
16 adjustment of any claim by or against the Corporation or
17 a fiscal officer of the Corporation.”;

18 (3) in subsection (l) (as so redesignated)—

19 (A) in the first sentence, by inserting “, and
20 issue regulations,” after “agreements”; and

21 (B) in the second sentence, by striking “con-
22 tracts or agreements” each place it appears and
23 inserting “contracts, agreements, or regulations”;

1 (4) in subsection (n)(1) (as so redesignated), by
2 striking subparagraph (B) and inserting the following
3 new subparagraph:

4 “(B) disqualify the person from purchasing
5 catastrophic risk protection or receiving
6 noninsured assistance for a period of not to ex-
7 ceed 2 years, or from receiving any other benefit
8 under this title for a period of not to exceed 10
9 years.”;

10 (5) in subsection (o) (as so redesignated)—

11 (A) by redesignating paragraphs (1)
12 through (4) as subparagraphs (A) through (D)
13 and aligning the margins of each subparagraph
14 with the margins of subparagraph (A) of sub-
15 section (n)(1) (as redesignated by paragraph
16 (1));

17 (B) by striking “(o) ACTUARIAL SOUND-
18 NESS.—The Corporation” and inserting the fol-
19 lowing:

20 “(o) ACTUARIAL SOUNDNESS.—

21 “(1) PROJECTED LOSS RATIO AS OF OCTOBER 1,
22 1995.—The Corporation”;

23 (C) in subparagraph (A) (as redesignated
24 by subparagraph (A)), by striking “from obtain-
25 ing adequate Federal crop insurance, as deter-

1 *mined by the Corporation” and inserting “(as*
2 *defined by the Secretary) from obtaining Federal*
3 *crop insurance”;*

4 *(D) in subparagraph (C) (as so redesign-*
5 *ated)—*

6 *(i) by inserting “, agents, and loss ad-*
7 *justers” after “participating producers”;*
8 *and*

9 *(ii) by inserting “, agents, and loss ad-*
10 *justers” after “identify insured producers”;*
11 *and*

12 *(E) by adding at the end the following new*
13 *paragraphs:*

14 *“(2) PROJECTED LOSS RATIO AS OF OCTOBER 1,*
15 *1998.—The Corporation shall take such actions, in-*
16 *cluding the establishment of adequate premiums, as*
17 *are necessary to improve the actuarial soundness of*
18 *Federal multiperil crop insurance made available*
19 *under this title to achieve, on and after October 1,*
20 *1998, an overall projected loss ratio of not greater*
21 *than 1.0.*

22 *“(3) NONSTANDARD CLASSIFICATION SYSTEM.—*
23 *To the extent that the Corporation uses the non-*
24 *standard classification system, the Corporation shall*

1 *apply the system to all insured producers in a fair*
2 *and consistent manner.”; and*

3 *(6) by adding at the end the following new sub-*
4 *sections:*

5 “(p) *LOSS RATIO DEFINED.*—*As used in this Act, the*
6 *term ‘loss ratio’ means the ratio of all sums paid by the*
7 *Corporation as indemnities under any eligible crop insur-*
8 *ance policy to that portion of the premium designated for*
9 *anticipated losses and a reasonable reserve, other than that*
10 *portion of the premium designated for operating and ad-*
11 *ministrative expenses.*

12 “(q) *REGULATIONS.*—*The Secretary and the Corpora-*
13 *tion are each authorized to issue such regulations as are*
14 *necessary to carry out this title.”.*

15 “(c) *PERSONNEL.*—*Section 507 (7 U.S.C. 1507) is*
16 *amended—*

17 *(1) in subsection (a), by striking “, and county*
18 *crop insurance committeemen”;*

19 *(2) in subsection (c), by striking “, in which case*
20 *the agent or broker” and all that follows through “the*
21 *agent or broker has caused the error or omission”;*
22 *and*

23 *(3) in subsection (d), by striking “of this Act,”*
24 *and all that follows through “agency”.*

1 (d) *INFORMATION COLLECTION ON CROP INSUR-*
2 *ANCE.—Subsection (n) of section 508 (7 U.S.C. 1508) (as*
3 *redesignated by section 1101(3)) is amended to read as fol-*
4 *lows:*

5 “(n) *INFORMATION COLLECTION ON CROP INSUR-*
6 *ANCE.—The Secretary shall make available to producers*
7 *through local offices of the Department—*

8 “(1) *current and complete information on all as-*
9 *pects of Federal crop insurance; and*

10 “(2) *a listing of insurance agents.*”

11 (e) *CROP INSURANCE YIELD COVERAGE.—Section*
12 *508A (7 U.S.C. 1508a) is repealed.*

13 (f) *PREEMPTION.—Section 511 (7 U.S.C. 1511) is*
14 *amended by inserting after “The Corporation, including”*
15 *the following: “the contracts of insurance of the Corporation*
16 *and premiums on the contracts, whether insured directly*
17 *or reinsured by the Corporation,”.*

18 (g) *FALSE STATEMENTS.—Section 1014 of title 18,*
19 *United States Code, is amended by inserting “or a company*
20 *the Corporation reinsures” after “Federal Crop Insurance*
21 *Corporation”.*

1 **Subtitle B—Noninsured Assistance**
2 **Program**

3 **SEC. 1201. NONINSURED ASSISTANCE PROGRAM.**

4 *The Act (7 U.S.C. 1501 et seq.) is amended by adding*
5 *at the end the following new section:*

6 **“SEC. 521. NONINSURED ASSISTANCE PROGRAM.**

7 “(a) *ELIGIBILITY.*—

8 “(1) *IN GENERAL.*—*The Corporation shall estab-*
9 *lish a noninsured assistance program to provide cov-*
10 *erage equivalent to the catastrophic risk protection in-*
11 *surance described in section 508(b) for crops for*
12 *which catastrophic risk protection insurance is not*
13 *available. Crops covered shall include all commercial*
14 *crops and commodities for which catastrophic risk*
15 *protection coverage is not available and that are pro-*
16 *duced for food, fiber, or an industrial crop on a com-*
17 *mercial basis but shall not include livestock.*
18 *Noninsured assistance shall not cover losses due to—*

19 “(A) *the neglect or malfeasance of the pro-*
20 *ducer;*

21 “(B) *the failure of the producer to reseed to*
22 *the same crop in such areas and under such cir-*
23 *cumstances as it is customary to so reseed; or*

1 “(C) the failure of the producer to follow
2 good farming practices (as determined by the
3 Secretary).

4 “(2) APPLICATIONS.—To be eligible for assist-
5 ance under this section, a producer shall make a
6 timely application, as required by the Corporation,
7 for noninsured assistance at the local office of the De-
8 partment.

9 “(3) RECORDS.—A producer shall annually pro-
10 vide records, as required by the Corporation, of pre-
11 vious crop acreage and yields, or the producer shall
12 accept a yield under subsection (c)(2)(B) determined
13 by the Corporation.

14 “(4) ACREAGE REPORTS.—A producer shall pro-
15 vide reports on acreage planted or prevented from
16 being planted, as required by the Corporation, by the
17 designated acreage reporting date for the crop and lo-
18 cation as established by the Corporation.

19 “(5) AREA YIELD LOSSES.—

20 “(A) AREA AVERAGE YIELD.—A producer of
21 a noninsurable crop shall not be eligible for
22 noninsured assistance unless the area (as deter-
23 mined by the Corporation) average yield, or an
24 equivalent measure if yield data are not avail-
25 able, for the crop is less than 65 percent of the

1 *expected area yield established by the Corpora-*
2 *tion.*

3 “(B) *PREVENTED PLANTING PAYMENTS.*—
4 *Subject to subparagraph (A), the Corporation*
5 *shall make a prevented planting noninsured as-*
6 *istance payment to a producer if the producer*
7 *is prevented from planting more than 35 percent*
8 *of the acreage intended for the crop because of*
9 *drought, flood, or other natural disaster (as de-*
10 *termined by the Secretary).*

11 “(C) *REDUCED YIELD PAYMENTS.*—*Subject*
12 *to subparagraph (A), if, because of drought,*
13 *flood, or other natural disaster (as determined by*
14 *the Secretary), the total quantity of the crop that*
15 *a producer is able to harvest on any farm is less*
16 *than 50 percent of the expected area yield for the*
17 *crop (as determined by the Corporation) factored*
18 *for the interest of the producer for the crop, the*
19 *Corporation shall make a reduced yield*
20 *noninsured assistance payment.*

21 “(b) *PAYMENT.*—*The Corporation shall make available*
22 *to a producer eligible for noninsured assistance under this*
23 *section a payment computed by multiplying—*

24 “(1) *the quantity that is less than 50 percent of*
25 *the established yield for the crop; by*

1 “(2) 60 percent of the average market price for
2 the crop (or any comparable coverage determined by
3 the Corporation); by

4 “(3) a payment rate for the type of crop (as de-
5 termined by the Corporation) that—

6 “(A) in the case of a crop that is produced
7 with a significant and variable harvesting ex-
8 pense, a payment rate that reflects the decreasing
9 cost incurred in the production cycle for the crop
10 that is—

11 “(i) harvested;

12 “(ii) planted but not harvested; and

13 “(iii) prevented from being planted be-
14 cause of drought, flood, or other natural dis-
15 aster (as determined by the Secretary); and

16 “(B) in the case of a crop that is not pro-
17 duced with a significant and variable harvesting
18 expense, a payment rate determined by the Cor-
19 poration.

20 “(c) YIELDS.—

21 “(1) IN GENERAL.—The Corporation shall estab-
22 lish noninsured assistance program farm yields for
23 crops for the purposes of this section.

24 “(2) ACTUAL PRODUCTION HISTORY.—

1 “(A) *IN GENERAL.*—Subject to subpara-
2 graph (B), the yield for a crop shall be based on
3 the actual production history for the crop, if the
4 crop was produced on the farm without penalty
5 during each of the 4 crop years immediately pre-
6 ceding the crop year for which actual production
7 history is being established, building up to a
8 production data base of the 10 crop years imme-
9 diately preceding the crop year for which pro-
10 duction history is being established.

11 “(B) *ASSIGNED YIELD.*—

12 “(i) *IN GENERAL.*—If the producer
13 does not provide sufficient evidence of the
14 yield (as required by the Corporation) of a
15 commodity under subparagraph (A), the
16 producer shall be assigned a yield that is
17 not less than 65 percent of the transitional
18 yield of the producer (adjusted to reflect ac-
19 tual production reflected in the records ac-
20 ceptable to the Corporation for continuous
21 years), as specified in regulations issued by
22 the Corporation based on production history
23 requirements.

24 “(ii) *LIMITATION.*—A producer who re-
25 ceives an assigned yield for the current year

1 *of a natural disaster because required pro-*
2 *duction records were not submitted to the*
3 *local office of the Department shall not be*
4 *eligible for an assigned yield for the year of*
5 *the next natural disaster unless the required*
6 *production records of the previous 1 or more*
7 *years (as applicable) are provided to the*
8 *local office.*

9 “(C) *YIELD VARIATIONS DUE TO DIFFERENT*
10 *FARMING PRACTICES.—The Corporation shall*
11 *make noninsured payments that accurately re-*
12 *fect significant yield variations due to different*
13 *farming practices, such as between irrigated and*
14 *nonirrigated acreage.*

15 “(d) *INCREASED CROP PLANTINGS.—*

16 “(1) *IN GENERAL.—If the acreage of a crop in*
17 *a county has increased by more than 100 percent*
18 *since the 1987 crop year, to become eligible for a*
19 *noninsured assistance payment, a producer must pro-*
20 *vide detailed documentation of production costs, acres*
21 *planted, and yield, as required by the Corporation.*
22 *Except as provided in paragraph (2), a producer who*
23 *produces a crop on a farm located in a county de-*
24 *scribed in the preceding sentence may not obtain an*
25 *assigned yield.*

1 “(2) *EXCEPTION.*—A crop or a producer shall
2 not be subject to this subsection if—

3 “(A) the planted acreage of the producer for
4 the crop has been inspected by a third party ac-
5 ceptable to the Secretary; or

6 “(B)(i) the County Executive Director, the
7 District Director, and the State Executive Direc-
8 tor recommend an exemption from the require-
9 ment to the Deputy Administrator for State and
10 County Operations of the Agricultural Stabiliza-
11 tion and Conservation Service; and

12 “(ii) the Deputy Administrator approves
13 the recommendation.

14 “(e) *CONTRACT PAYMENTS.*—A producer who has re-
15 ceived a guaranteed payment for production, as opposed to
16 delivery, of a crop pursuant to a contract shall have the
17 production of the producer adjusted upward by the amount
18 of the production equal to the amount of the contract pay-
19 ment received.

20 “(f) *PAYMENT OF LOSSES.*—Payments for noninsured
21 assistance losses under this section shall be made from the
22 insurance fund established under section 516(b). The losses
23 shall not be included in calculating the premiums charged
24 to producers for insurance.”

1 **SEC. 1202. PAYMENT AND INCOME LIMITATIONS.**

2 *Section 521 (as added by section 1201) is further*
3 *amended by adding at the end the following new subsection:*

4 *“(g) PAYMENT AND INCOME LIMITATIONS.—*

5 *“(1) DEFINITIONS.—As used in this subsection:*

6 *“(A) PERSON.—The term ‘person’ has the*
7 *meaning provided the term in regulations issued*
8 *by the Secretary. The regulations shall conform,*
9 *to the extent practicable, to the regulations defin-*
10 *ing the term ‘person’ issued under section 1001*
11 *of the Food Security Act of 1985 (7 U.S.C.*
12 *1308).*

13 *“(B) QUALIFYING GROSS REVENUES.—The*
14 *term ‘qualifying gross revenues’ means—*

15 *“(i) if a majority of the gross revenue*
16 *of the person is received from farming,*
17 *ranching, and forestry operations, the gross*
18 *revenue from the farming, ranching, and*
19 *forestry operations of the person; and*

20 *“(ii) if less than a majority of the*
21 *gross revenue of the person is received from*
22 *farming, ranching, and forestry operations,*
23 *the gross revenue of the person from all*
24 *sources.*

1 “(2) *PAYMENT LIMITATION.*—The total amount
2 of payments that a person shall be entitled to receive
3 annually under this title may not exceed \$100,000.

4 “(3) *NO DOUBLE BENEFITS.*—No person may re-
5 ceive a noninsured assistance payment under this
6 title and emergency livestock feed assistance under
7 section 606 of the Agricultural Act of 1949 (7 U.S.C.
8 1471d) for the same livestock feed or forage loss.

9 “(4) *INCOME LIMITATION.*—A person who has
10 qualifying gross revenues in excess of the amount
11 specified in section 2266(a) of the Food, Agriculture,
12 Conservation, and Trade Act of 1990 (7 U.S.C. 1421
13 note) (as in effect on November 28, 1990) during the
14 taxable year (as determined by the Secretary) shall
15 not be eligible to receive any noninsured assistance
16 payment under this section.

17 “(5) *REGULATIONS.*—The Secretary shall issue
18 regulations prescribing such rules as the Secretary de-
19 termines necessary to ensure a fair and equitable ap-
20 plication of section 1001 of the Food Security Act of
21 1985 (7 U.S.C. 1308), the general payment limitation
22 regulations of the Secretary, and the limitations es-
23 tablished under this subsection.”.

1 **Subtitle C—Miscellaneous**

2 **SEC. 1301. INELIGIBILITY FOR CATASTROPHIC RISK AND**
3 **NONINSURED ASSISTANCE PAYMENTS.**

4 *The Act (7 U.S.C. 1501 et seq.) (as amended by section*
5 *1201) is further amended by adding at the end the following*
6 *new section:*

7 **“SEC. 522. INELIGIBILITY FOR CATASTROPHIC RISK AND**
8 **NONINSURED ASSISTANCE PAYMENTS.**

9 *“If the Secretary determines that a person has know-*
10 *ingly adopted a material scheme or device to obtain cata-*
11 *strophic risk, additional coverage, or noninsured assistance*
12 *benefits under this Act to which the person is not entitled,*
13 *has evaded this Act, or has acted with the purposes of evad-*
14 *ing this Act, the person shall be ineligible to receive all bene-*
15 *fits applicable to the crop year for which the scheme or de-*
16 *vice was adopted. The authority provided by this section*
17 *shall be in addition to, and shall not supplant, the author-*
18 *ity provided by section 506(m).”.*

19 **SEC. 1302. PREVENTED PLANTING.**

20 *(a) IN GENERAL.—Effective for the 1994 crop year,*
21 *a producer described in subsection (b) shall receive com-*
22 *pensation under the prevented planting coverage policy pro-*
23 *vision described in subsection (b)(1) by—*

24 *(1) obtaining from the Secretary of Agriculture*
25 *the applicable amount that is payable under the con-*

1 *servation use program described in subsection (b)(4);*
2 *and*

3 *(2) obtaining from the Federal Crop Insurance*
4 *Corporation the amount that is equal to the difference*
5 *between—*

6 *(A) the amount that is payable under the*
7 *conservation use program; and*

8 *(B) the amount that is payable under the*
9 *prevented planting coverage policy.*

10 *(b) ELIGIBLE PRODUCERS.—Subsection (a) shall*
11 *apply to a producer who—*

12 *(1) purchased a prevented planting policy for the*
13 *1994 crop year from the Federal Crop Insurance Cor-*
14 *poration prior to the spring sales closing date for the*
15 *1994 crop year;*

16 *(2) is unable to plant a crop due to major, wide-*
17 *spread flooding in the Midwest, or excessive ground*
18 *moisture, that occurred prior to the spring sales clos-*
19 *ing date for the 1994 crop year;*

20 *(3) had a reasonable expectation of planting a*
21 *crop on the prevented planting acreage for the 1994*
22 *crop year; and*

23 *(4) participates in a conservation use program*
24 *established for the 1994 crop of wheat, feed grains,*
25 *upland cotton, or rice established under section*

1 107B(c)(1)(E), 105B(c)(1)(E), 103B(c)(1)(D), or
2 101B(c)(1)(D), respectively, of the Agricultural Act of
3 1949 (7 U.S.C. 1445b–3a(c)(1)(E), 1444f(c)(1)(E),
4 1444–2(c)(1)(D), or 1441–2(c)(1)(D)).

5 (c) OILSEED PREVENTED PLANTING PAYMENTS.—

6 (1) IN GENERAL.—Effective for the 1994 crop
7 year, a producer of a crop of oilseeds (as defined in
8 section 205(a) of the Agricultural Act of 1949 (7
9 U.S.C. 1446f(a)) shall receive a prevented planting
10 payment for the crop if the requirements of para-
11 graphs (1), (2), and (3) of subsection (b) are satisfied.

12 (2) SOURCE OF PAYMENT.—The total amount of
13 payments required under this subsection shall be
14 made by the Federal Crop Insurance Corporation.

15 (d) PAYMENT.—A payment under this section may not
16 be made before October 1, 1994.

17 **SEC. 1303. CONFORMING AMENDMENTS.**

18 (a) PRICE SUPPORT PROGRAMS.—

19 (1) IN GENERAL.—Title IV of the Agricultural
20 Act of 1949 (7 U.S.C. 1421 et seq.) is amended by
21 adding at the end the following new section:

22 **“SEC. 427. CROP INSURANCE REQUIREMENT.**

23 “As a condition of receiving any benefit (including
24 payments) under title I or II for each of the 1995 and subse-
25 quent crops of tobacco, rice, extra long staple cotton, upland

1 *cotton, feed grains, wheat, peanuts, oilseeds, and sugar and*
2 *for each of the 1995 and subsequent calendar years with*
3 *respect to milk, a producer must obtain at least catastrophic*
4 *risk protection insurance coverage under section 508 of the*
5 *Federal Crop Insurance Act (7 U.S.C. 1508) for the crop*
6 *and crop year for which the benefit is sought, if the coverage*
7 *is offered by the Corporation.”.*

8 (2) *RICE.—Section 101B(c) of such Act (7*
9 *U.S.C. 1441–2(c)) is amended—*

10 (A) *in paragraph (1), by striking subpara-*
11 *graph (F); and*

12 (B) *by striking paragraph (2) and inserting*
13 *the following new paragraph:*

14 “(2) *CROP INSURANCE REQUIREMENT.—A pro-*
15 *ducer shall obtain catastrophic risk protection insur-*
16 *ance coverage in accordance with section 427.”.*

17 (3) *UPLAND COTTON.—Section 103B(c) of such*
18 *Act (7 U.S.C. 1444–2(c)) is amended—*

19 (A) *in paragraph (1), by striking subpara-*
20 *graph (F); and*

21 (B) *by striking paragraph (2) and inserting*
22 *the following new paragraph:*

23 “(2) *CROP INSURANCE REQUIREMENT.—A pro-*
24 *ducer shall obtain catastrophic risk protection insur-*
25 *ance coverage in accordance with section 427.”.*

1 (4) *FEED GRAINS*.—Section 105B(c) of such Act
2 (7 U.S.C. 1444f(c)) is amended—

3 (A) in paragraph (1), by striking subpara-
4 graph (G); and

5 (B) by striking paragraph (2) and inserting
6 the following new paragraph:

7 “(2) *CROP INSURANCE REQUIREMENT*.—A pro-
8 ducer shall obtain catastrophic risk protection insur-
9 ance coverage in accordance with section 427.”.

10 (5) *WHEAT*.—Section 107B(c) of such Act (7
11 U.S.C. 1445b–3a(c)) is amended—

12 (A) in paragraph (1), by striking subpara-
13 graph (G); and

14 (B) by striking paragraph (2) and inserting
15 the following new paragraph:

16 “(2) *CROP INSURANCE REQUIREMENT*.—A pro-
17 ducer shall obtain catastrophic risk protection insur-
18 ance coverage in accordance with section 427.”.

19 (6) *DISASTER PAYMENTS*.—Section 208 of such
20 Act (7 U.S.C. 1446i) is repealed.

21 (b) *FARMERS HOME ADMINISTRATION PROGRAMS*.—
22 The Consolidated Farm and Rural Development Act (7
23 U.S.C. 1921 et seq.) is amended by adding at the end the
24 following new section:

1 **“SEC. 371. CROP INSURANCE REQUIREMENT.**

2 “(a) *IN GENERAL.*—As a condition of obtaining any
3 benefit (including a direct loan, loan guarantee, or pay-
4 ment) described in subsection (b), a borrower must obtain
5 at least catastrophic risk protection insurance coverage
6 under section 508 of the Federal Crop Insurance Act (7
7 U.S.C. 1508) for the crop and crop year for which the bene-
8 fit is sought, if the coverage is offered by the Corporation.

9 “(b) *APPLICABLE BENEFITS.*—Subsection (a) shall
10 apply to—

11 “(1) a farm ownership loan (FO) under section
12 303;

13 “(2) an operating loan (OL) under section 312;
14 and

15 “(3) an emergency loan (EM) under section
16 321.”.

17 “(c) *DISASTER ASSISTANCE.*—Subtitle B of title XXII
18 of the Food, Agriculture, Conservation, and Trade Act of
19 1990 (7 U.S.C. 1421 note) is amended by striking chapter
20 3.

21 “(d) *EMERGENCY APPROPRIATIONS.*—

22 “(1) *IN GENERAL.*—Section 251(b)(2)(D)(i) of the
23 *Balanced Budget and Emergency Deficit Control Act*
24 *of 1985* (2 U.S.C. 901(b)(2)(D)(i)) is amended by
25 adding at the end the following new sentence: “This

1 *subparagraph shall not apply to appropriations to*
2 *cover agricultural crop disaster assistance.”.*

3 (2) *EMERGENCY LEGISLATION.—Section 252(e)*
4 *of such Act (2 U.S.C. 902(e)) is amended by adding*
5 *at the end the following new sentence: “This sub-*
6 *section shall not apply to direct spending provisions*
7 *to cover agricultural crop disaster assistance.”.*

8 (e) *TECHNICAL AMENDMENTS.—*

9 (1) *The first sentence of section 506(d) (7 U.S.C.*
10 *1506(d)) is amended by striking “508(f)” and insert-*
11 *ing “508(i)”.*

12 (2) *The last sentence of section 507(c) (7 U.S.C.*
13 *1507(c)) is amended by striking “508(b)” and insert-*
14 *ing “508(g)”.*

15 (3) *Section 518 (7 U.S.C. 1518) is amended by*
16 *striking “(k)” and inserting “(m)”.*

17 **SEC. 1304. DISASTER ASSISTANCE.**

18 (a) *CROP LOSS ASSISTANCE.—The Secretary of Agri-*
19 *culture may provide assistance to producers for crop losses*
20 *in 1994 due to natural disasters under the terms and condi-*
21 *tions of—*

22 (1) *chapter 3 of subtitle B of title XXII of the*
23 *Food, Agriculture, Conservation, and Trade Act of*
24 *1990 (7 U.S.C. 1421 note); and*

1 (2) subsections (a)(4), (b)(3), (d), and (e) of sec-
2 tion 521 of the Federal Crop Insurance Act (as
3 amended by this title).

4 (b) *OTHER EMERGENCY ASSISTANCE*.—To provide as-
5 sistance for losses in 1994 due to natural disasters, the Sec-
6 retary of Agriculture may provide assistance under—

7 (1) the emergency conservation program estab-
8 lished under title IV of the Agricultural Credit Act of
9 1978 (16 U.S.C. 2201 et seq.);

10 (2) the emergency watershed protection program
11 of the Soil Conservation Service; and

12 (3) the emergency community water assistance
13 grant program established under section 306A of the
14 Consolidated Farm and Rural Development Act (7
15 U.S.C. 1926a).

16 (c) *FUNDING*.—

17 (1) *CROP LOSS ASSISTANCE*.—Out of available
18 funds of the Commodity Credit Corporation, the Com-
19 modity Credit Corporation is authorized to provide to
20 the Secretary of Agriculture, through July 15, 1995,
21 such sums as are necessary to carry out subsection
22 (a).

23 (2) *OTHER EMERGENCY ASSISTANCE*.—There are
24 authorized to be appropriated such sums as are nec-
25 essary to carry out subsection (b).

1 (3) *EMERGENCY REQUIREMENT.*—The amounts
 2 made available under paragraphs (1) and (2) are des-
 3 ignated by Congress as an emergency requirement
 4 pursuant to section 252(e) of the Balanced Budget
 5 and Emergency Deficit Control Act of 1985 (2 U.S.C.
 6 902(e)). The amounts shall be available only to the ex-
 7 tent that an official budget request for specific dollar
 8 amounts, that includes designation of the entire
 9 amount of the request as an emergency requirement
 10 pursuant to such Act, is transmitted by the President
 11 to Congress.

12 (d) *DEFINITION OF NATURAL DISASTERS.*—As used in
 13 this section, the term “natural disasters” includes weather-
 14 related insect damage to strawberries.

15 **SEC. 1305. USE OF COMMODITY CREDIT CORPORATION**
 16 **FUNDS TO COVER CERTAIN COSTS FOR FALL-**
 17 **PLANTED 1995 CROPS.**

18 (a) *DEFINITION OF FALL-PLANTED 1995 CROP.*—As
 19 used in this section, the term “fall-planted 1995 crop”
 20 means a 1995 crop that is insurable under the Federal Crop
 21 Insurance Act (7 U.S.C. 1501 et seq.) with a sales closing
 22 date that is prior to January 1, 1995.

23 (b) *USE OF FUNDS TO COVER COSTS.*—Subject to the
 24 other provisions of this section, the Federal Crop Insurance
 25 Corporation may use funds of the Commodity Credit Cor-

1 *poration to cover operating and administrative costs of the*
2 *Corporation referred to in section 516(a)(1) of the Federal*
3 *Crop Insurance Act (7 U.S.C. 1516(a)(1)) associated with*
4 *insurance policies issued for a fall-planted 1995 crop under*
5 *such Act (7 U.S.C. 1501 et seq.).*

6 *(c) LIMITATION ON AMOUNT OF FUNDS.—The amount*
7 *of funds of the Commodity Credit Corporation that may*
8 *be used under subsection (b) may not exceed \$40,000,000.*

9 *(d) COMBINED LIMITATION ON AMOUNT OF FUNDS*
10 *AND EMERGENCY CROP LOSS ASSISTANCE.—The amount*
11 *of funds of the Commodity Credit Corporation used under*
12 *subsection (b) and the amount of funds used for fiscal year*
13 *1995 to provide emergency crop loss assistance for 1995*
14 *crops shall not exceed \$500,000,000.*

15 **SEC. 1306. POULTRY LABELING, PUBLIC HEARINGS.**

16 *It is the sense of the Senate that the United States De-*
17 *partment of Agriculture should carry out its plans to hold*
18 *public hearings during the month of September 1994, for*
19 *the purpose of receiving public input on issues related to*
20 *the conditions under which poultry sold in the United*
21 *States may be labeled “fresh” and to finalize and publish*
22 *a decision on this issue as expeditiously as possible there-*
23 *after. It is the further sense of the Senate that no person*
24 *-serving on the expert advisory committee established to ad-*
25 *vice the Secretary of Agriculture on this issue should stand*

1 *to profit, or represent any interest that would stand to prof-*
2 *it, from the Department's decision on the issue.*

3 **SEC. 1307. AGRICULTURE EMPLOYEES FIRST AMENDMENT**

4 **RIGHTS.**

5 *Notwithstanding any other provision of law, no em-*
6 *ployee of the United States Department of Agriculture shall*
7 *be peremptorily removed without public hearings from his*
8 *or her position because of remarks made during personal*
9 *time in opposition to Departmental policies, or proposed*
10 *policies regarding homosexuals: Provided, That any such*
11 *individual so removed prior to date of enactment shall be*
12 *reinstated to his or her previous position.*

13 **SEC. 1308. ADJUSTED COST OF THRIFTY FOOD PLAN.**

14 *Section 3(o)(11) of the Food Stamp Act of 1977 (7*
15 *U.S.C. 2012(o)(11)) is amended by inserting before the pe-*
16 *riod at the end the following: “, except that the Secretary*
17 *may not reduce the cost of such diet below the allotment*
18 *in effect for fiscal year 1994.”.*

19 **SEC. 1309. EFFECTIVE DATES.**

20 *(a) IN GENERAL.—Except as otherwise provided in*
21 *this title, this title and the amendments made by this title*
22 *shall become effective beginning with—*

23 *(1) if this title is enacted before October 1, 1994,*
24 *the 1995 crop year for the applicable agricultural*
25 *commodity; or*

1 (2) if this title is enacted on or after October 1,
2 1994, the 1996 crop year for the applicable agricul-
3 tural commodity.

4 (b) *EXCEPTIONS.*—

5 (1) *IN GENERAL.*—Sections 1100, 1101(1),
6 1112(e), 1112(f), and 1302, the amendments made by
7 such sections, and this section shall become effective
8 on the date of enactment of this Act.

9 (2) *EMERGENCY APPROPRIATIONS.*—The amend-
10 ments made by section 1303(d) shall become effec-
11 tive—

12 (A) if this title is enacted before October 1,
13 1994, on the date of enactment of this title; or

14 (B) if this title is enacted on or after Octo-
15 ber 1, 1994, on June 1, 1995.

16 **SEC. 1310. TERMINATION OF AUTHORITY.**

17 The authority provided by this title and the amend-
18 ments made by this title shall terminate on September 30,
19 2000.

1 **TITLE II—DEPARTMENT OF AG-**
2 **RICULTURE REORGANIZA-**
3 **TION**

4 **Subtitle A—Short Title; Purpose;**
5 **Definitions**

6 **SEC. 2101. SHORT TITLE.**

7 *This title may be cited as the “Department of Agri-*
8 *culture Reorganization Act of 1994”.*

9 **SEC. 2102. PURPOSE.**

10 *The purpose of this title is to provide the Secretary*
11 *of Agriculture with the necessary authority to streamline*
12 *and reorganize the Department of Agriculture to achieve*
13 *greater efficiency, effectiveness, and economies in the orga-*
14 *nization and management of the programs and activities*
15 *carried out at the Department.*

16 **SEC. 2103. DEFINITIONS.**

17 *As used in this title (unless the context clearly requires*
18 *otherwise):*

19 *(1) ADMINISTRATIVE UNIT.—The term “adminis-*
20 *trative unit” includes—*

21 *(A) any office, administration, agency, in-*
22 *stitute, unit, or organizational entity, or compo-*
23 *nent thereof, except that the term does not in-*
24 *clude a corporation; and*

1 (B) any county, State, or area committee,
2 as established by the Secretary.

3 (2) *DEPARTMENT.*—The term “Department”
4 means the United States Department of Agriculture.

5 (3) *FUNCTION.*—The term “function” means an
6 administrative, financial, or regulatory duty of an
7 administrative unit or employee of the Department,
8 including a transfer of funds made available to carry
9 out a function of an administrative unit.

10 (4) *SECRETARY.*—The term “Secretary” means
11 the Secretary of Agriculture.

12 ***Subtitle B—General Authorities of***
13 ***the Secretary***

14 ***SEC. 2201. DELEGATION OF FUNCTIONS TO THE SEC-***
15 ***RETARY.***

16 (a) *DELEGATION OF FUNCTIONS.*—Except as otherwise
17 provided in this title and notwithstanding any other provi-
18 sion of law, all functions and all activities, officers, employ-
19 ees, and administrative units of the Department, not vested
20 in the Secretary on the date of enactment of this Act, are
21 delegated to the Secretary.

22 (b) *EXCEPTIONS TO THE DELEGATION.*—This section
23 shall not apply to the following functions and administra-
24 tive units of the Department:

1 (1) *The functions vested in administrative law*
2 *judges by subchapter II of chapter 5 of title 5, United*
3 *States Code.*

4 (2) *The functions vested in the Inspector General*
5 *by the Inspector General Act of 1978 (5 U.S.C. App.*
6 *3).*

7 (3) *The functions vested in the Chief Financial*
8 *Officer by chapter 9 of subtitle I of title 31, United*
9 *States Code.*

10 (4) *Corporations and the boards of directors and*
11 *officers of the corporations.*

12 (5) *The functions vested in the Alternative Agri-*
13 *cultural Research and Commercialization Board by*
14 *the Alternative Agricultural Research and Commer-*
15 *cialization Act of 1990 (7 U.S.C. 5901 et seq.).*

16 **SEC. 2202. REORGANIZATION.**

17 (a) *GENERAL AUTHORITY OF THE SECRETARY.*—*The*
18 *Secretary may transfer any function or administrative unit*
19 *of the Department, including any function or administra-*
20 *tive unit delegated to the Secretary by this title, and any*
21 *officer or employee of the Department, as the Secretary con-*
22 *siders appropriate. The authority established in the preced-*
23 *ing sentence includes the authority to establish, consolidate,*
24 *alter, or discontinue any administrative unit of the Depart-*
25 *ment.*

1 (b) *AUTHORITY TO TRANSFER RECORDS, PROPERTY,*
2 *AND FUNDS.*—

3 (1) *IN GENERAL.*—Subject to section 1531 of title
4 31, United States Code, the Secretary may transfer
5 any of the records, property, and unexpended balances
6 (available or to be made available for use in connec-
7 tion with any affected function or administrative
8 unit) of appropriations, allocations, and other funds
9 of the Department, as the Secretary considers nec-
10 essary to carry out this title, except as otherwise pro-
11 vided in this section.

12 (2) *USE.*—Absent prior approval by law, any
13 unexpended balances transferred pursuant to para-
14 graph (1) shall be used only for the purposes for
15 which the funds were originally made available.

16 (3) *ADDITIONAL AUTHORITY.*—The Secretary
17 may make such additional incidental dispositions of
18 personnel, assets, liabilities, grants, contracts, prop-
19 erty, records, and unexpended balances of appropria-
20 tions, authorizations, allocations, and other funds
21 held, used, arising from, available to, or to be made
22 available in connection with the functions or admin-
23 istrative units, as the Secretary considers necessary to
24 carry out this title.

1 (c) *PURPOSE OF THE AUTHORITY.*—The Secretary
2 shall carry out subsections (a) and (b) with the goals of
3 simplifying and maximizing the efficiency of the national,
4 State, regional, and local levels of the Department, and of
5 improving the accessibility of farm and other programs at
6 all levels. To the extent practicable, the Secretary shall
7 adapt the administration of the programs to State, re-
8 gional, and local conditions.

9 (d) *EXHAUSTION OF ADMINISTRATIVE APPEALS.*—
10 Notwithstanding any other provision of law, a person shall
11 exhaust all administrative appeal procedures established by
12 the Secretary before the person may bring an action in a
13 court of competent jurisdiction against—

14 (1) the Secretary;

15 (2) the Department;

16 (3) an administrative unit of the Department; or

17 (4) an employee or agent of an administrative
18 unit of the Department.

19 (e) *CONFORMING AMENDMENTS.*—Section 9 of the
20 Commodity Credit Corporation Charter Act (15 U.S.C.
21 714g) is amended—

22 (1) in subsection (a), by striking “(a)”; and

23 (2) by striking subsection (b).

24 **SEC. 2203. PERSONNEL REDUCTIONS.**

25 (a) *DEFINITIONS.*—As used in this section:

1 (1) *FIELD STRUCTURE.*—The term “field struc-
2 ture” means the offices, functions, and employee posi-
3 tions of all administrative units of the Department,
4 other than the headquarters offices. The term includes
5 the physical and geographic locations of the units.
6 The term shall not include State, county, or area
7 committees established under section 8(b) of the Soil
8 Conservation and Domestic Allotment Act (16 U.S.C.
9 590h(b)).

10 (2) *HEADQUARTERS OFFICES.*—The term “head-
11 quarters offices” means the offices, functions, and em-
12 ployee positions of all administrative units of the De-
13 partment located or performed in Washington, Dis-
14 trict of Columbia, or elsewhere, as determined by the
15 Secretary.

16 (b) *EMPLOYEE REDUCTIONS.*—Subject to subsection
17 (c), the Secretary shall achieve employee reductions of at
18 least 7,500 staff years within the Department by September
19 30, 1999.

20 (c) *DISTRIBUTION.*—The percentage of employee reduc-
21 tions in the headquarters offices under subsection (b) shall
22 be substantially higher than the percentage of employee re-
23 ductions in the field structure, as determined by the Sec-
24 retary.

1 (d) *SCHEDULE.*—The personnel reductions under sub-
2 sections (b) and (c) should be accomplished concurrently in
3 a manner determined by the Secretary.

4 **SEC. 2204. CONSOLIDATION OF HEADQUARTERS OFFICES.**

5 The Secretary shall develop and carry out a plan to
6 consolidate offices of administrative units of the Depart-
7 ment located in Washington, District of Columbia, subject
8 to the availability of appropriations.

9 **SEC. 2205. REPORTS BY THE SECRETARY.**

10 (a) *IN GENERAL.*—Subject to subsection (b), notwith-
11 standing any other provision of law, the Secretary may,
12 but shall not be required to, prepare and submit any report
13 to Congress or any committee of Congress.

14 (b) *LIMITATION.*—For each fiscal year, the Secretary
15 may not prepare and submit more than 30 reports referred
16 to in subsection (a).

17 (c) *SELECTION OF REPORTS.*—In consultation with
18 the Committee on Agriculture of the House of Representa-
19 tives and the Committee on Agriculture, Nutrition, and
20 Forestry of the Senate, the Secretary shall determine which
21 reports shall be prepared and submitted in accordance with
22 subsection (b).

1 **Subtitle C—National Appeals**
2 **Division**

3 **SEC. 2301. DEFINITIONS.**

4 *As used in this subtitle:*

5 (1) *ADVERSE DECISION.*—*The term “adverse de-*
6 *cision” means an administrative decision made by a*
7 *decisionmaker that is adverse to a participant, in-*
8 *cluding a denial of equitable relief, except that the*
9 *term shall not include a decision over which the*
10 *Board of Contract Appeals has jurisdiction. The term*
11 *shall include the failure of a decisionmaker to issue*
12 *a decision or otherwise act on the request or right of*
13 *the participant to participate in, or receive pay-*
14 *ments, loans, or other benefits under, any of the pro-*
15 *grams administered by an agency. Notwithstanding*
16 *section 701(a)(2) of title 5, United States Code, a dis-*
17 *cretionary decision of the Secretary or the Division*
18 *shall be reviewable under section 706(2)(A) of such*
19 *title unless the decision is generally applicable to all*
20 *program participants and, as a matter of general ap-*
21 *plicability, is committed to agency discretion by law*
22 *within the meaning of section 701(a)(2) of such title.*

23 (2) *AGENCY.*—*The term “agency” means any*
24 *agency of the Department designated by the Secretary*

1 or a successor agency of the Department, except that
2 the term shall include—

3 (A) ASCS;

4 (B) CCC, with respect to domestic pro-
5 grams;

6 (C) FmHA (including rural housing pro-
7 grams);

8 (D) FCIC;

9 (E) RDA (including rural housing pro-
10 grams);

11 (F) SCS; or

12 (G) a State or county committee established
13 under section 8(b) of the Soil Conservation and
14 Domestic Allotment Act (16 U.S.C. 590h(b)) or
15 the Consolidated Farm and Rural Development
16 Act (7 U.S.C. 1921 et seq.).

17 (3) APPELLANT.—The term “appellant” means a
18 participant who appeals an adverse decision in ac-
19 cordance with this subtitle.

20 (4) ASCS.—The term “ASCS” means the Agri-
21 cultural Stabilization and Conservation Service or a
22 successor agency.

23 (5) CASE RECORD.—The term “case record”
24 means all the materials maintained by the Secretary

1 *that concern the participant, including any materials*
2 *related to the adverse decision.*

3 (6) *CCC.*—*The term “CCC” means the Commod-*
4 *ity Credit Corporation or a successor agency.*

5 (7) *DECISIONMAKER.*—*The term “decision-*
6 *maker” means an officer, employee, or committee of*
7 *an agency who makes an adverse decision that is ap-*
8 *pealed by an appellant.*

9 (8) *DIRECTOR.*—*The term “Director” means the*
10 *Director of the Division.*

11 (9) *DIVISION.*—*The term “Division” means the*
12 *National Appeals Division established by this subtitle.*

13 (10) *EMPLOYEE.*—*The term “employee” means*
14 *an individual employed by an agency, including an*
15 *individual who enters into a contract with an agency*
16 *to perform services for the agency.*

17 (11) *FINAL DETERMINATION.*—*The term “final*
18 *determination” means a determination of an appeal*
19 *by the Division that is administratively final, conclu-*
20 *sive, and binding.*

21 (12) *FCIC.*—*The term “FCIC” means the Fed-*
22 *eral Crop Insurance Corporation or a successor agen-*
23 *cy.*

24 (13) *FMHA.*—*The term “FmHA” means the*
25 *Farmers Home Administration or a successor agency.*

1 (14) *HEARING OFFICER.*—The term “hearing of-
2 ficer” means an individual employed by the Division
3 who hears and determines appeals of adverse decisions
4 by any agency.

5 (15) *HEARING RECORD.*—The term “hearing
6 record” means the transcript of a hearing, any audio
7 tape or similar recording of a hearing, any informa-
8 tion from the case record that a hearing officer con-
9 siders relevant or that is raised by the appellant or
10 agency, and all documents and other evidence pre-
11 sented to a hearing officer.

12 (16) *IMPLEMENT; IMPLEMENTATION.*—The terms
13 “implement” and “implementation” refer to those ac-
14 tions necessary to effectuate fully and promptly a de-
15 termination of the Division not later than 30 cal-
16 endar days after the effective date of the determina-
17 tion.

18 (17) *PARTICIPANT.*—The term “participant”
19 means any individual, group of individuals, partner-
20 ship, corporation, association, cooperative, or other
21 entity whose application for, or right to participate
22 in or receive, payments, loans, or other benefits in ac-
23 cordance with any of the programs administered by
24 an agency, is affected by an adverse decision made by
25 a decisionmaker.

1 (18) *RDA*.—The term “*RDA*” means the Rural
2 Development Administration or a successor agency.

3 (19) *SCS*.—The term “*SCS*” means the Soil
4 Conservation Service or a successor agency.

5 (20) *STATE DIRECTOR*.—The term “*State direc-*
6 *tor*” means the individual who is primarily respon-
7 sible for carrying out the program of an agency with-
8 in a State.

9 **SEC. 2302. NATIONAL APPEALS DIVISION AND DIRECTOR.**

10 (a) *ESTABLISHMENT OF DIVISION*.—

11 (1) *ESTABLISHMENT*.—The Secretary shall estab-
12 lish and maintain a National Appeals Division with-
13 in the Office of the Secretary to carry out this sub-
14 title.

15 (2) *APA APPLICATION*.—The provisions of title
16 5, United States Code, shall apply to all appeals of
17 the Division, including chapters 5 and 7 of such title.

18 (3) *PROCEDURAL REGULATIONS AND POLICIES*.—
19 The Secretary shall promulgate procedural regula-
20 tions and policies to govern the conduct of the busi-
21 ness of the Division. The Secretary shall ensure and
22 enhance the independence, integrity, and efficiency of
23 the Division, the Director, hearing officers, and other
24 employees of the Division.

25 (b) *DIRECTOR*.—

1 (1) *APPOINTMENT.*—*The Division shall be head-*
2 *ed by a Director.*

3 (2) *POSITION CLASSIFICATION.*—*The position of*
4 *the Director shall be a Senior Executive Service posi-*
5 *tion that shall be filled by a career appointee (as de-*
6 *fin ed in section 3132(a)(4) of title 5, United States*
7 *Code), who shall not be subject to removal except for*
8 *cause in accordance with law.*

9 (3) *QUALIFICATIONS.*—*The Director shall be a*
10 *person who has substantial experience in practicing*
11 *administrative law. In considering applicants for the*
12 *position of Director, the Secretary shall consider per-*
13 *sons employed outside the Government as well as Gov-*
14 *ernment employees.*

15 (4) *CONFORMING AMENDMENT.*—*Section 5316 of*
16 *title 5, United States Code, is amended by adding at*
17 *the end the following:*

18 *“Director, National Appeals Division, Depart-*
19 *ment of Agriculture.”.*

20 (c) *DIRECTION, CONTROL, AND SUPPORT.*—*The Direc-*
21 *tor shall be free from the direction and control of any person*
22 *other than the Secretary. The Division shall not receive ad-*
23 *ministrative support (except on a reimbursable basis) from*
24 *any agency other than the Office of the Secretary. The Sec-*
25 *retary may not delegate to any other officer or employee*

1 *of the Department, other than the Director, the authority*
2 *of the Secretary with respect to the Division.*

3 (d) *COMMUNICATION WITH SECRETARY AND AGEN-*
4 *CIES.—The Director shall inform the Secretary and the ap-*
5 *propriate agency of problems regarding the functions of the*
6 *agency that are identified as a result of the activities of*
7 *the Division under this subtitle. The information provided*
8 *by the Director may include proposals to resolve the prob-*
9 *lems identified or otherwise to improve the programs of the*
10 *agency.*

11 (e) *APPEALABLE DECISIONS.—Subject to section*
12 *2304(b)(2), if a decisionmaker determines that a decision*
13 *is not appealable and a participant appeals the decision*
14 *to the Director, the Director shall determine whether the de-*
15 *cision is adverse or of general applicability, and thus ap-*
16 *pealable. Except for a legal interpretation that may be re-*
17 *versed or modified by the Secretary, the determination of*
18 *the Director as to whether a decision is appealable shall*
19 *be administratively final, conclusive, and binding.*

20 (f) *OTHER POWERS OF THE DIRECTOR.—The Director*
21 *may enter into contracts and make other arrangements for*
22 *reporting and other services and make such payments as*
23 *may be necessary to carry out this subtitle.*

1 **SEC. 2303. TRANSFER OF FUNCTIONS.**

2 *There are transferred to the Division all functions ex-*
3 *ercised and all administrative appeals pending before the*
4 *date of enactment of this Act (including all related func-*
5 *tions of any officer or employee) of or relating to—*

6 *(1) the National Appeals Division established by*
7 *section 426(c) of the Agricultural Act of 1949 (7*
8 *U.S.C. 1433e(c)) (as in effect before the amendment*
9 *made by section 2315(a)(2));*

10 *(2) the National Appeals Division established by*
11 *subsections (d) through (g) of section 333B of the Con-*
12 *solidated Farm and Rural Development Act (7 U.S.C.*
13 *1983b) (as in effect before the amendment made by*
14 *section 2315(b));*

15 *(3) appeals of decisions made by FCIC; and*

16 *(4) appeals of decisions made by SCS.*

17 **SEC. 2304. PERSONNEL OF THE DIVISION.**

18 *(a) APPOINTMENT, DIRECTION, AND CONTROL.—The*
19 *Director shall appoint such hearing officers and other em-*
20 *ployees as are necessary for the administration of the Divi-*
21 *sion. A hearing officer or other employee of the Division*
22 *shall have no duties other than those that are necessary to*
23 *carry out this subtitle. Hearing officers shall be supervised*
24 *by the Director. All other employees of the Division shall*
25 *report to the Director.*

26 *(b) LEGAL COUNSEL.—*

1 (1) *IN GENERAL.*—*The Director shall employ*
2 *legal counsel to advise the Director with respect to*
3 *legal questions affecting the Division. The legal coun-*
4 *sel shall not serve as a counsel to any other agency*
5 *of the Department. This subsection is not intended to*
6 *affect the role of the Office of General Counsel in rep-*
7 *resenting the Department in civil or criminal actions*
8 *or as a liaison between the Department and any other*
9 *Federal agency.*

10 (2) *REVIEW BY THE SECRETARY.*—*If a hearing*
11 *officer or the Director disagrees with the General*
12 *Counsel on a matter of legal interpretation with re-*
13 *spect to a program or authority of the Department,*
14 *the Secretary shall have the authority to make a final*
15 *determination on the interpretation at the request of*
16 *the General Counsel. The authority of the Secretary*
17 *under this paragraph may not be delegated.*

18 (c) *PERFORMANCE EVALUATIONS.*—*The Director shall*
19 *establish policies to provide for the evaluation of the Direc-*
20 *tor, hearing officers, and other employees of the Division*
21 *who are involved in the appeal process under section 2308*
22 *or the supervision of other employees. The evaluation proc-*
23 *ess shall be designed to ensure and enhance the independ-*
24 *ence, integrity, and efficiency of the Director and employees*
25 *of the Division. The actual evaluations shall include evalua-*

1 *tions by individuals outside of the Department and may*
2 *include peer review.*

3 **SEC. 2305. NOTICE AND OPPORTUNITY FOR HEARING.**

4 *(a) NOTICE REQUIRED.—Not later than 10 working*
5 *days after an adverse decision is made that is adverse to*
6 *the participant, the Secretary shall provide the participant*
7 *with the written notice described in subsection (b).*

8 *(b) CONTENT OF NOTICE.—The notice required under*
9 *subsection (a) shall contain a description of the following:*

10 *(1) The decision, including all of the reasons,*
11 *facts, and conclusions underlying the decision.*

12 *(2) The appeal and implementation process*
13 *available to the participant, including the rights and*
14 *responsibilities of the participant provided by this*
15 *subtitle.*

16 *(3) An opportunity to request a determination*
17 *by the Director pursuant to section 2302(e) concern-*
18 *ing whether a decision is appealable, if the*
19 *decisionmaker determines that the decision is not ap-*
20 *pealable.*

21 *(c) MAINTENANCE OF RECORDS.—The Secretary and*
22 *the Director shall maintain the entire case record and hear-*
23 *ing record, respectively, and any additional information*
24 *from any further appeal proceeding, of the participant at*
25 *least until the expiration of the period during which the*

1 *participant may seek administrative or judicial review of*
2 *the determination.*

3 *(d) JOINDER.—*

4 *(1) GUARANTEED LOANS.—With regard to a*
5 *guaranteed loan under the Consolidated Farm and*
6 *Rural Development Act (7 U.S.C. 1921 et seq.), a bor-*
7 *rower or applicant who is directly and adversely af-*
8 *ected by a decision of the Secretary may appeal the*
9 *decision pursuant to this subtitle without the lender*
10 *joining in the appeal.*

11 *(2) RENTAL HOUSING.—A tenant in rental hous-*
12 *ing of an agency who is individually, directly, and*
13 *adversely affected by a decision of the Secretary may*
14 *appeal the decision pursuant to this subtitle without*
15 *the landlord joining in the appeal.*

16 *(3) THIRD PARTIES.—If the Director determines*
17 *that the receipt of a payment, loan, or other direct*
18 *benefit by a participant may be directly, substan-*
19 *tially, and adversely affected by a determination of*
20 *the Division, a hearing officer may invite the partici-*
21 *part to participate in a hearing if the final deter-*
22 *mination resulting from the hearing would, as a*
23 *practical matter, foreclose the participant from re-*
24 *ceiving the payment, loan, or other direct benefit of*
25 *the participant. If the participant elects to partici-*

1 *pate in the hearing, the participant shall have the*
2 *same procedural rights as the appellant with regard*
3 *to the hearing and other procedures described in this*
4 *subtitle.*

5 *(e) EFFECT OF REVERSAL OR MODIFICATION OF AD-*
6 *VERSE DECISION.—If an adverse decision is reversed or*
7 *modified by the Division, a decisionmaker may not base*
8 *any subsequent adverse decision with regard to that appel-*
9 *lant on the information that was available to the previous*
10 *decisionmaker (or could have been available with reasonable*
11 *diligence on the part of the previous decisionmaker).*

12 **SEC. 2306. INFORMAL HEARINGS.**

13 *If a decisionmaker of an agency makes an adverse de-*
14 *cision, the decisionmaker shall hold, at the request of the*
15 *participant, an informal hearing on the decision.*

16 **SEC. 2307. RIGHTS OF PARTICIPANTS.**

17 *Among other rights, a participant shall have the right,*
18 *in accordance with this subtitle, to—*

19 *(1) appeal any adverse decision;*

20 *(2) representation by an attorney or nonattorney*
21 *throughout the informal hearing and appeals process*
22 *under this subtitle;*

23 *(3) access to, and a reasonable opportunity to*
24 *inspect and reproduce, the case record at an office of*
25 *the agency located in the area of the participant; and*

1 (4) *an evidentiary hearing.*

2 **SEC. 2308. DIVISION HEARINGS AND DIRECTOR REVIEW.**

3 (a) *POWERS OF DIRECTOR AND HEARING OFFI-*
4 *CERS.—To carry out their responsibilities under this sec-*
5 *tion, the Director and hearing officers—*

6 (1) *shall have access to all records, reports, au-*
7 *dits, reviews, documents, papers, recommendations, or*
8 *other material available that relate to programs and*
9 *operations with respect to which an appeal has been*
10 *taken;*

11 (2) *shall have the authorities that are provided*
12 *under section 2302(a)(2);*

13 (3) *may request such information or assistance*
14 *as may be necessary for carrying out the duties and*
15 *responsibilities established under this subtitle from*
16 *any Federal, State, or local governmental agency or*
17 *unit of the agency;*

18 (4) *may, or shall at the request of an appellant*
19 *with good cause shown, require the attendance of wit-*
20 *nesses and the production of all information, docu-*
21 *ments, reports, answers, records, accounts, papers,*
22 *and other data and documentary evidence necessary*
23 *to the proper resolution of appeals;*

24 (5) *may require the attendance of witnesses, and*
25 *the production of evidence, by subpoena; and*

1 (6) *may administer oaths or affirmations.*

2 (b) *TIME FOR HEARING.—*

3 (1) *IN GENERAL.—Except as provided in para-*
4 *graph (2), an appellant shall have the right to—*

5 (A) *request a hearing, not later than 30*
6 *days after the date an adverse decision is made;*
7 *and*

8 (B) *have a hearing by the Division on the*
9 *adverse decision, not later than 45 days after re-*
10 *ceipt of the request for the hearing.*

11 (2) *REDUCTION OR EXTENSION.—The Director*
12 *may establish an earlier deadline for a hearing (or*
13 *request for a hearing) on an appeal relating to a time*
14 *sensitive decision, or delay a hearing (or request for*
15 *a hearing), at the request of an appellant for good*
16 *cause shown.*

17 (c) *LOCATION AND ELEMENTS OF HEARING.—*

18 (1) *LOCATION.—A hearing on an adverse deci-*
19 *sion shall be held in the State of residence of the ap-*
20 *pellant or at a location that is otherwise convenient*
21 *to the appellant and the Division.*

22 (2) *EVIDENTIARY HEARING.—The evidentiary*
23 *hearing before a hearing officer shall be in person,*
24 *unless the appellant agrees to a hearing by telephone*
25 *or by a review of the case record and hearing record.*

1 *The hearing officer shall conduct and resolve the hear-*
2 *ing (regardless of the hearing format) in a fair and*
3 *impartial manner and free of undue influence. The*
4 *hearing officer shall not be bound by previous find-*
5 *ings of fact by the agency in making a determination.*

6 (3) *INFORMATION AT HEARING.—The hearing of-*
7 *ficer shall consider information, including new infor-*
8 *mation, presented at the hearing without regard to*
9 *whether the evidence was known to the decisionmaker*
10 *at the time the adverse decision was made. The hear-*
11 *ing officer shall leave the record open after the hear-*
12 *ing for a reasonable period of time to allow the sub-*
13 *mission of information by the appellant or the*
14 *decisionmaker after the hearing to the extent nec-*
15 *essary to prevent the appellant or the decisionmaker*
16 *from being prejudiced by new facts, information, ar-*
17 *guments, or evidence presented or raised by the*
18 *decisionmaker or appellant. At the hearing, the agen-*
19 *cy may not rely on or assert new grounds for the ad-*
20 *verse decision, if the grounds were not described in the*
21 *agency decision notice.*

22 (4) *BURDEN OF PROOF.—The appellant shall*
23 *bear the burden of proving that the adverse decision*
24 *of the agency was erroneous.*

1 (5) *PRODUCTION OF RECORD.*—An official ver-
2 *batim record shall be provided by the Division for*
3 *each hearing before a hearing officer. The appellant or*
4 *agency representative may record an unofficial record*
5 *of the hearing.*

6 (6) *STANDARD OF REVIEW.*—In any case pend-
7 *ing before a hearing officer, the hearing officer may*
8 *determine that the adverse decision was in error only*
9 *if substantial evidence demonstrates that the adverse*
10 *decision was not correct. For purposes of this para-*
11 *graph, the evidentiary threshold for substantial evi-*
12 *dence is lower than the evidentiary threshold for pre-*
13 *ponderance of the evidence.*

14 (7) *DETERMINATION NOTICE.*—The hearing offi-
15 *cer shall issue a notice of the determination on the*
16 *appeal not later than 30 days after a hearing or after*
17 *receipt of the request of the appellant to waive a hear-*
18 *ing, except that the Director may establish an earlier*
19 *or later deadline pursuant to subsection (b)(2). The*
20 *hearing officer may include recommendations in the*
21 *determination notice. If the determination is not ap-*
22 *pealed to the Director under subsection (d), the notice*
23 *provided by the hearing officer shall be considered to*
24 *be a notice of final determination.*

25 (d) *REVIEW BY DIRECTOR.*—

1 (1) *REFERRAL.*—At the request of the appellant
2 or the head of the agency affected by a determination
3 of a hearing officer, the determination of the hearing
4 officer shall be referred to the Director for review.

5 (2) *APPEAL BY HEAD OF AGENCY TO DIREC-*
6 *TOR.*—

7 (A) *REVIEW OF DETERMINATION OF HEAR-*
8 *ING OFFICER AT THE REQUEST OF AN AGENCY*
9 *HEAD.*—In exceptional circumstances, if the head
10 of an agency believes that the determination of a
11 hearing officer is contrary to a statute or regula-
12 tion, or a finding of fact of a hearing officer is
13 clearly erroneous, only the head of the agency
14 may make a written request, not later than 10
15 business days after receipt of the determination,
16 that the Director review the determination.

17 (B) *REQUESTS FOR REVIEW.*—A request for
18 review shall—

19 (i) include a full description of—

20 (I) the exceptional circumstances
21 justifying the request for review; and

22 (II) the reasons that the head of
23 the relevant agency believes that the de-
24 termination is contrary to statute or
25 regulation, or the finding of fact of the

1 *hearing officer is clearly erroneous;*
2 *and*

3 *(ii) be provided to the appellant and*
4 *the hearing officer at the same time the re-*
5 *quest is provided to the Director.*

6 (C) *DETERMINATION OF DIRECTOR.*—*Not*
7 *later than 10 business days after receipt of the*
8 *request for review, the Director shall—*

9 *(i) conduct a review of the determina-*
10 *tion based on the case record and hearing*
11 *record, the request for review under sub-*
12 *section (b), and any additional arguments*
13 *or information submitted by the appellant*
14 *or the hearing officer; and*

15 *(ii)(I) issue a final determination no-*
16 *tice that upholds, reverses, or modifies the*
17 *determination of the hearing officer; or*

18 *(II) if the Director determines that the*
19 *hearing record is inadequate, remand the*
20 *determination for further proceedings to*
21 *complete the hearing record, or, at the op-*
22 *tion of the Director, to hold a new hearing,*
23 *and notify the appellant, agency, and hear-*
24 *ing officer of the remand.*

1 (D) *NEW HEARING.*—If the Director re-
2 mands a determination for a new hearing on the
3 adverse decision under subparagraph (C), the
4 hearing officer shall make a new determination
5 with respect to the adverse decision based on the
6 case record and the hearing record.

7 (E) *FINALITY.*—The head of the relevant
8 agency may not request a second review as to the
9 determination of the hearing officer or the Direc-
10 tor on the same issue.

11 (3) *APPEAL BY HEAD OF AGENCY OR APPELLANT*
12 *TO DIRECTOR.*—

13 (A) *USE OF RECORD.*—If the determination
14 of a hearing officer is appealed under paragraph
15 (1), the hearing officer shall certify the hearing
16 record and provide the record to the Director.

17 (B) *NEW INFORMATION.*—The Director may
18 consider, under extraordinary circumstances,
19 new information in reviewing a determination
20 under this section. The appellant, decisionmaker,
21 and hearing officer shall receive and have the op-
22 portunity to comment on the new information.

23 (C) *ACTIONS.*—Not later than 30 days after
24 the referral to the Director, the Director shall—

1 (i) review the hearing record and the
2 determination;

3 (ii) uphold the determination, issue a
4 new determination, require that a new
5 hearing be held on 1 or more of the issues
6 considered at the original hearing, or take
7 any combination of the actions described in
8 this clause; and

9 (iii) issue a notice of—

10 (I) a new evidentiary hearing;

11 (II) a final determination; or

12 (III) a remand on certain issues
13 and a final determination on remain-
14 ing issues.

15 (D) *RECOMMENDATIONS.*—The Director
16 may include recommendations in a final deter-
17 mination notice.

18 (E) *RELIEF.*—The Director shall have the
19 same authority as the Secretary to grant equi-
20 table relief. Notwithstanding the administrative
21 finality of a final determination, the Secretary
22 shall have the authority to grant equitable or
23 other types of relief to the appellant after a final
24 determination is issued by the Division.

1 (e) *BASIS FOR DETERMINATION.*—The determination
2 of the hearing officer and the Director shall be based on
3 information from the hearing record, laws applicable to the
4 matter at issue, and applicable regulations published in the
5 Federal Register and in effect on the date of the adverse
6 decision or the date on which the acts that gave rise to the
7 adverse decision occurred, whichever date is appropriate.
8 The Director shall not reverse the determination of a hear-
9 ing officer with regard to a finding of fact that is based
10 on oral testimony or inspection of evidence unless the find-
11 ing of fact is clearly erroneous or the Director is considering
12 new information under subsection (d)(3) with respect to the
13 finding of fact.

14 (f) *EFFECTIVE DATE.*—The final determination shall
15 be effective as of the date of filing of an application, the
16 date of the transaction or event in question, or the date of
17 the original adverse decision, whichever is applicable.

18 **SEC. 2309. JUDICIAL REVIEW.**

19 A final determination of the Division under section
20 2308 shall be reviewable and enforceable by any United
21 States district court of competent jurisdiction in accordance
22 with chapter 7 of title 5, United States Code. Notwithstand-
23 ing section 701(a)(2) of such title, a discretionary decision
24 of the Secretary or the Division shall be reviewable under
25 section 706(2)(A) of such title unless the decision is gen-

1 erally applicable to all program participants and, as a
2 matter of general applicability, is committed to agency dis-
3 cretion by law within the meaning of section 701(a)(2) of
4 such title.

5 **SEC. 2310. IMPLEMENTATION OF FINAL DETERMINATIONS**
6 **OF DIVISION.**

7 (a) *IN GENERAL.*—On the return of a case to an agen-
8 cy pursuant to the final determination of a hearing officer
9 or the Director under section 2308, the agency shall imple-
10 ment the final determination of the Division not later than
11 30 days after the effective date of the notice of the final
12 determination.

13 (b) *ADDITIONAL AND UPDATED INFORMATION.*—

14 (1) *IN GENERAL.*—Except as provided in para-
15 graph (2), after notice of a final determination is re-
16 ceived by the agency—

17 (A) the agency may not require that addi-
18 tional and updated information be provided by
19 the appellant or considered by the decisionmaker
20 in implementing the final determination of the
21 hearing officer or the Director; and

22 (B) additional and updated information
23 from any other source may not be used in imple-
24 menting the final determination.

25 (2) *EXCEPTIONS.*—

1 (A) *INTRODUCTION BY APPELLANT.*—If ad-
2 ditional information is introduced by the appel-
3 lant during the appeal process and accepted by
4 the hearing officer or the Director, the agency
5 shall consider the additional information in im-
6 plementing the final determination.

7 (B) *DETERMINATION LETTER.*—If the final
8 determination notice specifically states that ad-
9 ditional and updated information will be consid-
10 ered in implementing the final determination,
11 the agency shall consider any additional and up-
12 dated information in implementing the final de-
13 termination.

14 (C) *SUBSEQUENT ADVERSE DECISION.*—Ad-
15 ditional and updated information considered
16 under this paragraph may not be used as a
17 ground for a subsequent adverse decision.

18 (c) *IMPLEMENTATION RESPONSIBILITIES.*—

19 (1) *STATE DIRECTOR.*—Each State director shall
20 be—

21 (A) required to implement final determina-
22 tions of a hearing officer or the Director that af-
23 fect appellants in the State; and

1 (B) responsible for monitoring and ensuring
2 the implementation of final determinations that
3 reverse and modify adverse decisions.

4 (2) *AGENCY HEADS.*—Relevant agency heads
5 shall be responsible for—

6 (A) the performance of State directors under
7 paragraph (1); and

8 (B) the implementation of all final deter-
9 minations of the Division that reverse or modify
10 adverse decisions of the agency.

11 (d) *PROTECTION OF APPELLANTS' RIGHTS.*—

12 (1) *IN GENERAL.*—No officer or employee of the
13 Federal Government shall make or engage in threats
14 or intimidation, or solicit action, to prevent any po-
15 tential appellant from exercising a right of the appel-
16 lant under this subtitle or make, solicit, or engage in
17 retaliation or retribution for the exercise of a right of
18 an appellant under this subtitle.

19 (2) *CORRECTIVE ACTION.*—If an officer or em-
20 ployee of the Federal Government violates paragraph
21 (1), the Secretary shall take corrective action (includ-
22 ing the imposition of sanctions, when necessary) in
23 conformance with civil service laws.

24 (e) *IMPLEMENTATION PROBLEMS.*—

1 (1) *ACTIONS BY RELEVANT AGENCY HEAD.*—The
2 relevant agency head shall promptly correct any prob-
3 lems that may arise in the implementation of a final
4 determination.

5 (2) *OVERSIGHT.*—The Secretary shall assign em-
6 ployees within the Office of the Inspector General
7 whom appellants may contact concerning problems
8 with the implementation of final determinations of
9 the Division. The employees shall investigate and, to
10 the extent practicable, resolve the implementation
11 problems.

12 (3) *IDENTITY AND ACTIVITIES OF OVERSIGHT*
13 *AGENCY.*—The Secretary shall notify the Director of
14 the business address and telephone number of employ-
15 ees assigned under paragraph (2). The Director shall
16 include this information in the final determination
17 notice of the Division to an appellant.

18 **SEC. 2311. DECISIONS OF STATE AND COUNTY COMMIT-**
19 **TEES.**

20 (a) *FINALITY.*—Each decision of a State or county
21 committee (or an employee of the committee) that admin-
22 isters functions of CCC, or functions assigned to ASCS on
23 the date of enactment of this Act, made in good faith in
24 the absence of misrepresentation, false statement, fraud, or
25 willful misconduct shall be final not later than 90 days

1 *after the date of filing of the application for benefits, unless*
2 *the decision is—*

3 *(1) appealed under this subtitle; or*

4 *(2) modified by the Administrator of ASCS or*
5 *the Executive Vice President of CCC.*

6 *(b) RECOVERY OF AMOUNTS.—No action shall be taken*
7 *by the CCC, ASCS, or a State or county committee to re-*
8 *cover amounts found to have been disbursed as a result of*
9 *a decision in error if the decision of the State or county*
10 *committee has become final under subsection (a), unless the*
11 *participant had reason to believe that the decision was erro-*
12 *neous.*

13 **SEC. 2312. PROHIBITION ON ADVERSE ACTION WHILE AP-**
14 **PEAL IS PENDING.**

15 *(a) IN GENERAL.—The Secretary may not take any*
16 *adverse action against an appellant relating to an appeal*
17 *while any proceeding authorized or required under this sub-*
18 *title is pending, including any action that would prevent*
19 *the implementation of a decision that is favorable to the*
20 *appellant.*

21 *(b) WITHHOLDING.—This section shall not preclude*
22 *the Secretary from withholding a payment if the eligibility*
23 *for, or amount of, the payment is an issue on appeal, except*
24 *that ongoing assistance to then current borrowers and*

1 grantees shall not be discontinued pending the outcome of
2 an appeal.

3 **SEC. 2313. RELATIONSHIP TO OTHER LAWS.**

4 (a) *OTHER RIGHTS.*—This subtitle is not intended to
5 supersede or deprive a recipient of assistance from an agen-
6 cy of any rights that the recipient may have under any
7 other law, including section 510(g) of the Housing Act of
8 1949 (42 U.S.C. 1480(g)).

9 (b) *EQUITABLE RELIEF.*—This subtitle is not intended
10 to affect the authority of an agency head to grant equitable
11 relief.

12 (c) *EMPLOYEE RIGHTS.*—This subtitle shall neither
13 supersede nor interfere with rights granted to employees or
14 their exclusive representatives by applicable civil service
15 laws.

16 **SEC. 2314. EVALUATION OF AGENCY DECISIONMAKERS AND**
17 **OTHER EMPLOYEES.**

18 (a) *EVALUATION IN ANNUAL REVIEW.*—The Secretary
19 shall promulgate regulations to require the evaluation de-
20 scribed in subsection (b) as part of the annual review of
21 the performance of decisionmakers, State directors, and
22 agency heads.

23 (b) *PERFORMANCE.*—In the review, a decisionmaker,
24 a State director, or an agency head shall be considered to

1 *have performed poorly if the decisionmaker, State director,*
2 *or agency head—*

3 *(1) takes action that leads to numerous appeals*
4 *that result in adverse decisions that are reversed or*
5 *modified;*

6 *(2) fails to properly implement final determina-*
7 *tions of the Division;*

8 *(3) fails to satisfactorily perform the reviewing*
9 *and monitoring responsibilities required under sub-*
10 *section (c) or (e)(1) of section 2310, whichever ap-*
11 *plies; or*

12 *(4) threatens or intimidates, or engages in retal-*
13 *iation or retribution against, an appellant in viola-*
14 *tion of section 2310(d).*

15 *(c) SANCTIONS.—If a decisionmaker, State director, or*
16 *relevant agency head has performed poorly (as determined*
17 *under subsection (b)), the Secretary shall issue sanctions*
18 *against the decisionmaker, State director, or relevant agen-*
19 *cy head, as the case may be, which may include a formal*
20 *reprimand or dismissal consistent with civil service laws.*

21 **SEC. 2315. CONFORMING AMENDMENTS.**

22 *(a) ASCS.—*

23 *(1) FINALITY OF FARMERS PAYMENTS AND*
24 *LOANS.—Section 385 of the Agricultural Adjustment*
25 *Act of 1938 (7 U.S.C. 1385) is amended—*

1 (A) by striking the first sentence and insert-
2 ing the following new sentence: “As used in this
3 section, the term ‘payment’ means any payment
4 under the Soil Conservation and Domestic Allot-
5 ment Act (16 U.S.C. 590a et seq.), any payment
6 under the wheat, feed grain, upland cotton, extra
7 long staple cotton, and rice programs authorized
8 by the Agricultural Act of 1949 (7 U.S.C. 1421
9 et seq.) and this title, or any loan or price sup-
10 port operation, or the amount of the payment,
11 loan, or price support.”; and

12 (B) in the second sentence, by striking “any
13 such payment” and inserting “a payment”.

14 (2) DETERMINATIONS BY SECRETARY; AP-
15 PEALS.—Sections 412 and 426 of the Agricultural Act
16 of 1949 (7 U.S.C. 1429 and 1433e) are repealed.

17 (b) FMHA.—Section 333B of the Consolidated Farm
18 and Rural Development Act (7 U.S.C. 1983b) is repealed.

19 (c) FCIC.—The last sentence of section 508(f) of the
20 Federal Crop Insurance Act (7 U.S.C. 1508(f)) is amended
21 by inserting before the period at the end the following: “or
22 within 1 year after the claimant receives a final determina-
23 tion notice from an administrative appeal made in accord-
24 ance with title II of the Department of Agriculture Reorga-
25 nization Act of 1994, whichever is later”.

1 **Subtitle D—Farm and**
2 **International Trade Services**

3 **SEC. 2401. UNDER SECRETARY FOR FARM AND INTER-**
4 **NATIONAL TRADE SERVICES.**

5 (a) *ESTABLISHMENT.*—*There is established in the De-*
6 *partment the position of Under Secretary of Agriculture for*
7 *Farm and International Trade Services (referred to in this*
8 *section as the “Under Secretary”), to be appointed by the*
9 *President, by and with the advice and consent of the Senate.*

10 (b) *DUTIES.*—*The Under Secretary shall exercise such*
11 *functions and perform such duties related to farm and*
12 *international trade services, and shall perform such other*
13 *duties, as may be required by law or prescribed by the Sec-*
14 *retary.*

15 (c) *CONTINUITY OF THE POSITION.*—*Any official serv-*
16 *ing as Under Secretary for International Affairs and Com-*
17 *modity Programs on the date of enactment of this Act, who*
18 *has been appointed by the President and confirmed by the*
19 *Senate, shall be considered on and after the date of enact-*
20 *ment of this Act to be serving in the successor position estab-*
21 *lished by subsection (a), and shall not be required to be re-*
22 *confirmed by reason of the enactment of this title.*

23 (d) *CONFORMING AMENDMENTS.*—

24 (1) *Section 5314 of title 5, United States Code,*
25 *is amended by striking “Under Secretary of Agri-*

1 *culture for International Affairs and Commodity Pro-*
2 *grams.” and inserting “Under Secretary of Agri-*
3 *culture for Farm and International Trade Services.”.*

4 (2) *Section 501 of the Agricultural Trade Act of*
5 *1978 (7 U.S.C. 5691) is repealed.*

6 **SEC. 2402. FARM SERVICE AGENCY.**

7 (a) *ESTABLISHMENT.—The Secretary is authorized to*
8 *establish and maintain a Farm Service Agency (referred*
9 *to in this section as the “Agency”) and assign to the Agency*
10 *such functions as the Secretary may consider appropriate.*

11 (b) *HEAD.—*

12 (1) *AGENCY.—If the Secretary establishes the*
13 *Agency, the Agency or any successor administrative*
14 *unit shall be headed by an Administrator who shall*
15 *be appointed by the President, by and with the advice*
16 *and consent of the Senate.*

17 (2) *FCIC.—The Secretary may appoint the Ad-*
18 *ministrator of the Agency, or any other person, to*
19 *serve as head of the Federal Crop Insurance Corpora-*
20 *tion.*

21 (c) *FUNCTIONS.—Except as provided in subsection (d),*
22 *the Secretary is authorized to carry out through the Agen-*
23 *cy—*

24 (1) *price and income support, production adjust-*
25 *ment, and other related functions;*

1 (2) *functions of the Federal Crop Insurance Cor-*
2 *poration;*

3 (3) *notwithstanding section 331 of the Consoli-*
4 *dated Farm and Rural Development Act (7 U.S.C.*
5 *1981), agricultural credit functions assigned prior to*
6 *the date of enactment of this Act to the Farmers*
7 *Home Administration, including farm ownership, op-*
8 *erating, emergency, and disaster loan functions, and*
9 *other lending programs for producers of agricultural*
10 *commodities; and*

11 (4) *any other function or administrative unit*
12 *that the Secretary considers appropriate.*

13 (d) *FUNCTIONS NOT ASSIGNABLE TO THE AGENCY.—*
14 *Except as otherwise determined by the Secretary, functions*
15 *relating to conservation programs authorized to be assigned*
16 *to the Natural Resources Conservation Service established*
17 *under section 2701 may not be assigned to the Agency.*

18 (e) *USE OF EMPLOYEES.—Notwithstanding any other*
19 *provision of law, in carrying out in any county or area*
20 *any functions assigned to the Agency or any successor ad-*
21 *ministrative area, the Secretary is authorized to—*

22 (1) *use interchangeably, in the implementation*
23 *of functions, Federal employees, and employees of*
24 *county and State committees established under section*

1 *8(b) of the Soil Conservation and Domestic Allotment*
2 *Act (16 U.S.C. 590h(b)); and*

3 *(2) provide interchangeably for supervision by*
4 *the employees of the performance of functions assigned*
5 *to the Agency.*

6 *(f) COLLOCATION.—The Secretary, to the maximum*
7 *extent practicable, shall collocate county offices of the Agen-*
8 *cy with county offices of the Natural Resources Conserva-*
9 *tion Service in order to—*

10 *(1) maximize savings from shared equipment, of-*
11 *fice space, and administrative support;*

12 *(2) simplify paperwork and regulatory require-*
13 *ments;*

14 *(3) provide improved services to producers and*
15 *landowners affected by programs administered by the*
16 *Agency and the Service; and*

17 *(4) achieve computer compatibility between the*
18 *Agency and the Service to maximize efficiency and*
19 *savings.*

20 *(g) CONTINUITY OF THE POSITION.—Any official serv-*
21 *ing on the date of enactment of this Act, who has been ap-*
22 *pointed by the President and confirmed by the Senate, shall*
23 *not be required to be reconfirmed by reason of the enactment*
24 *of this title.*

25 *(h) CONFORMING AMENDMENTS.—*

1 (1) *The second sentence of section 505(a) of the*
2 *Federal Crop Insurance Act (7 U.S.C. 1505(a)) is*
3 *amended by striking “the Under Secretary or Assist-*
4 *ant Secretary of Agriculture responsible for the farm*
5 *credit programs of the Department of Agriculture,”*
6 *and inserting “one additional Under or Assistant*
7 *Secretary of Agriculture, as designated by the Sec-*
8 *retary,”.*

9 (2) *Section 507(d) of the Federal Crop Insurance*
10 *Act (7 U.S.C. 1507(d)) is amended by striking “sec-*
11 *tion 516 of this Act,” and all that follows through the*
12 *period at the end of the subsection and inserting “sec-*
13 *tion 516.”.*

14 (3) *Section 331(a) of the Consolidated Farm and*
15 *Rural Development Act (7 U.S.C. 1981(a)) is amend-*
16 *ed by striking “assets to the Farmers Home Adminis-*
17 *tration” and all that follows through the period at the*
18 *end of the subsection and inserting “assets to such of-*
19 *icers or administrative units of the Department of*
20 *Agriculture as the Secretary may consider appro-*
21 *priate.”.*

22 **SEC. 2403. STATE AND COUNTY COMMITTEES.**

23 *Section 8(b) of the Soil Conservation and Domestic Al-*
24 *lotment Act (16 U.S.C. 590h(b)) is amended—*

1 (1) by designating the first through eighth undes-
2 ignated paragraphs as paragraphs (1) through (8),
3 respectively; and

4 (2) in paragraph (5) (as so designated) by add-
5 ing at the end the following new sentence: “The Sec-
6 retary is authorized, after consultation with the State
7 committee of the State in which the affected counties
8 are located, to terminate, combine, and consolidate
9 two or more county committees established under this
10 subsection.”.

11 **SEC. 2404. INTERNATIONAL TRADE SERVICE.**

12 (a) *ESTABLISHMENT.*—The Secretary is authorized to
13 establish and maintain an International Trade Service (re-
14 ferred to in this section as the “Service”) and to assign to
15 the Service such functions or administrative units as the
16 Secretary may consider appropriate and consistent with
17 this title.

18 (b) *HEAD.*—If the Secretary establishes the Service, the
19 Service or any successor administrative unit shall be headed
20 by an Administrator who shall be appointed by the Presi-
21 dent, by and with the advice and consent of the Senate.

22 (c) *FUNCTIONS.*—The Secretary is authorized to carry
23 out, through the Service or through such other officers or
24 administrative units as the Secretary may consider appro-
25 priate, programs and activities involving—

1 (1) *the acquisition of information pertaining to*
2 *agricultural trade;*

3 (2) *market promotion and development;*

4 (3) *promotion of exports of United States agri-*
5 *cultural commodities;*

6 (4) *administration of international food assist-*
7 *ance; and*

8 (5) *international development, technical assist-*
9 *ance, and training.*

10 (d) *CONTINUITY OF THE POSITION.*—*Any official serv-*
11 *ing on the date of enactment of this Act, who has been ap-*
12 *pointed by the President and confirmed by the Senate, shall*
13 *not be required to be reconfirmed by reason of the enactment*
14 *of this title.*

15 (e) *CONFORMING AMENDMENTS.*—*Sections 502 and*
16 *503 of the Agricultural Trade Act of 1978 (7 U.S.C. 5692*
17 *and 5693) are repealed.*

18 ***Subtitle E—Rural Economic and***
19 ***Community Development***

20 ***SEC. 2501. UNDER SECRETARY FOR RURAL ECONOMIC AND***
21 ***COMMUNITY DEVELOPMENT.***

22 (a) *ESTABLISHMENT.*—*Subsection (a) of section 3 of*
23 *the Rural Development Policy Act of 1980 (7 U.S.C. 2211b)*
24 *is amended to read as follows:*

1 “(a)(1) *There is established in the Department of Agri-*
2 *culture the position of Under Secretary of Agriculture for*
3 *Rural Economic and Community Development to be ap-*
4 *pointed by the President, by and with the advice and con-*
5 *sent of the Senate.*

6 “(2) *The Under Secretary of Agriculture for Rural*
7 *Economic and Community Development shall exercise such*
8 *functions and perform such duties related to rural economic*
9 *and community development, and shall perform such other*
10 *duties, as may be required by law or prescribed by the Sec-*
11 *retary of Agriculture.”.*

12 (b) *CONTINUITY OF POSITION.*—*Any official serving as*
13 *Under Secretary of Agriculture for Small Community and*
14 *Rural Development on the date of enactment of this Act,*
15 *after appointment by the President, by and with the advice*
16 *and consent of the Senate, shall be considered after the date*
17 *of enactment of this Act to be serving in the successor posi-*
18 *tion established by the amendment made by subsection (a),*
19 *and shall not be required to be reconfirmed by reason of*
20 *the enactment of this title.*

21 (c) *CONFORMING AMENDMENT.*—*Section 5314 of title*
22 *5, United States Code, is amended by striking “Under Sec-*
23 *retary of Agriculture for Small Community and Rural De-*
24 *velopment.” and inserting “Under Secretary of Agriculture*
25 *for Rural Economic and Community Development.”.*

1 **SEC. 2502. RURAL UTILITIES SERVICE.**

2 (a) *ESTABLISHMENT.*—Notwithstanding section 364 of
3 the Consolidated Farm and Rural Development Act (7
4 U.S.C. 2006f) and any other provision of law, the Secretary
5 is authorized to establish and maintain within the Depart-
6 ment the Rural Utilities Service (referred to in this section
7 as the “Service”) and to assign to the Service such functions
8 and administrative units as the Secretary may consider ap-
9 propriate.

10 (b) *HEAD.*—If the Secretary establishes the Service, the
11 Service or any successor administrative unit shall be headed
12 by an Administrator who shall be appointed by the Presi-
13 dent, by and with the advice and consent of the Senate.

14 (c) *FUNCTIONS.*—The Secretary may carry out
15 through the Service, or through any other officer or admin-
16 istrative unit as the Secretary may consider appropriate—

17 (1) *electric and telephone loan programs and*
18 *water and waste facility activities authorized by law,*
19 *including—*

20 (A) *the Rural Electrification Act of 1936 (7*
21 *U.S.C. 901 et seq.); and*

22 (B) *section 2322 of the Food, Agriculture,*
23 *Conservation, and Trade Act of 1990 (7 U.S.C.*
24 *1926–1); and*

25 (2) *water and waste facility programs and ac-*
26 *tivities authorized by law, including—*

1 (A) sections 306, 306A, 306B, and 306C,
2 the provisions of sections 309 and 309A relating
3 to assets, terms, and conditions of water and
4 sewer programs, section 310B(b)(2), and the
5 amendment made by section 342 of the Consoli-
6 dated Farm and Rural Development Act (7
7 U.S.C. 1926, 1926a, 1926b, 1926c, 1929, 1929a,
8 1932(b)(2), and 1013a); and

9 (B) section 2324 of the Food, Agriculture,
10 Conservation, and Trade Act of 1990 (7 U.S.C.
11 1926 note).

12 (d) *CONTINUITY OF THE POSITION.*—Any official serv-
13 ing on the date of enactment of this Act, who has been ap-
14 pointed by the President and confirmed by the Senate, shall
15 not be required to be reconfirmed by reason of the enactment
16 of this title.

17 (e) *CONFORMING AMENDMENTS TO THE RURAL ELEC-*
18 *TRIFICATION ACT.*—

19 (1) *The first section of the Rural Electrification*
20 *Act of 1936 (7 U.S.C. 901) is amended by striking*
21 *“there is” and all that follows through “This Act”*
22 *and inserting “this Act”.*

23 (2) *Section 2 of such Act (7 U.S.C. 902) is*
24 *amended by striking “Administrator” and inserting*
25 *“Secretary of Agriculture”.*

1 (3) *Section 3(a) of such Act (7 U.S.C 903(a)) is*
2 *amended—*

3 (A) *by striking “Administrator, upon the*
4 *request and approval of the Secretary of Agri-*
5 *culture,” and inserting “Secretary,”; and*

6 (B) *by striking “Administrator appointed*
7 *pursuant to the provisions of this Act or from*
8 *the Administrator of the Rural Electrification*
9 *Administration established by Executive Order*
10 *Numbered 7037” and inserting “Secretary”.*

11 (4) *Section 8 of such Act (7 U.S.C. 908) is*
12 *amended—*

13 (A) *in the first sentence, by striking “Ad-*
14 *ministrator authorized to be appointed by this*
15 *Act” and inserting “Secretary”; and*

16 (B) *in the second sentence, by striking*
17 *“Rural Electrification Administration created by*
18 *this Act” and inserting “Secretary”.*

19 (5) *Section 11A of such Act (7 U.S.C. 911a) is*
20 *repealed.*

21 (6) *Section 13 of such Act (7 U.S.C. 913) is*
22 *amended by inserting before the period the following:*
23 *“; and the term ‘Secretary’ means the Secretary of*
24 *Agriculture”.*

1 (7) Sections 206(b)(2), 306A(b), 311, and
2 405(b)(1)(A) of such Act (7 U.S.C. 927(b)(2), 936a(b),
3 940a, and 945(b)(1)(A)) are amended by striking
4 “Rural Electrification Administration” each place it
5 appears and inserting “Secretary”.

6 (8) Section 403(b) of such Act (7 U.S.C. 943(b))
7 is amended by striking “Rural Electrification Admin-
8 istration or of any other agency of the Department of
9 Agriculture,” and inserting “Secretary”.

10 (9) Section 404 of such Act (7 U.S.C. 944) is
11 amended by striking “the Administrator of the Rural
12 Electrification Administration” and inserting “the
13 Secretary of Agriculture shall designate an official of
14 the Department of Agriculture who”.

15 (10) Sections 406(c) and 410(a)(1) of such Act
16 (7 U.S.C. 946(c) and 950) are amended by striking
17 “Administrator of the Rural Electrification Adminis-
18 tration” each place it appears and inserting “Sec-
19 retary”.

20 (11) Such Act (7 U.S.C. 901 et seq.) is amended
21 by striking “Administrator” each place it appears
22 and inserting “Secretary”.

23 (f) MISCELLANEOUS CONFORMING AMENDMENTS.—

24 (1) Section 236(a) of the Disaster Relief Act of
25 1970 (7 U.S.C. 912a) is amended by striking “Rural

1 *Electrification Administration” and inserting “Sec-*
2 *retary pursuant to the Rural Electrification Act of*
3 *1936 (7 U.S.C. 901 et seq.)”.*

4 *(2) The second undesignated paragraph of sec-*
5 *tion 401 of the Rural Electrification Act of 1938 (52*
6 *Stat. 818; 7 U.S.C. 903 note) is amended by striking*
7 *“Administrator of the Rural Electrification Adminis-*
8 *tration” and inserting “Secretary of Agriculture”.*

9 *(3) Section 15 of the Department of Agriculture*
10 *Organic Act of 1944 (7 U.S.C. 915) is amended by*
11 *striking “Rural Electrification Administration” and*
12 *inserting “Secretary”.*

13 *(4)(A) Section 2333 of the Food, Agriculture,*
14 *Conservation, and Trade Act of 1990 (7 U.S.C.*
15 *950aaa-2) is amended—*

16 *(i) by striking paragraph (1); and*

17 *(ii) by redesignating paragraphs (2)*
18 *through (11) as paragraphs (1) through (10), re-*
19 *spectively.*

20 *(B) Chapter 1 of subtitle D of title XXIII of such*
21 *Act (7 U.S.C. 950aaa et seq.) is amended by striking*
22 *“Administrator” each place it appears and inserting*
23 *“Secretary”.*

1 **SEC. 2503. RURAL HOUSING AND COMMUNITY DEVELOP-**
2 **MENT SERVICE.**

3 (a) *ESTABLISHMENT.*—Notwithstanding section 364 of
4 the Consolidated Farm and Rural Development Act (7
5 U.S.C. 2006f) and any other provision of law, the Secretary
6 is authorized to establish and maintain within the Depart-
7 ment the Rural Housing and Community Development
8 Service (referred to in this section as the “Service”) and
9 to assign to the Service such functions as the Secretary may
10 consider appropriate.

11 (b) *FUNCTIONS.*—The Secretary is authorized to carry
12 out through the Service, or through any other officer or ad-
13 ministrative unit as the Secretary may consider appro-
14 priate—

15 (1) *programs and activities under title V of the*
16 *Housing Act of 1949 (42 U.S.C. 1471 et seq.);*

17 (2) *programs and activities authorized under*
18 *section 310B(i) of the Consolidated Farm and Rural*
19 *Development Act (7 U.S.C. 1932(i)) and related pro-*
20 *visions of law; and*

21 (3) *programs and activities that relate to rural*
22 *community lending programs, including programs*
23 *authorized by sections 365 through 369 of the Consoli-*
24 *dated Farm and Rural Development Act (7 U.S.C.*
25 *2008 through 2008d).*

1 **SEC. 2504. RURAL BUSINESS AND COOPERATIVE DEVELOP-**
2 **MENT SERVICE.**

3 (a) *ESTABLISHMENT.*—Notwithstanding section 364 of
4 the Consolidated Farm and Rural Development Act (7
5 U.S.C. 2006f) and any other provision of law, the Secretary
6 is authorized to establish and maintain within the Depart-
7 ment the Rural Business and Cooperative Development
8 Service (referred to in this section as the “Service”), and
9 to assign to the Service such functions as the Secretary may
10 consider appropriate.

11 (b) *FUNCTIONS.*—The Secretary is authorized to carry
12 out through the Service, or through any other officer or ad-
13 ministrative unit as the Secretary may consider appro-
14 priate, programs and activities, including—

15 (1) section 313 and title V of the Rural Elec-
16 trification Act of 1936 (7 U.S.C. 940c and 950aa et
17 seq.);

18 (2) subtitle G of title XVI of the Food, Agri-
19 culture, Conservation, and Trade Act of 1990 (7
20 U.S.C. 5901 et seq.);

21 (3) sections 306(a)(1) and 310B of the Consoli-
22 dated Farm and Rural Development Act (7 U.S.C.
23 1926(a)(1) and 1932);

24 (4) section 1323 of the Food Security Act of 1985
25 (Public Law 99–198; 7 U.S.C. 1932 note); and

1 (5) the Act of July 2, 1926 (44 Stat. 802, chap-
2 ter 725; 7 U.S.C. 451 et seq.).

3 **Subtitle F—Food, Nutrition, and**
4 **Consumer Services**

5 **SEC. 2601. UNDER SECRETARY OF AGRICULTURE FOR**
6 **FOOD, NUTRITION, AND CONSUMER SERV-**
7 **ICES.**

8 (a) *ESTABLISHMENT.*—There is established in the De-
9 partment the position of Under Secretary of Agriculture for
10 Food, Nutrition, and Consumer Services to be appointed
11 by the President, by and with the advice and consent of
12 the Senate.

13 (b) *DUTIES.*—The Under Secretary of Agriculture for
14 Food, Nutrition, and Consumer Services shall exercise such
15 functions and perform such duties related to food, nutrition,
16 and consumer services, and shall perform such other duties,
17 as may be required by law or prescribed by the Secretary.

18 (c) *CONTINUITY OF THE POSITION.*—Any official serv-
19 ing as Assistant Secretary of Agriculture for Food and
20 Consumer Services on the date of enactment of this Act,
21 after appointment by the President, by and with the advice
22 and consent of the Senate, shall be considered to be serving
23 in the successor position established by subsection (a), and
24 shall not be required to be reconfirmed by reason of the en-
25 actment of this title.

1 (d) *CONFORMING AMENDMENT.*—Section 5314 of title
2 5, United States Code, is amended by adding at the end
3 the following:

4 “Under Secretary of Agriculture for Food, Nutri-
5 tion, and Consumer Services.”.

6 **SEC. 2602. FOOD AND CONSUMER SERVICE.**

7 (a) *ESTABLISHMENT.*—The Secretary is authorized to
8 establish and maintain within the Department the Food
9 and Consumer Service (referred to in this section as the
10 “Service”) and to assign to the Service such functions as
11 the Secretary may consider appropriate.

12 (b) *FUNCTIONS.*—The Secretary is authorized to carry
13 out through the Service, or through any other officer or ad-
14 ministrative unit as the Secretary may consider appro-
15 priate, programs and activities, including—

16 (1) the Food Stamp Act of 1977 (7 U.S.C. 2011
17 et seq.);

18 (2) the National School Lunch Act (42 U.S.C.
19 1751 et seq.); and

20 (3) the Child Nutrition Act of 1966 (42 U.S.C.
21 1771 et seq).

22 **SEC. 2603. NUTRITION RESEARCH AND EDUCATION SERV-**
23 **ICE.**

24 (a) *ESTABLISHMENT.*—The Secretary is authorized to
25 establish and maintain within the Department the Nutri-

1 *tion Research and Education Service (referred to in this*
2 *section as the “Service”)* and to assign to the Service such
3 *functions as the Secretary may consider appropriate.*

4 (b) *FUNCTIONS.—The Secretary is authorized to carry*
5 *out through the Service, or through any other officer or ad-*
6 *ministrative unit as the Secretary may consider appro-*
7 *priate, programs and activities relating to human nutrition*
8 *research and education.*

9 ***Subtitle G—National Resources and***
10 ***Environment***

11 ***SEC. 2701. NATURAL RESOURCES CONSERVATION SERVICE.***

12 (a) *ESTABLISHMENT.—The Secretary is authorized to*
13 *establish and maintain within the Department the Natural*
14 *Resources Conservation Service (referred to in this section*
15 *as the “Service”)* and to assign to the Service such functions
16 *as the Secretary may consider appropriate.*

17 (b) *FUNCTIONS.—The Secretary is authorized to carry*
18 *out through the Service, or through any other officer or ad-*
19 *ministrative unit of the Department as the Secretary may*
20 *consider appropriate, programs and activities, including—*

21 (1) *title X of the Agricultural Act of 1970 (16*
22 *U.S.C. 1501 et seq.);*

23 (2) *the Soil Conservation and Domestic Allot-*
24 *ment Act (16 U.S.C. 590a et seq.);*

25 (3) *the Water Bank Act (16 U.S.C. 1301 et seq.);*

1 (4) *section 4 of the Cooperative Forestry Assist-*
2 *ance Act of 1978 (16 U.S.C. 2103);*

3 (5) *title XII of the Food Security Act of 1985 (16*
4 *U.S.C. 3801 et seq.);*

5 (6) *title IV of the Agricultural Credit Act of*
6 *1978 (16 U.S.C. 2201 et seq.);*

7 (7) *section 202(c) of the Colorado River Basin*
8 *Salinity Control Act (43 U.S.C. 1592(c)); and*

9 (8) *the Farms for the Future Act of 1990 (7*
10 *U.S.C. 4201 note).*

11 (c) *USE OF EMPLOYEES.—Notwithstanding any other*
12 *provision of law, in carrying out in any county or area*
13 *any functions assigned to the Service or any successor ad-*
14 *ministrative unit, the Secretary is authorized to—*

15 (1) *use interchangeably, in the implementation*
16 *of functions, Federal employees, and employees of*
17 *county and area committees established under section*
18 *8(b) of the Soil Conservation and Domestic Allotment*
19 *Act (16 U.S.C. 590h(b)); and*

20 (2) *provide interchangeably for supervision by*
21 *the employees of the performance of functions assigned*
22 *to the Service.*

23 (d) *AGRICULTURAL CONSERVATION PROGRAM.—In*
24 *carrying out the Agricultural Conservation Program, the*
25 *Secretary shall—*

1 (1) acting on the recommendations of the Serv-
2 ice, with the concurrence of the Farm Service Agency,
3 issue regulations to carry out the program; and

4 (2) use a county committee established under sec-
5 tion 8(b) of the Soil Conservation and Domestic Allot-
6 ment Act (16 U.S.C. 590h(b)) to make the final deci-
7 sion on which applicants are eligible to receive cost
8 share assistance under the program based on prior-
9 ities and guidelines established at the national and
10 State levels by the Service.

11 (e) CONFORMING AMENDMENTS.—

12 (1) Section 5 of the Soil Conservation and Do-
13 mestic Allotment Act (16 U.S.C. 590e) is repealed.

14 (2)(A) Section 2(2) of the Soil and Water Re-
15 sources Conservation Act of 1977 (16 U.S.C. 2001(2))
16 is amended by striking “the Soil Conservation Service
17 of”.

18 (B) Section 3(2) of such Act (16 U.S.C. 2002(2))
19 is amended by striking “through the Soil Conserva-
20 tion Service”.

21 (C) The first sentence of section 6(a) of such Act
22 (16 U.S.C. 2005(a)) is amended by striking “Soil
23 Conservation Service” and inserting “Secretary”.

1 **SEC. 2702. REORGANIZATION OF FOREST SERVICE.**

2 (a) *IN GENERAL.*—*Reorganization proposals that are*
3 *developed by the Secretary to carry out the designation by*
4 *the President of the Forest Service as a Reinvention Lab*
5 *pursuant to the National Performance Review (September*
6 *1993) shall include proposals for—*

7 (1) *reorganizing the Service in a manner that is*
8 *consistent with the principles of interdisciplinary*
9 *planning;*

10 (2) *redefining and consolidating the mission and*
11 *roles of, and research conducted by, employees of the*
12 *Service in connection with the National Forest Sys-*
13 *tem and State and private forestry to facilitate inter-*
14 *disciplinary planning and to eliminate functional-*
15 *ism;*

16 (3) *reforming the budget structure of the Service*
17 *to support interdisciplinary planning, including re-*
18 *ducing the number of budget line items;*

19 (4) *defining new measures of accountability so*
20 *that Congress may meet the constitutional obligation*
21 *of Congress to oversee the Service;*

22 (5) *achieving structural and organizational con-*
23 *solidations;*

24 (6) *to the extent practicable, sharing office space,*
25 *equipment, vehicles, and electronic systems with other*
26 *administrative units of the Department and other*

1 *Federal field offices, including proposals for using an*
2 *on-line system by all administrative units of the De-*
3 *partment to maximize administrative efficiency; and*

4 *(7) reorganizing the Service in a manner that*
5 *will result in a larger percentage of employees of the*
6 *Service being retained at organizational levels below*
7 *regional offices, research stations, and the area office*
8 *of the Service.*

9 *(b) REPORT.—Not later than March 31, 1995, the Sec-*
10 *retary shall submit a report to the Committee on Agri-*
11 *culture of the House of Representatives and the Committee*
12 *on Agriculture, Nutrition, and Forestry of the Senate that*
13 *describes actions taken to carry out subsection (a) and iden-*
14 *tifies any disparities in regional funding patterns and the*
15 *rationale behind the disparities.*

16 ***Subtitle H—Marketing and***
17 ***Inspection Services***

18 ***SEC. 2801. GRAIN INSPECTION, PACKERS AND STOCKYARDS***

19 ***ADMINISTRATION.***

20 *(a) ESTABLISHMENT.—The Secretary is authorized to*
21 *establish and maintain within the Department the Grain*
22 *Inspection, Packers and Stockyards Administration (re-*
23 *ferred to in this section as the “Administration”)* and to
24 *assign to the Administration such functions as the Sec-*
25 *retary may consider appropriate.*

1 (b) *FUNCTIONS.*—*The Secretary is authorized to carry*
2 *out through the Administration, or through any other offi-*
3 *cer or administrative unit as the Secretary may consider*
4 *appropriate, programs and activities authorized under—*

5 (1) *the United States Grain Standards Act (7*
6 *U.S.C. 71 et seq.); and*

7 (2) *the Packers and Stockyards Act, 1921 (7*
8 *U.S.C. 181 et seq.).*

9 (c) *CONFORMING AMENDMENTS.*—

10 (1)(A) *Section 3 of the United States Grain*
11 *Standards Act (7 U.S.C. 75) is amended—*

12 (i) *by striking subsections (z) and (aa); and*

13 (ii) *by redesignating subsection (bb) as sub-*
14 *section (z).*

15 (B) *Section 3A of such Act (7 U.S.C. 75a) is re-*
16 *pealed.*

17 (C) *Section 5(b) of such Act (7 U.S.C. 77(b)) is*
18 *amended by striking “Service employees” and insert-*
19 *ing “employees of the Secretary”.*

20 (D) *The first sentences of each of sections 7(j)(2)*
21 *and 7A(l)(2) of such Act (7 U.S.C. 79(j)(2) and*
22 *79a(l)(2), respectively) are amended by striking “su-*
23 *per vision by Service personnel of its field office per-*
24 *sonnel” and inserting “supervision by the Secretary*
25 *of the field office personnel of the Secretary”.*

1 (E) Section 12 of such Act (7 U.S.C. 87a) is
2 amended—

3 (i) in the first sentence of subsection (c), by
4 striking “or Administrator”; and

5 (ii) in subsection (d), by striking “or the
6 Administrator”.

7 (F) Such Act (7 U.S.C. 71 et seq.) is amended
8 by striking “Administrator” and “Service” each place
9 either term appears and inserting “Secretary”.

10 (2) Section 407 of the Packers and Stockyards
11 Act, 1921 (7 U.S.C. 228) is amended—

12 (A) by striking subsection (b);

13 (B) by redesignating subsections (c) through
14 (f) as subsections (b) through (e), respectively;
15 and

16 (C) in subsection (e) (as so designated), by
17 striking “subsection (e)” and inserting “sub-
18 section (d)”.

19 ***Subtitle I—Research, Economics,***
20 ***and Education***

21 ***SEC. 2901. FEDERAL RESEARCH AND INFORMATION SERV-***
22 ***ICE.***

23 (a) *ESTABLISHMENT.*—The Secretary is authorized to
24 establish and maintain within the Department the Federal
25 Research and Information Service (referred to in this sec-

1 *tion as the “Service”) and to assign to the Service such*
2 *functions as the Secretary may consider appropriate.*

3 (b) *FUNCTIONS.—The Secretary is authorized to carry*
4 *out through the Service, or through any other officer or ad-*
5 *ministrative unit as the Secretary may consider appro-*
6 *priate, programs and activities, including—*

7 (1) *agricultural research; and*

8 (2) *agricultural information and library serv-*
9 *ices.*

10 **SEC. 2902. COOPERATIVE STATE RESEARCH AND EDU-**
11 **CATION SERVICE.**

12 (a) *ESTABLISHMENT.—The Secretary is authorized to*
13 *establish and maintain within the Department the Coopera-*
14 *tive State Research and Education Service (referred to in*
15 *this section as the “Service”) and to assign to the Service*
16 *such functions as the Secretary may consider appropriate.*

17 (b) *FUNCTIONS.—The Secretary is authorized to carry*
18 *out through the Service programs and activities, includ-*
19 *ing—*

20 (1) *cooperative research programs; and*

21 (2) *agricultural extension and education pro-*
22 *grams.*

1 **SEC. 2903. AGRICULTURAL ECONOMICS AND STATISTICS**

2 **SERVICE.**

3 (a) *ESTABLISHMENT.*—The Secretary may establish
4 and maintain within the Department the Agricultural Eco-
5 nomics and Statistics Service (referred to in this section
6 as the “Service”) and to assign to the Service such functions
7 as the Secretary may consider appropriate.

8 (b) *FUNCTIONS.*—The Secretary may carry out
9 through the Service, or through any other officer or admin-
10 istrative unit as the Secretary may consider appropriate,
11 programs and activities, including—

12 (1) *economic analysis and research;*

13 (2) *energy-related programs;*

14 (3) *crop and livestock estimates; and*

15 (4) *agricultural statistics.*

16 (c) *STATE AND LOCAL STATISTICAL OFFICES AND*
17 *PERSONNEL.*—The authority provided by subsections (a)
18 and (b) shall not authorize a substantial change in the func-
19 tions or structures of State and local statistical offices and
20 employees of the offices.

21 **SEC. 2904. PROGRAM POLICY AND COORDINATION STAFF.**

22 (a) *ESTABLISHMENT.*—The Secretary is authorized to
23 establish and maintain within the Department the Program
24 Policy and Coordination Staff (referred to in this section
25 as the “Staff”) and to assign to the Staff such functions
26 as the Secretary may consider appropriate.

1 (b) *FUNCTIONS.*—*If the Staff is established and main-*
2 *tained, the Staff shall provide common program policy de-*
3 *velopment for the Federal Research and Information Serv-*
4 *ice, the Cooperative State Research and Education Service,*
5 *and the Agricultural Economics and Statistics Service.*

6 (c) *COMPOSITION.*—*Not less than 50 percent of the em-*
7 *ployees of the Staff shall be former employees of the Cooper-*
8 *ative State Research Service and the Extension Service, as*
9 *in existence on the date of enactment of this Act.*

10 (d) *RELATIONSHIP TO FUNCTIONS CURRENTLY PER-*
11 *FORMED BY NASS.*—*The Staff may not—*

12 (1) *interfere with statistic collection and report-*
13 *ing; or*

14 (2) *compromise the independence or integrity of*
15 *statistic collection and reporting functions of the Na-*
16 *tional Agricultural Statistics Service as in effect on*
17 *the date of enactment of this Act.*

18 ***Subtitle J—Food Safety***

19 ***SEC. 2951. FOOD SAFETY SERVICE.***

20 (a) *MEAT INSPECTION.*—*The Federal Meat Inspection*
21 *Act (21 U.S.C. 601 et seq.) is amended by adding at the*
22 *end the following new title:*

1 **“TITLE V—FOOD SAFETY**
2 **SERVICE**

3 **“SEC. 501. FOOD SAFETY SERVICE.**

4 “(a) *IN GENERAL.*—*The Secretary shall establish and*
5 *maintain within the United States Department of Agri-*
6 *culture the Food Safety Service (referred to in this section*
7 *as the ‘Service’) and to assign to the Service such functions*
8 *as the Secretary may consider appropriate.*

9 “(b) *ASSISTANT SECRETARY FOR FOOD SAFETY.*—

10 “(1) *APPOINTMENT.*—*There shall be in the Serv-*
11 *ice the position of Assistant Secretary for Food Safety*
12 *(referred to in this section as the ‘Assistant Sec-*
13 *retary’), who shall be appointed by the President, by*
14 *and with the advice and consent of the Senate.*

15 “(2) *CONTINUITY OF THE POSITION.*—*Any offi-*
16 *cial serving on the date of enactment of this section,*
17 *who has been appointed by the President and con-*
18 *firmed by the Senate, shall not be required to be re-*
19 *confirmed by reason of the enactment of this Act.*

20 “(3) *RELATIONSHIP TO THE SECRETARY.*—*The*
21 *Assistant Secretary shall report directly to the Sec-*
22 *retary.*

23 “(4) *GENERAL POWERS.*—*The Secretary is au-*
24 *thorized to carry out, through the Service or through*
25 *such other officers or administrative units as the Sec-*

1 *retary may consider appropriate, programs and ac-*
2 *tivities involving food safety under this Act and the*
3 *Poultry Products Inspection Act (21 U.S.C. 451 et*
4 *seq.), including—*

5 *“(A) providing overall direction to the Serv-*
6 *ice and establishing and implementing general*
7 *policies concerning the management and oper-*
8 *ation of programs and inspection activities of*
9 *the Service;*

10 *“(B) coordinating and overseeing the oper-*
11 *ation of all administrative entities within the*
12 *Service;*

13 *“(C) research and inspection relating to*
14 *meat, meat food products, poultry, and poultry*
15 *products in carrying out this Act and the Poul-*
16 *try Products Inspection Act;*

17 *“(D) conducting educational and public in-*
18 *formation programs relating to the responsibil-*
19 *ities of the Service; and*

20 *“(E) performing such other functions relat-*
21 *ed to food safety as the Secretary may prescribe,*
22 *except that only programs and activities related*
23 *to food safety, as determined by the Secretary,*
24 *shall be administered through the Service.*

1 “(c) *TECHNICAL AND SCIENTIFIC REVIEW GROUPS.*—
2 *The Secretary, acting through the Assistant Secretary, may,*
3 *without regard to the provisions of title 5, United States*
4 *Code, governing appointment in the competitive service,*
5 *and without regard to the provisions of chapter 51 and sub-*
6 *chapter III of chapter 53 of title 5, United States Code,*
7 *relating to classification and General Schedule pay rates—*

8 “(1) *establish such technical and scientific re-*
9 *view groups as are needed to carry out the functions*
10 *of the Service, including functions under this Act and*
11 *under the Poultry Products Inspection Act (21 U.S.C.*
12 *451 et seq.); and*

13 “(2) *appoint and pay the members of the groups,*
14 *except that officers and employees of the United States*
15 *shall not receive additional compensation for service*
16 *as a member of a group.”.*

17 (b) *POULTRY PRODUCTS INSPECTION.*—*The Poultry*
18 *Products Inspection Act (21 U.S.C. 451 et seq.) is amend-*
19 *ed—*

20 (1) *by redesignating section 29 as section 30;*
21 *and*

22 (2) *by inserting after section 28 the following*
23 *new section:*

1 **“SEC. 29. ADMINISTRATION.**

2 *“The Secretary shall administer this Act through the*
3 *Assistant Secretary for Food Safety of the Food Safety*
4 *Service established under section 501 of the Federal Meat*
5 *Inspection Act.”.*

6 ***Subtitle K—Miscellaneous***

7 **SEC. 2981. ASSISTANT SECRETARIES OF AGRICULTURE.**

8 (a) *ESTABLISHMENT.*—*There are established in the*
9 *Department six positions of Assistant Secretary of Agri-*
10 *culture, each to be appointed by the President, by and with*
11 *the advice and consent of the Senate.*

12 (b) *FUNCTIONS.*—*Each Assistant Secretary of Agri-*
13 *culture shall exercise such functions and perform such du-*
14 *ties as may be required by law or prescribed by the Sec-*
15 *retary, and shall receive compensation at the rate pre-*
16 *scribed by law for an Assistant Secretary of Agriculture.*
17 *The compensation of any person serving as an Adminis-*
18 *trator shall not be raised by this title.*

19 (c) *CONFORMING AMENDMENTS.*—

20 (1) *Section 2 of the Act of February 9, 1889 (25*
21 *Stat. 659, chapter 122; 7 U.S.C. 2212), is repealed.*

22 (2) *Section 604 of the Rural Development Act of*
23 *1972 (7 U.S.C. 2212a) is amended by striking sub-*
24 *section (a).*

25 (3) *Section 2 of Public Law No. 94–561 (7*
26 *U.S.C. 2212b) is repealed.*

1 (4) *Section 1413 of the National Agricultural*
2 *Research, Extension, and Teaching Policy Act of 1977*
3 *(7 U.S.C. 3128) is amended by striking subsection*
4 *(d).*

5 (5) *Section 8 of the International Carriage of*
6 *Perishable Foodstuffs Act (7 U.S.C 2212c) is amended*
7 *by striking subsection (a).*

8 (d) *CONTINUITY OF POSITIONS.—Notwithstanding*
9 *subsections (a) and (b) and the amendments made by sub-*
10 *section (c), any official serving in any of the positions re-*
11 *ferred to in this section on the date of enactment of this*
12 *Act, after appointment by the President, by and with the*
13 *advice and consent of the Senate, shall be considered after*
14 *the date of enactment of this Act to be serving in the succes-*
15 *sor positions established by subsection (a) and shall not be*
16 *required to be reappointed by reason of the enactment of*
17 *this title.*

18 (e) *ADDITIONAL CONFORMING AMENDMENTS.—Section*
19 *5315 of title 5, United States Code, is amended—*

20 (1) *by striking “Assistant Secretaries of Agri-*
21 *culture (7)” and inserting “Assistant Secretaries of*
22 *Agriculture (six)”;* and

23 (2) *by adding at the end the following:*

24 “*Administrator, Farm Service Agency, Depart-*
25 *ment of Agriculture.*”

1 *“Administrator, International Trade Service,*
2 *Department of Agriculture.*

3 *“Administrator, Rural Utilities Service, Depart-*
4 *ment of Agriculture.”.*

5 **SEC. 2982. REMOVAL OF OBSOLETE PROVISIONS.**

6 *Section 5316 of title 5, United States Code, is amend-*
7 *ed—*

8 (1) *by striking “Administrator, Agricultural*
9 *Marketing Service, Department of Agriculture.”;*

10 (2) *by striking “Administrator, Agricultural Re-*
11 *search Service, Department of Agriculture.”;*

12 (3) *by striking “Administrator, Agricultural*
13 *Stabilization and Conservation Service, Department*
14 *of Agriculture.”;*

15 (4) *by striking “Administrator, Farmers Home*
16 *Administration.”;*

17 (5) *by striking “Administrator, Foreign Agricul-*
18 *tural Service, Department of Agriculture.”;*

19 (6) *by striking “Administrator, Rural Elec-*
20 *trification Administration, Department of Agri-*
21 *culture.”;*

22 (7) *by striking “Administrator, Soil Conserva-*
23 *tion Service, Department of Agriculture.”;*

24 (8) *by striking “Chief Forester of the Forest*
25 *Service, Department of Agriculture.”;*

1 (9) by striking “Director of Science and Edu-
2 cation, Department of Agriculture.”;

3 (10) by striking “Administrator, Animal and
4 Plant Health Inspection Service, Department of Agri-
5 culture.”; and

6 (11) by striking “Administrator, Federal Grain
7 Inspection Service, Department of Agriculture.”.

8 **SEC. 2983. ADDITIONAL CONFORMING AMENDMENTS.**

9 Not later than 180 days after the date of enactment
10 of this Act, the Secretary shall prepare and submit to Con-
11 gress recommended legislation containing additional tech-
12 nical and conforming amendments to Federal law that are
13 necessary as a result of the enactment of this title.

14 **SEC. 2984. TERMINATION OF AUTHORITY.**

15 (a) *IN GENERAL.*—Subject to subsection (b), the au-
16 thority delegated to the Secretary by this title to reorganize
17 the Department shall terminate on the date that is 2 years
18 after the date of enactment of this Act.

19 (b) *FUNCTIONS.*—Subsection (a) shall not affect—

20 (1) the authority of the Secretary to continue to
21 carry out a function that the Secretary performs on
22 the date that is 2 years after the date of enactment
23 of this Act; or

1 (2) the authority delegated to the Secretary
2 under Reorganization Plan No. 2 of 1953 (5 U.S.C.
3 App. 1).

4 **SEC. 2985. ELIMINATION OF DUPLICATIVE INSPECTION RE-**
5 **QUIREMENTS.**

6 (a) *IN GENERAL.*—The Secretary of Agriculture
7 shall—

8 (1) eliminate inspections of pilots and aircraft
9 by the Department of Agriculture;

10 (2) develop with the Administrator of the Federal
11 Aviation Administration inspection specifications
12 and procedures by which aircraft and pilots con-
13 tracted by the United States Department of Agri-
14 culture will be inspected. The Administrator will en-
15 sure that the inspection specifications and procedures
16 are met; and

17 (3) permit the utilization by the Department of
18 Agriculture of inspections and certifications of pilots
19 and aircraft conducted by the Federal Aviation Ad-
20 ministration.

21 (b) *APPLICABILITY.*—An inspection requirement shall
22 be eliminated pursuant to subsection (a)(1) only if the pi-
23 lots and aircraft are inspected by the Federal Aviation Ad-

- 1 *ministration for compliance with the safety regulations of*
- 2 *the Federal Aviation Regulations.*

Attest:

Secretary.

HR 4217 EAS—2

HR 4217 EAS—3

HR 4217 EAS—4

HR 4217 EAS—5

HR 4217 EAS—6

HR 4217 EAS—7

HR 4217 EAS—8