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AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 1997

JUNE 7, 1996.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. SKEEN, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H.R. 3603]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for fiscal year 1997.

SUMMARY OF ESTIMATES AND RECOMMENDATIONS

[In thousands of dollars]

	FY 1996 appropriation	FY 1997 estimates	FY 1997 recommendation	1997 recommendation compared with	
				FY 1996 appropriation	FY 1997 estimates
Title I—Agricultural Programs	$16,032,325	$7,531,705	$7,413,106	−$8,619,219	−$118,599
Title II—Conservation Programs	2,826,968	2,947,879	767,585	−2,059,383	−2,180,294
Title III—Rural Economic and Community Development Programs	2,126,506	2,253,461	1,868,222	−258,284	−385,239
Title IV—Domestic Food Programs	39,762,868	43,040,429	40,473,374	+710,506	−2,567,055
Title V—Foreign Assistance and Related Programs	1,627,542	1,598,534	1,576,744	−50,798	−21,790
Title VI—Related Agencies and FDA	947,469	945,306	953,006	+5,537	+7,700
Subtotal	63,323,678	58,317,314	53,052,037	−10,271,641	−5,265,277
Scorekeeping adjustments	−235,780	+127,050	−368,000	−132,220	−495,050
Total	63,087,898	58,444,364	52,684,037	−10,403,861	−5,760,327

For discretionary programs the Committee provides $12,801,445,000, which is $508,555,000 less than the amount avail-

able in fiscal year 1996 and $1,278,680,000 less than the budget request.

For mandatory programs, which account for almost 80 percent of the bill, the Committee provides $39,882,592,000, a decrease of $9,895,306,000 below the amount available for fiscal year 1996 and $4,481,647,000 below the budget request.

INTRODUCTION

As the quest to balance the budget continues so does it create additional difficulty in prioritizing Federal dollars. Agriculture is a fragile business impacted by vagaries in weather, commodity prices, and Federal policy. Food safety, human nutrition, rural development, conservation, and agricultural research have historically been priorities of the Committee. Increasingly there are no good choices among these. How does one choose between food safety inspections and providing long term research to find ways to make our food more safe and abundant? Making decisions between food for the needy or providing low-income housing for rural America seems contradictory. Providing safe water in areas where residents are drinking polluted water or installing conservation measures that will prevent contamination makes the process tenuous at best.

In an effort to make the best choices available, the Committee chose to put all USDA and other agencies within the jurisdiction of the subcommittee on the table. The Committee believes it is a better choice to not start or at least slow the rate of growth for some new programs rather than make large reductions in existing needs that negatively impact nutrition, research, or rural development.

Agricultural trade is the single best positive impact on the trade balance of the United States. The only way that less than 2 percent of this country's population can produce food and fiber for all the needs of this country and also provide this country with its tremendous export opportunities is through research. As the citizens of this country demand safer food and a wider variety of foods as well as higher quality we must rely on the talents and facilities of this country's scientists in Universities and Federal research programs.

Protecting this nation's multibillion dollar agriculture industry from foreign pests and disease is one of the most critical issues facing the United States in the growing global economy. As a result, we must commit adequate resources to those activities that not only protect our agricultural resources, but also increase the marketability of our agricultural products. In addition, we must commit to the highest level of sanitary and phytosanitary standards so that this country's agricultural products can meet the scientific tests demanded by this global economy.

The people of this country rightfully expect that government provide effective, efficient programs. Within the budgetary constraints that this Congress and the Administration is facing, this bill funds effective programs for food safety, human nutrition, rural development, conservation, and agricultural research. Like the people of this country, this Committee also expects that these programs are carried out in the most efficient way.

The Committee recognizes the critical importance of agricultural research which underpins the nation's food system; the economy and trade; the environment and the health and nutrition of the American people. Agriculture's efficient production delivers an abundant and affordable food supply to a predominately urban U.S. citizenry. It also contributes significantly to easing worldwide food demands. Unquestionably, contributions of American agriculture stand among the great achievements of the 20th century—and investments in agricultural research have played a critical role in this achievement.

In recognition of these research contributions, the Committee has made every attempt to provide an appropriation level for fiscal year 1997 that will sustain vital research programs necessary to meet the many challenges ahead.

TITLE I—AGRICULTURAL PROGRAMS

PRODUCTION, PROCESSING, AND MARKETING

OFFICE OF THE SECRETARY

1996 appropriation	$10,227,000
1997 budget estimate	10,336,000
Provided in the bill	2,836,000
Comparison:	
1996 appropriation	−7,391,000
1997 budget estimate	−7,500,000

The Secretary of Agriculture, assisted by the Deputy Secretary, Under Secretaries and Assistant Secretaries, Chief Financial Officer, and members of their immediate staffs, directs and coordinates the work of the Department. This includes developing policy, maintaining relationships with agricultural organizations and others in the development of farm programs, and maintaining liaison with the Executive Office of the President and Members of Congress on all matters pertaining to agricultural policy.

The general authority of the Secretary to supervise and control the work of the Department is contained in the Organic Act (7 U.S.C. 2201-2202). The delegation of regulatory functions to Department employees and authorization of appropriations to carry out these functions is contained in 7 U.S.C. 450c–450g.

Service Center Implementation.—The Secretary has direct authority over the USDA Service Center implementation effort which has incorporated the former InfoShare activity. This activity is a partnership among the agricultural, rural development, and natural resource agencies of USDA to improve information resources management, data sharing, and communications and thereby providing improved and more efficient service to customers at the USDA Service Centers.

COMMITTEE PROVISIONS

For the Office of the Secretary the Committee provides an appropriation of $2,836,000, a decrease of $7,391,000 below the amount available for fiscal year 1996 and a decrease of $7,500,000 below the budget request.

The budget request for the Office of the Secretary includes $7,500,000 for Service Center implementation, formerly known as InfoShare. In fiscal year 1996, the Committee provided $7,500,000 for the Office of the Secretary to implement the InfoShare program. That responsibility was delegated to agencies within the Department and the InfoShare staff was reassigned to other duties.

The Service Center plan is being implemented by participating agencies and the Committee believes there is no need for a separate appropriation. The Committee notes that the departmental agencies, not including the Forest Service, plan to spend more than $509 million in fiscal year 1996 and more than $550 million in fiscal year 1997 on computer hardware, software, and related costs. The Committee recommends that any funds needed for coordination of the Service Center plan be drawn from these or other management budgets.

The Committee notes that subsidy rates for some rural development programs are dramatically lower than those in fiscal year 1996 and may not accurately reflect current and future interest rates. The Committee further believes that levels for loan programs could fall significantly in fiscal year 1996 and 1997 as a result of higher interest rates and is concerned that the Administration has not taken adequate precautions. Public Law 104–127 established a "Fund for Rural America," a mandatory spending program which has available $100 million for rural development and research beginning January 1, 1997. Therefore, the Committee expects the Department to use resources from the Fund for Rural America primarily to supplement appropriated funds so that essential housing, water and sewer programs are maintained at the proper levels to protect these programs from the consequences of increases in interest rates.

The Federal Agriculture Improvement and Reform Act of 1996 provided for the "Fund for Rural America." The program is designed to provide the Department the opportunity for flexibility to address the backlog of existing work and to address new and innovative approaches to research and rural development. However, the authorization included a provision that funds could not be used in a program if the appropriated amount to several programs was less than 90 percent of the amount appropriated for fiscal year 1996 plus inflation. With overall allocations dwindling, the reality is that few programs will maintain that kind of funding. Also, subsidy rates for loan programs may vary dramatically from year to year due to changes in calculations related to interests rates or other factors. As an example, in fiscal year 1996 for the rural development loan program the loan subsidy appropriated was $22,395,000 and for the fiscal year 1997 bill the subsidy rate provided is $18,400,000. Even through the loan volume available with the lower subsidy may be more, the provision of the FAIR Act would prevent the Department from using funds from the "Fund for Rural America" for this program. This year, because of the significant reduction in interest rate projections, almost all rural development accounts would not be eligible for additional funds. Accordingly, the Committee has placed a limitation on use of section 793(d).

During the hearing process it became apparent that several subcabinet officers were enhancing the number of people in their im-

mediate office by using agency staff or detailing agency staff to their offices. The Committee believes this violates the spirit of the individual appropriation for these offices and misuses the flexibility provided. Personnel and funds are provided to agencies to carry out their missions, funds are not provided to agencies so that subcabinet officers can build large bureaucratic empires. If subcabinet officers believe they need to have more staff to provide policy direction to agencies then they should request and justify additional increases to their appropriations. Accordingly, the Committee has placed a limitation on subcabinet officers that allows for details of agency personnel for up to 30 days when special assistance is needed, but does not allow for permanent positions to be paid for by agencies.

The Committee urges the Department to work with the appropriate committees in the House and Senate to enact legislation authorizing agencies such as Rural Business-Cooperative Service to provide retirement incentives to employees to reduce the cost and disruption associated with Reductions-in-Force. If Reductions-in-Force are necessary in field offices due to budget constraints, the committee expects the Department to establish competitive areas which will minimize the disruption to employees and the cost to the agency. The committee expects the Department to ensure that current employees, whose jobs in the St. Louis Finance Office are being transferred to the Centralized Servicing Center, are given priority consideration for these positions.

The Committee expects the Secretary to report to the Congress by January 31, 1997 on the extent to which coordination exists between the Farm and Foreign Agricultural Services and the Food, Nutrition, and Consumer Service on how the implementation of Federal nutrition programs directly benefit the farmer. The report should include the amount of benefits that are in direct support of farmers income as well as recommended legislative changes that may be needed to increase coordination so the acquisition of commodities and the delivery of nutrition programs are more directly beneficial to farmers.

The Committee has delayed the start of the Wildlife Habitat Incentives Program, provided $2,000,000 for the Farmland Protection Program, and $2,000,000 for the Conservation Farm Option Program in fiscal year 1997. These are new programs and the Committee believes the Congress and the public should have an opportunity to review rules and regulations before full funding is provided. The Secretary is directed to continue processing the rules and regulations needed to implement these programs. No funds are deleted from these programs. Funds are only being limited until Congress can assure the programs will proceed in an orderly fashion.

EXECUTIVE OPERATIONS

Executive Operations was established as a result of the reorganization of the Department to provide a support team for USDA policy officials and selected departmentwide services. Activities under Executive Operations include the Office of the Chief Economist, the National Appeals Division, and the Office of Budget and Program Analysis.

OFFICE OF THE CHIEF ECONOMIST

1996 appropriation	$3,948,000
1997 budget estimate	4,292,000
Provided in the bill	4,231,000
Comparison:	
1996 appropriation	+283,000
1997 budget estimate	−61,000

The Office of the Chief Economist advises the Secretary of Agriculture on the economic implications of Department policies and programs. The Office serves as the single focal point for the Nation's economic intelligence and analysis, risk assessment, and cost-benefit analysis related to domestic and international food and agriculture, and is responsible for coordination and review of all commodity and aggregate agricultural and food-related data used to develop outlook and situation material within the Department.

COMMITTEE PROVISIONS

For the Office of the Chief Economist the Committee provides an appropriation of $4,231,000, an increase of $283,000 above the amount available for fiscal year 1996 and a decrease of $61,000 below the budget request. The Committee provides the budget request for full funding of the Office of Risk Assessment and Cost-Benefit Analysis.

NATIONAL APPEALS DIVISION

1996 appropriation	$11,846,000
1997 budget estimate	13,363,000
Provided in the bill	11,718,000
Comparison:	
1996 appropriation	−128,000
1997 budget estimate	−1,645,000

The National Appeals Division conducts administrative hearings and reviews adverse program decisions made by the Farm Service Agency, the Natural Resources Conservation Service, and the Rural Housing Service.

COMMITTEE PROVISIONS

For the National Appeals Division the Committee provides an appropriation of $11,718,000, a decrease of $128,000 below the amount available for fiscal year 1996 and $1,645,000 below the budget request.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

1996 appropriation	$5,899,000
1997 budget estimate	5,986,000
Provided in the bill	5,986,000
Comparison:	
1996 appropriation	+87,000
1997 budget estimate	.....

The Office of Budget and Program Analysis provides direction and administration of the Department's budgetary functions including development, presentation, and execution of the budget; reviews program and legislative proposals for program, budget, and related implications; analyzes program and resource issues and al-

ternatives, and prepares summaries of pertinent data to aid the Secretary and departmental policy officials and agency program managers in the decision-making process; and provides department-wide coordination for and participation in the presentation of budget related matters to the Committees of the Congress, the media, and interested public. The Office also provides department-wide coordination of the preparation and processing of regulations and legislative programs and reports.

COMMITTEE PROVISIONS

For the Office of Budget and Program Analysis the Committee provides an appropriation of $5,986,000, an increase of $87,000 above the amount available for fiscal year 1996 and the same as the budget request. This office provides the Committee with the necessary budgetary information needed to make critical funding and policy decisions. It is essential that this information be accurate and provided in a timely fashion; therefore, the Committee has provided the budget request for a pay cost increase offset by an administrative efficiency decrease.

CHIEF FINANCIAL OFFICER

1996 appropriation	$4,133,000
1997 budget estimate	4,437,000
Provided in the bill	4,283,000
Comparison:	
1996 appropriation	+150,000
1997 budget estimate	−154,000

Under the Chief Financial Officers Act of 1990, the Chief Financial Officer is responsible for the continued direction and oversight of the Department's financial management operations and systems. The Office supports the Chief Financial Officer in carrying out the dual roles of the Chief Financial Management Policy Officer and the Chief Financial Management Advisor to the Secretary and mission area heads. The Office provides leadership, expertise, coordination, and evaluation in the development of Department and agency programs in financial management, accounting, travel, Federal assistance, and performance measurements. It is also responsible for the management and operation of the National Finance Center. The Office also provides budget, accounting, and fiscal services to the Office of the Secretary, departmental staff offices, Office of Communications, and Executive Operations.

COMMITTEE PROVISIONS

For the Office of the Chief Financial Officer the Committee provides an appropriation of $4,283,000, an increase of $150,000 above the amount available for fiscal year 1996 and a decrease of $154,000 below the budget request.

The Committee has provided bill language that directs the Chief Financial Officer to continue and actively market the cross-servicing activities of the National Finance Center.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

1996 appropriation	$596,000
1997 budget estimate	613,000

Provided in the bill	613,000
Comparison:	
1996 appropriation	+17,000
1997 budget estimate	

The Office of the Assistant Secretary for Administration directs and coordinates the work of the departmental staff in carrying out the laws enacted by the Congress relating to real and personal property management, automated data processing, personnel management, equal opportunity and civil rights programs, development and dissemination of departmental information resources management, and other general administrative functions. Additionally, the Office of the Assistant Secretary for Administration is responsible for certain activities financed under the Department's Working Capital Fund (7 U.S.C. 2235).

COMMITTEE PROVISIONS

For the Office of the Assistant Secretary for Administration the Committee provides an appropriation of $613,000 an increase of $17,000 above the amount available for fiscal year 1996 and the same as the budget request.

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

1996 appropriation	$135,774,000
1997 budget estimate	149,635,000
Provided in the bill	125,548,000
Comparison:	
1996 appropriation	−10,226,000
1997 budget estimate	−24,087,000

Rental Payments.—Annual appropriations are made to agencies of the Federal government so that they can pay the General Services Administration (GSA) fees for rental of space and for related services.

The budget estimates for rental payments are based on GSA's projection of what it will bill agencies in the budget year. The agencies have no influence or control over how GSA sets their rates. Rental payments paid by agencies go into a fund to be used for other real property management operations, such as rental of buildings, repairs and alterations, and acquisition of new facilities. The concept behind rental payments is that all agencies pay the market value of the space they occupy so that GSA will have the funds available to provide, in an efficient and coordinated way, for overall Federal space needs. However, in practice this concept means that agencies are paying prevailing commercial rental rates in order to subsidize the inflated cost of new construction and newly leased space and to cover the cost of vacant space in GSA's inventory.

Building Operations and Maintenance.—On October 1, 1984, GSA delegated the operations and maintenance functions for the buildings in the D.C. complex to the Department. This activity provides departmental staff and support services to operate, maintain, and repair the buildings in the D.C. complex. Since 1989, when the GSA delegation expired, USDA has been responsible for managing, operating, maintaining, repairing, and improving the headquarters complex, which encompasses 14.1 acres of ground and four build-

ings containing approximately three million square feet of space occupied by approximately 8,000 employees.

Strategic Space Plan.—The Department's headquarters staff is presently housed in a four-building government-owned complex in downtown Washington, D.C. and in leased buildings in the metropolitan Washington area. In 1995, USDA initiated a plan to improve the delivery of USDA programs to the American people, including streamlining the USDA organization. A high priority goal in the Secretary's plan is to improve the operation and effectiveness of the USDA headquarters in Washington. To implement this goal, a strategy for efficient re-allocation of space to house the restructured headquarters agencies in modern and safe facilities has been proposed. This USDA Strategic Space Plan will correct serious problems USDA has faced in its facility program including the inefficiencies of operating out of scattered leased facilities and serious safety hazards which exist in the huge Agriculture South Building.

COMMITTEE PROVISIONS

For agriculture buildings and facilities and rental payments to GSA the Committee provides an appropriation of $125,548,000, a decrease of $10,226,000 below the amount available for fiscal year 1996 and $24,087,000 below the budget request.

Included in this amount is $120,548,000 for rental payments to GSA and building operations and maintenance. The Committee includes language permitting the Secretary of Agriculture to transfer not more than five percent of this appropriation to or from another agency's appropriation. The Committee expects that such a transfer will be proposed only when a move into GSA rental space becomes necessary during the year or when GSA space is vacated in favor of commercial space. This flexibility is provided to allow for incremental changes in the amount of GSA space and is not intended merely to finance changes in GSA billing.

The budget request for rental payments to GSA includes $3,500,000 for the Kansas City collocation project. Since the time when the budget request was submitted to Congress, this project has been delayed until the year 2000; therefore, the requested increase of $3,500,000 is not needed in fiscal year 1997. The Committee expects GSA to reduce its' billing to USDA by this amount.

The remaining $5,000,000 of the total appropriation is the final payment to complete the Beltsville facility. The Federal Agriculture Improvement and Reform Act of 1996 provided the Department with the authority to address necessary improvements of state and local roads in conjunction with construction of the facility. The construction contract was awarded April 30, 1996.

The safety of the employees located in the South Building is a concern of the Committee. Initial funding was provided in fiscal year 1995 to begin the Department's seven-year plan to address the serious health and safety hazards which exist in the South Building as well as streamline and improve the operation and delivery of programs at headquarters in Washington. The Department anticipates awarding a design contract for the needed renovation work of the South Building by the end of calendar year 1996. The Committee directs the Secretary to move expeditiously in awarding

this contract. The safety of the employees should be of the highest priority.

ADVISORY COMMITTEES (USDA)

1996 appropriation	$650,000
1997 budget estimate	856,000
Provided in the bill	.....
Comparison:	
1996 appropriation	−650,000
1997 budget estimate	−856,000

The Department of Agriculture utilizes advisory committees to obtain expertise which is not feasible to maintain on the permanent staff. Because of the broad range of missions performed by the Department and the complexity of skills needed in this performance from time to time, it is essential to call upon experts in academia and the private sector to supplement the expertise of departmental employees in order to assure that decisions on major national issues are based upon state-of-the-art information.

COMMITTEE PROVISIONS

The Committee provides no direct appropriation for advisory committees for fiscal year 1997. Instead, the Committee provides a general provision which limits total spending by the Department for advisory committees, panels, commissions and consultative groups to no more than $1,000,000.

HAZARDOUS WASTE MANAGEMENT

1996 appropriation	$15,700,000
1997 budget estimate	15,700,000
Provided in the bill	15,700,000
Comparison:	
1996 appropriation	.....
1997 budget estimate	.....

Under the Comprehensive Environmental Response, Compensation, and Liability Act and the Resource Conservation and Recovery Act, the Department has the responsibility to meet the same standards regarding the storage and disposition of hazardous waste as private businesses. The Department is required to contain, clean up, monitor, and inspect for hazardous waste in areas covered by the Department or within departmental jurisdiction.

COMMITTEE PROVISIONS

For Hazardous Waste Management the Committee provides an appropriation of $15,700,000 the same amount available for fiscal year 1996 and the same as the budget request.

The Committee urges the Department to consider a request for funds to conduct a private water well quality assessment related to the health risks of communities in Nebraska and other states due to the use of fumigants in Commodity Credit Corporation grain storage sites.

DEPARTMENTAL ADMINISTRATION

1996 appropriation	[1] $27,986,000
1997 budget estimate	29,137,000

Provided in the bill	28,304,000
Comparison:	
1996 appropriation	+318,000
1997 budget estimate	−833,000

[1] Includes $707,000 for the Office of Small and Disadvantaged Business Utilization. The FY 1997 funds for this office are requested in a separate appropriation.

Departmental Administration is comprised of activities that provide staff support to top policy officials and overall direction and coordination of the Department. These activities include department-wide programs for human resource management, management improvement, occupational safety and health management, real and personal property management, procurement, contracting, motor vehicle and aircraft management, supply management, ADP and telecommunications management, civil rights and equal opportunity, emergency preparedness, and the regulatory hearing and administrative proceedings conducted by the Administrative Law Judges, Judicial Officer, and Board of Contract Appeals.

Departmental Administration is also responsible for representing USDA in the development of government-wide policies and initiatives; analyzing the impact of government-wide trends and developing appropriate USDA principles, policies, and standards. In addition, Departmental Administration engages in strategic planning and evaluating programs to ensure Department-wide compliance with applicable laws, rules, and regulations pertaining to administrative matters for the Secretary and general officers of the Department.

In fiscal year 1996, Departmental Administration reorganized its policy development and administrative operational activities. The reorganization significantly altered the alignment of functions and activities within Departmental Administration. The previous organization structure divided the Departmental Administration function into specific program offices, such as personnel, operations, and civil rights enforcement. The new organization structure divides the function into policy, program operations, and support for other offices, and is intended to be more focused and responsive to customer needs.

COMMITTEE PROVISIONS

For Departmental Administration the Committee provides an appropriation of $28,304,000, an increase of $318,000 above the amount available for fiscal year 1996 and a decrease of $833,000 below the budget request.

The total includes funding for the Office of Small and Disadvantaged Business Utilization.

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS

1996 appropriation	$3,797,000
1997 budget estimate	3,842,000
Provided in the bill	3,728,000
Comparison:	
1996 appropriation	−69,000
1997 budget estimate	−114,000

The Office of the Assistant Secretary for Congressional Relations maintains liaison with the Congress and White House on legisla-

tive matters. It also provides for overall direction and coordination in the development and implementation of policies and procedures applicable to the Department's intra and inter-governmental relations.

COMMITTEE PROVISIONS

For the Office of the Assistant Secretary for Congressional Relations the Committee provides an appropriation of $3,728,000, a decrease of $69,000 below the amount available for fiscal year 1996 and $114,000 below the budget request. The Committee includes language allowing the transfer of not less than $2,241,000 to agencies funded in this Act to maintain personnel at the agency level. The following table reflects the amounts provided by the Committee:

Headquarters	$994,000
Agricultural Research Service	129,000
Cooperative Research, Education, and Extension Service	120,000
Foreign Agricultural Service	188,000
Farm Service Agency	355,000
Rural Utilities Service	142,000
Rural Business-Cooperative Service	52,000
Rural Housing Service	251,000
Natural Resources Conservation Service	148,000
Animal and Plant Health Inspection Service	101,000
Agricultural Marketing Service	176,000
Food Safety and Inspection Service	309,000
Food and Consumer Service	270,000
Intergovernmental Affairs	493,000
Total	$3,728,000

OFFICE OF COMMUNICATIONS

1996 appropriation	$8,198,000
1997 budget estimate	8,317,000
Provided in the bill	8,138,000
Comparison:	
1996 appropriation	−60,000
1997 budget estimate	−179,000

The Office of Communications provides direction, leadership, and coordination in the development and delivery of useful information through all media to the public on USDA programs. The Office serves as the liaison between the Department and the many associations and organizations representing America's food, fiber, and environmental interests.

COMMITTEE PROVISIONS

For the Office of Communications the Committee provides an appropriation of $8,138,000, a decrease of $60,000 below the amount available for fiscal year 1996 and $179,000 below the budget request.

OFFICE OF THE INSPECTOR GENERAL

1996 appropriation	$63,639,000
1997 budget estimate	64,523,000
Provided in the bill	63,028,000

Comparison:	
1996 appropriation	−611,000
1997 budget estimate	−1,495,000

The Office of the Inspector General was established October 12, 1978, by the Inspector General Act of 1978. This reaffirmed and expanded the Office established by Secretary's Memorandum No. 1915, dated March 23, 1977.

The Office is administered by an Inspector General who reports directly to the Secretary of Agriculture. Functions and responsibilities of this Office include direction and control of audit and investigative activities within the Department, formulation of audit and investigative policies and procedures regarding Department programs and operations, analysis and coordination of program-related audit and investigation activities performed by other Department agencies, and review of existing and proposed legislation and regulations regarding the impact such initiatives will have on the economy and efficiency of the Department's programs and operations and the prevention and detection of fraud and abuse in such programs. The activities of this Office are designed to assure compliance with existing laws, policies, regulations and programs of the Department's agencies, and to provide appropriate officials with the means for prompt corrective action where deviations have occurred. The scope of audit and investigative activities is large and includes administrative, program, and criminal matters. These activities are coordinated, when appropriate, with various audit and investigative agencies of the executive and legislative branches of the government.

COMMITTEE PROVISIONS

For the Office of the Inspector General the Committee provides an appropriation of $63,028,000, a decrease of $611,000 below the amount available for fiscal year 1996 and $1,495,000 below the budget request.

The Committee commends the Office of the Inspector General for its efforts to eliminate fraud in the food stamp program. The Committee urges the Office to continue conducting "sweeps" of stores currently participating in the program until every high-risk store has been included in the "sweeps" and is determined to meet the most stringent eligibility requirements of the program.

OFFICE OF THE GENERAL COUNSEL

1996 appropriation	$27,860,000
1997 budget estimate	29,249,000
Provided in the bill	27,749,000
Comparison:	
1996 appropriation	−111,000
1997 budget estimate	−1,500,000

The Office of the General Counsel, originally known as the Office of the Solicitor, was established in 1910 as the law office of the Department of Agriculture, and performs all of the legal work arising from the activities of the Department. The General Counsel represents the Department on administrative proceedings for the promulgation of rules and regulations having the force and effect of law; in quasi-judicial hearings held in connection with the adminis-

tration of various programs and acts; and in proceedings before the Interstate Commerce Commission involving freight rates and practices relating to farm commodities, including appeals from and decisions of the Commission to the courts. Counsel serves as General Counsel for the Commodity Credit Corporation and the Federal Crop Insurance Corporation and reviews criminal cases arising under the programs of the Department for referral to the Department of Justice.

COMMITTEE PROVISIONS

For the Office of General Counsel the Committee provides an appropriation of $27,749,000, a decrease of $111,000 below the amount available for fiscal year 1996 and $1,500,000 below the budget request.

OFFICE OF THE UNDER SECRETARY FOR RESEARCH, EDUCATION, AND ECONOMICS

1996 appropriation	$520,000
1997 budget estimate	540,000
Provided in the bill	540,000
Comparison:	
1996 appropriation	
1997 budget estimate	+20,000

The Office of the Under Secretary for Research, Education, and Economics provides direction and coordination in carrying out the laws enacted by the Congress for food and agricultural research, education, extension, and economic and statistical information. The Office has oversight and management responsibilities for the Agricultural Research Service; Cooperative State Research, Education, and Extension Service; Economic Research Service; and National Agricultural Statistics Service.

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Research the Committee provides an appropriation of $540,000, an increase of $20,000 above the amount available for fiscal year 1996 and the same as the budget request.

ECONOMIC RESEARCH SERVICE

1996 appropriation	$53,131,000
1997 budget estimate	54,947,000
Provided in the bill	54,176,000
Comparison:	
1996 appropriation	+1,045,000
1997 budget estimate	−771,000

The Economic Research Service (ERS) provides economic and other social science information and analysis for public and private decisions on agriculture, food, natural resources, and rural America. ERS produces such information for use by the general public and to help the executive and legislative branches develop, administer, and evaluate agricultural and rural policies and programs.

COMMITTEE PROVISIONS

For the Economic Research Service the Committee provides an appropriation of $54,176,000, an increase of $1,045,000 above the amount available for fiscal year 1996 and $771,000 below the budget request.

Included in the total is the budget request to support the agency's role in the Department's integrated pest management initiative. This funding is needed to conduct evaluations and analyses of survey data collected by the National Agricultural Statistics Service on pesticide use and integrated pest management practices being used by farmers and ranchers. In these times of declining budgets and fiscal restraints it becomes necessary to prioritize activities. The Committee has eliminated a lower priority program in the Agricultural Marketing Service in order to provide additional funding to several agencies in support of integrated pest management work.

The Committee directs the Economic Research Service, in coooperation with the Natural Resources Conservation Service, to do a comprehensive study of conservation tillage. The study should include the current status of conservation tillage and the benefits to agriculture, the environment, and society as a whole, as well as recommendations concerning what actions are needed to increase the use of conservation tillage and estimates of the benefits and costs of doing so.

NATIONAL AGRICULTURAL STATISTICS SERVICE

1996 appropriation	$81,107,000
1997 budget estimate	102,624,000
Provided in the bill	100,221,000
Comparison:	
1996 appropriation	+19,114,000
1997 budget estimate	−2,403,000

The National Agricultural Statistics Service (NASS) administers the Department's program of collecting and publishing current national, state, and county agricultural statistics, which are essential for making effective policy, production, and marketing decisions. These statistics provide accurate and timely estimates of current agricultural production and measures of the economic and environmental welfare of the agricultural sector. NASS also provides statistical services to other USDA and Federal agencies in support of their missions, and provides consulting, technical assistance, and training to developing countries.

The fiscal year 1997 budget estimate includes a proposal to transfer the Census of Agriculture from the Department of Commerce to the Department of Agriculture to consolidate the activities of the two agricultural statistics programs. The Census of Agriculture is taken every five years and provides comprehensive data on the agricultural economy including: data on the number of farms, land use, production expenses, farm product values, value of land and buildings, farm size and characteristics of farm operators

It will provide national, state, and county data as well as selected data for Puerto Rico, Guam, and the United States Virgin Islands. The next agricultural census will be conducted beginning in January 1998 for the calendar year 1997.

COMMITTEE PROVISIONS

For the National Agricultural Statistics Service the Committee provides an appropriation of $100,221,000, an increase of $19,114,000 above the amount available for fiscal year 1996 and a decrease of $2,403,000 below the budget request.

The budget proposes to transfer the Census of Agriculture from the Department of Commerce to the Department of Agriculture. Included in this amount is the budget request of $17,500,000 in support of this transfer. The increase is needed for preparation work such as constructing the census mailing list and finalizing census reports, printing forms and questionnaires. The actual census will be conducted in fiscal year 1998.

Also included in the total is the budget request to support the agency's role in the Department's integrated pest management initiative. This funding is needed to collect survey data on post-harvest pesticide use and integrated pest management practices being used by farmers and ranchers. In these times of declining budgets and fiscal restraints it becomes necessary to prioritize activities. The Committee has eliminated a lower priority program in the Agricultural Marketing Service in order to provide additional funding to several agencies in support of integrated pest management work.

AGRICULTURAL RESEARCH SERVICE

1996 appropriation	$710,000,000
1997 budget estimate	728,853,000
Provided in the bill	702,831,000
Comparison:	
1996 appropriation	−7,169,000
1997 budget estimate	−26,022,000

The Agricultural Research Service (ARS) was established by the Secretary of Agriculture on November 2, 1953, under the authority of the Reorganization Act of 1949 (5 U.S.C. 133z–15), Reorganization Plan No. 2 of 1953, and other authorities. Pursuant to the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6912) ARS includes functions previously performed by the Human Nutrition Information Service and the National Agricultural Library. ARS conducts basic and applied research in the fields of animal sciences, plant sciences, entomology, soil and water conservation, agricultural engineering, utilization and development, human nutrition and consumer use, marketing, development of integrated farming systems, and development of methods to eradicate narcotic-producing plants.

ARS also directs research beneficial to the United States which can be advantageously conducted in foreign countries through agreements with foreign research institutions and universities, using foreign currencies for such purposes. This program is carried out under the authority of sections 104(b) (1) and (3) of Public Law 480, and the Agricultural Trade Development and Assistance Act of 1954, as amended.

COMMITTEE PROVISIONS

Salaries and expenses.—For salaries and expenses of the Agricultural Research Service the Committee provides an appropriation of

$702,831,000, a decrease of $7,169,000 below the amount available for fiscal year 1996 and a decrease of $26,022,000 below the budget request.

The Committee has agreed to many project terminations recommended by the Department. Selected project terminations will provide existing resources to be redirected to new initiatives identified in this report and as requested in the President's budget. The Committee has also agreed to general reductions and cost efficiencies as justified in the Department's Explanatory Notes. In effecting these savings, the agency is directed to comply with previous directives to implement nonspecific appropriation actions across all programs, projects, and activities as reported to this Committee. In this regard, as Federal funding declines, the importance of Committee oversight and examination of selected research projects and funding and their adherence to Committee direction will increase.

Continuing programs.—The Committee directs the Agricultural Research Service to continue to fund the following areas of research in fiscal year 1997: Sacramento Valley soil and water quality, $100,000; global change, modeling, data management—terrestrial systems (CIESIN), $1,000,000; management of pearl millet diseases in forages and turf ecosystems in Tifton, Georgia, $141,000; the National Turfgrass Evaluation Program in Beltsville, Maryland, $55,000; weed control research in St. Paul, Minnesota, $196,000; wild rice research in St. Paul, Minnesota, $150,000; perennial grass germ plasm in Lincoln, Nebraska, $270,000; sugarbeet research in Ft. Collins, Colorado, $626,000; development and use of molecular techniques in oat enhancement in Aberdeen, Idaho, $162,000; and genetic engineering of fungal phytase to reduce groundwater contamination at the Southern Regional Research Center, $597,000. The Committee directs ARS to continue the rice research program at the University of California at Davis. The Committee also expects research to continue on long staple cotton and western pecan research.

Rangeland management.—The Committee directs ARS to continue its research program at the Jornada Experimental Range at the fiscal year 1996 level. This project addresses new methods for monitoring, remediation, and development of decision models for rangeland management.

Potato research.—The Committee provides $12,988,000 for potato research, the same as the amount requested. The Committee expects ARS to work closely with the National Potato Council in prioritizing and addressing the research needs of the potato industry.

Arkansas Children's Nutrition Hospital.—The Committee provides an increase of $100,000 for additional research at the Arkansas Children's Nutrition Hospital.

Citrus tristeza.—The Committee provides $500,000, the same amount as in fiscal year 1996, to combat citrus tristeza virus.

Fruit research.—The Committee is aware of the very important work being carried out at the ARS Northwest Fruit Center, Corvallis, Oregon. The Committee provides an increase of $200,000 to enhance research investigations that will support this country's billion dollar fruit industry.

Floriculture and horticulture research.—The Committee notes the importance and growth of floriculture and horticultural crops as a share of the total farm crop cash receipts. The Committee provides an increase of $200,000 to address the research needs of this growing industry.

Emerging infectious diseases.—The Committee notes the emergence of infectious diseases such as karnal bunt and BSE or mad cow disease which has devastated England's cattle industry. The Committee provides an increase of $300,000 to enable ARS to investigate such agriculturally related infectious diseases in a more effective manner.

Everglades ecosystem restoration.—The Committee refers the Department to section 390 of the Federal Agriculture Improvement and Reform Act of 1996, Everglades Ecosystem Restoration Project. The Committee recommends that the budget request of $2,000,000 for research to strengthen the South Florida Ecosystem Restoration program be funded from this special account.

Honey bee research.—The Committee provides $5,574,000 for honey bee research, the same amount as requested in the fiscal year 1997 budget. The Committee directs that the ongoing honey bee research programs at Tucson, Arizona; Baton Rouge, Louisiana; Beltsville, Maryland; and Weslaco, Texas, be maintained at the same research laboratories.

Rice research.—The Committee is aware of the important rice research program conducted at the ARS Rice Research Laboratory in Beaumont, Texas. The Committee expects the Department to continue to provide the same level of funding for the rice research carried out at its Beaumont, Texas laboratory.

Geneticist at Pullman, Washington.—The Committee expects ARS to expedite the replacement of the vacated wheat geneticist position located at Pullman, Washington.

Integrated pest management and biocontrol of pests.—The Committee provides additional funding of $3,000,000 for IPM and biocontrol research initiatives as recommended in the fiscal year 1997 budget request. These resources will be used to develop pest management technologies and technologies to producing promising biocontrol agents and their deployment in the field.

Genetic resources.—USDA's plant genetic resources collections are critical to ensuring the future availability of genetic diversity in crops. The Committee provides an increase of $500,000 in fiscal year 1997 for plant germ plasm activities carried out at the National Seed Storage Laboratory in Fort Collins, Colorado.

Food safety.—In last year's report, the Committee stated that it expected FSIS to coordinate its research needs with ARS. The report also emphasized that ARS accommodate FSIS but balance its food safety research to respond to overall agency requirements. The Committee provides an increase of $4,000,000 in fiscal year 1997 for food safety research projects requested by the Department to strengthen the post-harvest pathogen reduction program with emphasis in the areas of pathogen reducing slaughter processes; risk assessment technologies; rapid diagnostic and detection methods; and preharvest on-farm diagnostic tests.

Integrated farming systems.—The Department's budget includes a request for research in regional, rather than site specific, farming

systems. The Committee provides an increase of $500,000 to finance the Atlantic Regional Program for integrated production systems for field and horticultural crops and grassland management systems for dairy and beef production.

Methyl bromide.—The Committee provides an increase of $1,000,000 for additional research related to a replacement for methyl bromide.

Biotechnology Research and Development Corporation.—The Committee expects the agency to continue its Illinois work on the Corporation's research.

Composting research.—ARS should continue its organic waste utilization project at the same amount as last year, $300,000. This project is focusing on methods to best integrate waste utilization into sustainable agricultural practices.

Sugarcane research.—The Committee recognizes the importance of furthering the science of molecular techniques in sugarcane. By mapping useful genes, transferring these and exotic genes into sugarcane germ plasm, and improving selection techniques for sugarcane cultivators much progress can be made to increase the efficiency and global competitiveness of the U.S. sugar industry. ARS should continue its strong public/private relationship with the American Sugar Cane League and expand biotechnology at the work site of the ARS Southern Regional Research Center in Houma, Louisiana.

Phytoestrogens research.—Phytoestrogens are natural constituents of the diet which are produced in plants and been shown to have beneficial health effects. The Committee has provided $450,000 for the Southern Regional Research Center for a broad-based research program to investigate the mechanisms of production and action of phytoestrogens, the design and formulation of pharmacologically active forms of candidate phytoestrogens, and to test their efficacy in animal and human subjects.

BUILDINGS AND FACILITIES

1996 appropriation	$30,200,000
1997 budget estimate	80,100,000
Provided in the bill	32,600,000
Comparison:	
1996 appropriation	+2,400,000
1997 budget estimate	−47,500,000

The ARS Buildings and Facilities account was established for the acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities which directly or indirectly support research and extension programs of the Department. Routine construction or replacement items would continue to be funded under the limitations contained in the regular account.

COMMITTEE PROVISIONS

For Agricultural Research Service, Buildings and Facilities the Committee provides an appropriation of $59,600,000, an increase of $29,400,000 above the amount available for fiscal year 1996 and a decrease of $20,500,000 below the budget request. The Committee is aware of the need to move the Western Human Nutrition Lab-

oratory. The following table summarizes the Committee's provisions:

AGRICULTURAL RESEARCH SERVICE

[In thousands of dollars]

	FY 1996 enacted	FY 1997 request	Committee provisions
BUILDINGS AND FACILITIES			
Arkansas:			
Rice Germplasm Center, Stuttgart	1,000	.....	.....
California:			
Horticulture Crops Research Lab, Fresno to Parlier	.....	22,000	.....
Western Regional Research Center	.....	4,600	4,000
Florida:			
Horticulture Research Lab, Ft. Pierce	1,500	29,800	27,000
Quarantine Facility, Ft. Lauderdale	.....	4,000	.....
Illinois:			
National Center for Agricultural Utilization Research, Peoria	3,900	1,500	1,500
Ethanol pilot plant	.....	.....	1,500
Kansas:			
Grain Marketing Research Lab	1,000	.....	.....
Louisiana:			
Southern Regional Research Center	900	.....	.....
Maryland:			
Beltsville Agricultural Research Center	8,000	4,500	4,500
Mississippi:			
National Center for Natural Products	1,500	.....	.....
National Center for Warm Water Aquaculture	1,900	.....	.....
New York:			
Plum Island Animal Disease Center	5,000	5,000	5,000
Pennsylvania:			
Eastern Regional Research Center	.....	4,700	4,000
South Carolina:			
U.S. Vegetable Lab, Charleston	3,000	.....	.....
Texas:			
Plant Stress Lab, Texas Tech University	1,500	.....	8,100
Subtropical Lab, Weslaco	1,000	4,000	4,000
Total, Buildings and Facilities	30,200	80,100	59,600

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE

The Cooperative State Research, Education, and Extension Service (CSREES) was established by the Secretary of Agriculture on October 1, 1994, under the authority of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6912). The Service was created by the merger of the Cooperative State Research Service and the Extension Service. The mission of CSREES is to work with university partners to advance research, extension, and higher education in the food and agricultural sciences and related environmental and human sciences to benefit people, communities, and the Nation.

RESEARCH AND EDUCATION ACTIVITIES

1996 appropriation	$421,929,000
1997 budget estimate	418,572,000
Provided in the bill	411,849,000
Comparison:	
1996 appropriation	−10,080,000
1997 budget estimate	−6,723,000

The research and education programs administered by the Cooperative State Research, Education, and Extension Service were established by Secretary's Memorandum No. 1462, dated July 19, 1961, and Supplement 1, dated August 31, 1961, under Reorganization Plan No. 2 of 1953. The primary function of research and education activities is to administer Acts of Congress that authorize Federal appropriations for agricultural research and higher education carried on by the State Agricultural Experiment Stations of the 50 States, District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, Micronesia, and Northern Mariana Islands, and by approved schools of forestry, the 1890 land-grant colleges and Tuskegee University, the 1994 land-grant institutions and other eligible institutions. Administration of payments and grants involves the approval of each research proposal to be financed in whole or in part from Federal grant funds; the continuous review and evaluation of research and higher education programs and expenditures thereunder; and the encouragement of cooperation within and between the states and with the research programs of the U.S. Department of Agriculture.

COMMITTEE PROVISIONS

For payments under the Hatch Act the Committee provides $163,671,000, a decrease of $5,063,000 below the amount available for fiscal year 1996 and a decrease of $5,063,000 below the budget request.

For cooperative forestry research the Committee provides $19,882,000, a decrease of $615,000 below the amount available for fiscal year 1996 and a decrease of $615,000 below the budget request.

For payments to the 1890 land-grant colleges and Tuskegee University the Committee provides $26,902,000, a decrease of $833,000 below the amount available for fiscal year 1996 and $833,000 below the budget request.

RESEARCH AND EDUCATION

[In thousands of dollars]

	FY 1996 enacted	FY 1997 request	Committee provisions
RESEARCH AND EDUCATION ACTIVITIES			
Payments Under Hatch Act	168,734	168,734	163,671
Cooperative forestry research (McIntire-Stennis)	20,497	20,497	19,882
Payments to 1890 colleges and Tuskegee	27,735	27,735	26,902
Special Research Grants (P.L. 89–106):			
Aflatoxin	113	.....	113
Agricultural diversification (HI)	131	.....	131
Agricultural management systems (MA)	221	.....	.....
Alfalfa (KS)	106	.....	.....
Alliance for food protection (NE, GA)	300	.....	300
Alternative cropping systems (Southeast)	235	.....	.....
Alternative crops (ND)	550	.....	550
Alternative crops for arid lands (TX)	85	.....	85
Alternative marine and fresh water species (MS)	308	.....	308
Apple fireblight (MI, NY)	.....	.....	325
Aquaculture (CT)	181	.....	.....
Aquaculture (IL)	169	.....	169
Aquaculture (LA)	330	.....	330
Aquaculture (MS)	592	.....	592

RESEARCH AND EDUCATION—Continued

[In thousands of dollars]

	FY 1996 enacted	FY 1997 request	Committee provisions
Aquaculture (NC)			150
Asian Products Lab (OR)	212		212
Bacock Institute (WI)	312		
Barley feed for rangeland cattle (MT)	250		250
Binational Ag. Research & Dev			2,500
Biodiesel research (MO)	152		150
Biotechnology (OR)	217		217
Broom snakeweed (NM)	169		175
Canola (KS)	85		85
Center for animal health and productivity (PA)	113		113
Center for innovative food technology (OH)	181		181
Center for rural studies (VT)	32		
Chesapeake Bay aquaculture	370		370
Coastal/cultivars			200
Competitiveness of agricultural products (WA)	677		677
Cool season legume research (ID, WA)	329		329
Cranberry/blueberry disease and breeding (NJ)	220		220
Dairy and meat goat research (TX)	63		
Delta rural revitalization (MS)	148		148
Dried bean (ND)	85		
Drought mitigation (NE)	200		200
Environmental research (NY)	486		486
Environmental risk factors—cancer (NY)			100
Expanded wheat pasture (OK)	285		285
Farm and rural business finance (IL, AR)	106		106
Floriculture (HI)	250		
Food and Agriculture Policy Institute (IA, MO)	850		800
Food irradiation (IA)	201		
Food Marketing Policy Center (CT)	332		332
Food Processing Center (NE)	42		
Food safety consortium (AR, KS, IA)	1,743		1,690
Food systems research group (WI)	221		221
Forestry (AR)	523		523
Fruit and vegetable market analysis (AZ, MO)	296		296
Generic commodity promotion research and evaluation (NY)	212		212
Global change	1,615	1,615	1,567
Global marketing support service (AR)	92		
Grass seed cropping systems for a sustainable agriculture (WA, OR, ID)	423		
Human nutrition (AR)	425		425
Human nutrition (IA)	473		473
Human nutrition (LA)	752		752
Human nutrition (NY)	622		622
Illinois-Missouri Alliance for Biotechnology	1,357		1,316
Improved dairy management practices (PA)	296		296
Improved fruit practices (MI)	445		445
Institute for Food Science and Engineering (AR)	750		750
Integrated production systems (OK)	161		161
International arid lands consortium	329		329
Iowa biotechnology consortium	1,792		
Jointed goatgrass (WA)	296		296
Landscaping for water quality (GA)	300		300
Livestock and dairy policy (NY, TX)	445		445
Lowbush blueberry research (ME)	220		220
Maple research (VT)	84		
Michigan biotechnology consortium	750		750
Midwest advanced food manufacturing alliance	423		423
Midwest agricultural products (IA)	592		592
Milk safety (PA)	268		
Minor use animal drug	550	550	550
Molluscan shellfish (OR)	300		300
Multi-commodity research (OR)	364		

RESEARCH AND EDUCATION—Continued

[In thousands of dollars]

	FY 1996 enacted	FY 1997 request	Committee provisions
Multi-cropping strategies for aquaculture (HI)	127		
National biological impact assessment	254	254	254
Nematode resistance genetic engineering (NM)	127		127
Non-food agricultural products (NE)	64		
North central biotechnology initiative	2,000		1,940
Oil resources from desert plants (NM)	169		175
Organic waste utilization (NM)	150		100
Peach tree short life (SC)	162		
Pest control alternative (SC)	106		
Phytophthora root rot (NM)	127		127
Post Harvest Rice Straw (CA)			100
Potato research	1,214		1,214
Preharvest food safety (KS)	212		212
Preservation and processing research (OK)	226		226
Red River Corridor (MN, ND)	169		
Regional barley gene mapping project	348		348
Regionalized implications of farm programs (MO, TX)	294		294
Rice modeling, (AR)	395		395
Rural development centers (PA, IA (ND), MS, OR)	423	423	423
Rural Policies Institute (AR, NE, MO)	644		644
Russian wheat aphid (WA, OR, CO, CA, ID)	455		
Seafood and aquaculture harvesting, processing, and marketing (MS)	305		305
Small fruit research (OR, WA, ID)	212		212
Southwest consortium for plant genetics and water resources	338		338
Soybean cyst nematode (MO)	303		303
STEEP II—water quality in Northwest	500		500
Sunflower insects (ND)	127		
Sustainable agriculture (MI)	445		445
Sustainable agriculture and natural resources (PA)	94		
Sustainable agriculture systems (NE)	59		
Swine waste mgt (NC)			150
Tillage, silviculture, waste management (LA)	212		212
Tropical and subtropical	2,809		2,724
Urban pests (GA)	64		64
Viticulture consortium (NY, CA)	500		500
Water conservation (KS)	79		79
Water quality	2,757	2,757	2,757
Weed control (ND)	423		
Wheat genetic research (KS)	176		176
Wood utilization research (OR, MS, NC, MN, ME, MI)	3,758		3,536
Wool research (TX, MT, WY)	212		212
Total, Special Research Grants	47,846	5,599	44,235
Improved pest control:			
Integrated pest management	2,731	8,000	2,731
Pesticide clearance (IR-4)	5,711	10,711	5,711
Pesticide impact assessment	1,327	1,327	1,327
Expert IPM decision support system	177	300	177
Critical issues	200	200	200
Emerging pest and disease issues	1,623	4,200	1,623
Total, Improved pest control	11,769	24,738	11,769
Competitive research grants:			
Plant systems	37,000	47,000	37,000
Animal systems	23,750	29,500	23,750
Nutrition, food quality, and health	7,400	11,000	7,400
Natural resources and the environment	17,650	27,000	17,650
Processing for adding or developing new products	6,935	9,000	6,935
Markets, trade and rural developing	4,000	6,500	4,000

RESEARCH AND EDUCATION—Continued

[In thousands of dollars]

	FY 1996 enacted	FY 1997 request	Committee provisions
Total, Competitive research grants	96,735	130,000	96,735
Animal Health and Disease (Sec. 1433)	5,051	5,051	4,775
Critical Agricultural Materials Act	500	.....	500
Aquaculture Centers (Sec. 1475)	4,000	4,000	4,000
Rangeland Research Grants (Sec. 1480)	475	475	475
Advanced materials	.....	650	.....
Alternative crops	650	.....	650
Low-input agriculture	8,100	8,100	8,000
Capacity building grants	9,200	9,200	9,200
Payments to the 1994 institutions	1,450	1,450	1,450
Graduate fellowship grants	3,500	3,500	3,000
Institute challenge grants	4,350	4,350	4,000
Multcultural scholars program	1,000	1,000	1,000
Hispanic education partnership grants	.....	1,500	.....
Hispanic serving institutions	.....	.....	2,000
Federal Administration:			
Agriculture development in American Pacific	564	.....	564
Alternative Fuels Characterization Lab (ND)	218	.....	218
Center for Agricultural and Rural Development (IA)	655	.....	655
Center for North American Studies (TX)	87	.....	87
Data Information System	.....	500	400
Geographic information system	939	.....	750
Herd management (TN)	535	.....	.....
Mississippi Valley State University	583	.....	583
Office of Extramural Programs	314	310	310
Pay costs and FERS (prior)	551	833	833
Peer panels	350	350	350
PM-10 study (CA, WA)	873	.....	873
Shrimp aquaculture (AZ, HI, MS, MA, SC)	3,054	.....	3,054
Vocational aquaculture education	436	.....	.....
Water quality (IL)	492	.....	492
Water quality (ND)	436	.....	436
Rural partnership	250	.....	.....
Total, Federal Administration	10,337	1,993	9,605
Total, Research and Education Activities	421,929	418,572	411,849

Apple Fireblight (MI, NY).—The Committee provides a grant of $325,000 for research on fireblight. Fireblight is a bacterial disease that is jeopardizing apple production in the East and Midwest. The growing conditions in producing states are ideal for the spread of the bacterial organism. The research will focus on reducing the use of chemicals to control the fireblight organism.

Aquaculture (NC).—North Carolina offers a unique opportunity in aquaculture production. It rests in the transition zone between subtropical and temperate ranges which makes it possible to grow a variety of species. Species on which research will occur include mountain trout, striped bass, flounder, oyster and clam. The Committee provides an appropriation of $150,000.

Coastal Cultivars (GA).—Southeastern coastal states have specific cultural practices related to both home horticulture and erosion control. The Committee recommends a grant of $200,000 to address these needs. In particular research will focus on agriculture products related to Arundinaria and Dendrocalamus.

Post Harvest Rice Straw (CA).—The Committee includes $100,000 for research into alternatives to post-harvest rice straw burning. Currently this is the common practice after harvest. Identifying alternatives to this practice will protect and improve ambient air quality while helping growers address the high costs of alternative disposal methods.

Potato Research.—Potatoes are grown in a number of states, including Wisconsin, and the Committee directs the Department to ensure that funds provided to CSREES for potato research are awarded competitively.

Swine Waste Management (NC).—For waste management research on swine in North Carolina the Committee provides $150,000. North Carolina has become the second largest hog production state and its soil and climate conditions are significantly different than the major producing states. This research project will develop a system of waste management without open storage lagoons and which will allow application of specialized intensive management practices which protects soil, water and air quality.

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

1996 appropriation	($4,600,000)
1997 budget estimate	(4,600,000)
Provided in the bill	(4,600,000)
Comparison:	
1996 appropriation	.....
1997 budget estimate	.....

The Native American Institutions Endowment Fund authorized by Public Law 103-382 provides authority to establish an endowment for the 1994 land-grant institutions (29 tribal controlled colleges). This program will enhance educational opportunities for Native Americans by building educational capacity at these institutions in the areas of student recruitment and retention, curricula development, faculty preparation, instruction delivery systems, and scientific instrumentation for teaching. On the termination of each fiscal year, the Secretary shall withdraw the income from the endowment fund for the fiscal year, and after making adjustments for the cost of administering the endowment fund, distribute the adjusted income as follows: sixty percent of the adjusted income from these funds shall be distributed among the 1994 land-grant institutions on a pro-rata basis, the proportionate share being based on the Indian student count; and forty percent of the adjusted income shall be distributed in equal shares to the 1994 land-grant institutions.

COMMITTEE PROVISIONS

For the Native American Institutions Endowment Fund the Committee appropriates $4,600,000, the same as the amount available in fiscal year 1996 and the same as the budget request.

EXTENSION ACTIVITIES

1996 appropriation	$427,750,000
1997 budget estimate	423,488,000
Provided in the bill	409,670,000

Comparison:
1996 appropriation ..... −18,080,000
1997 budget estimate ..... −13,818,000

Cooperative agricultural extension work was established by the Smith-Lever Act of May 8, 1914, as amended. The legislation authorizes the Department of Agriculture to give, through the land-grant institutions, instruction and practical demonstrations in agricultural and home economics and related subjects, and to encourage the application of such information by means of demonstrations, publications, and otherwise to persons not attending or a resident in the colleges. In addition, the Service provides nutrition training to low-income families, 4–H Club work, and educational assistance, such as community resource development.

COMMITTEE PROVISIONS

For Extension Activities the Committee provides an appropriation of $409,670,000, a decrease of $18,080,000 below the amount available for fiscal year 1996 and a decrease of $13,818,000 below the budget request.

The following table reflects the amount provided by the Committee:

SCIENCE AND EDUCATION

[In thousands of dollars]

	FY 1996 enacted	FY 1997 request	Committee provisions
Extension Activities			
Smith Lever 3(b) & 3(c)	268,493	268,493	260,438
Smith Lever: 3(d)			
Pest management	10,783	15,000	10,783
Water quality	11,065	11,065	10,733
Farm safety	2,943	988	2,855
Food and nutrition education (EFNEP)	60,510	60,510	58,695
Pesticide impact assessment	3,313	3,313	3,214
Rural development centers	936	936	908
Sustainable agriculture	3,411	3,411	3,309
Food safety	2,438	2,438	2,365
Youth-at-risk	9,850	9,850	9,554
Indian Reservation agents	1,724	1,724	1,672
1890 Colleges and Tuskegee	25,090	25,090	24,337
1890 facilities grants	7,782	7,782	7,549
Renewable Resources Extension Act	3,291	3,291	3,192
Agricultural telecommunications	1,203	1,203	1,167
Rural health and safety education	2,709	2,709	2,628
Subtotal	415,541	417,803	403,399
Federal Administration and special grants:			
General administration	5,162	5,685	4,995
Pilot tech. transfer (OK, MS)	326	.....	.....
Pilot tech. transfer (WI)	163	.....	163
Rural rehabilitation (GA)	246	.....	.....
Income enhancement demonstration (OH)	246	.....	246
Rural development (NM)	227	.....	227
Rural development (NE)	386	.....	.....
Rural Development (OK)	296	.....	.....
Beef producers' improvement (AR)	197	.....	.....
Integrated cow/calf resources management (IA)	345	.....	.....
Extension specialist (AR)	99	.....	.....
Rural Center for the Study and Promotion of HIV/STD Prevention (IN)	246	.....	246

SCIENCE AND EDUCATION—Continued

[In thousands of dollars]

	FY 1996 enacted	FY 1997 request	Committee provisions
Delta Teachers Academy	3,876	.....	.....
Wood biomass as an alternative farm product (NY)	197	.....	197
Range improvement (NM)	197	.....	197
Total, Federal Administration and special grants	12,209	5,685	6,271
Total, Extension Activities	427,750	423,488	409,670

The Committee directs the Department to work with the applicants for section 3(d) grants to develop matching funding from non-Federal sources. It is not the Committee's intention to prevent funding for any section 3(d) grant because of a lack of full matching funds this year, but rather to encourage, to the maximum extent possible, that matching funds be provided. In this period of scarce Federal resources, the need for matching funds will take on increasing importance.

The Committee includes $50,000, within the total available for the Youth-at-Risk Program, for the I–CARE Program in Marion County, Illinois.

The Committee expects the Department to consider the merits of funding an extension agent at the Hoopa Valley Tribe Reservation.

BUILDINGS AND FACILITIES

1996 appropriation	$57,838,000
1997 budget estimate	.....
Provided in the bill	30,449,000
Comparison:	
1996 appropriation	−27,389,000
1997 budget estimate	+30,449,000

The CSREES, Buildings and Facilities account was established for the acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities which directly or indirectly support research and extension programs of the Department.

[In thousands of dollars]

	Fiscal year 1996 enacted	Fiscal year 1997 estimate	Committee recommendation
Alabama: Poultry science facility, Auburn University	1,338	.....	.....
Arkansas: Alternative Pest Control Center, Carnall Hall	1,000	.....	.....
California: Alternative Pest Control Containment and Quarantine Facility, University of California	3,057	.....	5,000
Colorado: Animal Reproduction and Biotechnology Laboratory, Colorado State University	.....	.....	1,100
Connecticut: Agricultural biotechnology building, University of Connecticut	1,347	.....	.....
Delaware: Poultry Biocontainment Laboratory	1,751	.....	.....
Florida: Aquatic Research Facility, University of Florida	1,500	.....	.....
Illinois:			
Biotechnology Center, Northwestern University	1,366	.....	1,000
Science facility, DePaul University	.....	.....	2,000
Louisiana: Southeast Research Station, Franklinton	1,280	.....	.....
Maryland: Institute for Natural Resources and Environmental Science, University of Maryland	2,288	.....	2,288

[In thousands of dollars]

	Fiscal year 1996 enacted	Fiscal year 1997 estimate	Committee recommendation
Massachusetts: Center for Hunger, Poverty and Nutrition Policy, Tuffs University	1,641		
Mississippi:			
Center for Water and Wetland Resources, University of Mississippi	1,555		
National Food Service Management Institute	3,000		
Missouri: Center for Plant Biodiversity, St. Louis	3,995		500
New Jersey: Plant Bioscience Facility, Rutgers University	2,262		3,850
New Mexico: Center for Arid Land Studies, New Mexico State University	1,464		7,318
New York: New York Botanical Garden	1,665		
North Carolina: Bowman-Gray Center, Wake Forest	3,000		1,000
Ohio: Lake Erie Soil and Water Research and Education Center			2,308
Oklahoma: Grain Storage Research and Extension Center, Oklahoma State University	495		
Oregon: Forest Ecosystem Research Lab, Oregon State University	5,000		
Pennsylvania: Center for Food Marketing, St. Joseph's University	2,438		
Rhode Island: Coastal Institute on Narragansett Bay, University of Rhode Island	3,854		
South Dakota: Animal Resource Wing, South Dakota State University	2,700		
Tennessee:			
Agricultural, Biological and Environmental Research Complex, University of Tennessee in Knoxville	1,928		
Horse Science and Teaching Center, Middle Tennessee State University			2,585
Texas: Southern crop improvement, Texas A&M	1,400		
Vermont: Rural Community Interactive Learning Center, University of Vermont	2,000		
Washington:			
Animal Disease Biotechnology Facility, Washington State University	1,263		1,500
Wheat research facility, Washington State University	3,251		
Total, buildings and facilities	57,838		30,449

[1] Report requested.

COMMITTEE PROVISIONS

For CSREES Buildings and Facilities the Committee provides an appropriation of $30,449,000, a decrease of $27,389,000 below the amount available for fiscal year 1996 and an increase of $30,449,000 above the budget request.

The Committee notes that the conference report on the fiscal year 1996 appropriation indicated that fiscal year 1997 would be the last year of funding for this account. Accordingly, even within the severe budget constraints, the Committee has made every effort to complete the Federal funding phase of several buildings. The Committee expects other universities to find alternative funding. The Committee suggests that the agency monitor these buildings closely and if alternative funding is not available within 3 years that it make efforts to withdraw any remaining Federal funds.

OFFICE OF THE ASSISTANT SECRETARY FOR MARKETING AND REGULATORY PROGRAMS

1996 appropriation	$605,000
1997 budget estimate	618,000
Provided in the bill	618,000

Comparison:	
1996 appropriation	+13,000
1997 budget estimate	

The Office of the Assistant Secretary for Marketing and Regulatory Programs provides direction and coordination in carrying out laws enacted by the Congress with respect to the Department's marketing, grading, and standardization activities related to grain; competitive marketing practices of livestock, marketing orders and various programs; veterinary services; and plant protection and quarantine. The Office has oversight and management responsibilities for the Animal and Plant Health Inspection Service; Agricultural Marketing Service; and Grain Inspection, Packers and Stockyards Administration.

COMMITTEE PROVISIONS

For the Office of the Assistant Secretary for Marketing and Regulatory Programs the Committee provides an appropriation of $618,000, an increase of $13,000 above the amount available for fiscal year 1996 and the same as the budget request.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

	Appropriation	*User Fees*	*Total, APHIS*
1996 appropriation	$331,667,000	[1] ($100,254,000)	[1] ($431,921,000)
1997 budget estimate	339,033,000	[2] (100,000,000)	[2] (439,033,000)
Provided in the bill	337,428,000	[2] (98,000,000)	[2] (435,428,000)
Comparison:			
1996 appropriation	+5,761,000	(−2,254,000)	(+3,507,000)
1997 budget estimate	−1,605,000	(−2,000,000)	(−3,605,000)

[1] Does not include an increase of $26,773,000 in AQI user fees authority.
[2] Does not include $24,857,000 anticipated from FAIR Act direct appropriation.

The Animal and Plant Health Inspection Service (APHIS) was established by the Secretary of Agriculture on April 2, 1972, under the authority of Reorganization Plan No. 2 of 1953, and other authorities. The major objectives of APHIS are to protect the animal and plant resources of the nation from diseases and pests. These objectives are carried out under the major areas of activity, as follows:

Pest and Disease Exclusion.—The agency conducts inspection and quarantine activities at U.S. ports-of-entry to prevent the introduction of exotic animal and plant diseases and pests. The agency also participates in inspection, survey, and control activities in foreign countries to reinforce its domestic activities.

Plant and Animal Health Monitoring.—The agency conducts programs to assess animal and plant health and to detect endemic and exotic diseases and pests.

Pest and Disease Management Programs.—The agency carries out programs to control and eradicate pest infestations and animal diseases that threaten the United States; reduce agricultural losses caused by predatory animals, birds, and rodents; provide technical assistance to other cooperators such as states, counties, farmer or rancher groups, and foundations; and ensure compliance with

interstate movement and other disease control regulations within the jurisdiction of the agency.

Animal Care.—The agency conducts regulatory activities which ensure the humane care and treatment of animals and horses as required by the Animal Welfare and Horse Protection Acts. These activities include inspection of certain establishments which handle animals intended for research, exhibition, and as pets, and monitoring of certain horse shows.

Scientific and Technical Services.—The agency performs other regulatory activities, including the development of standards for the licensing and testing of veterinary biologicals to ensure their safety and effectiveness; diagnostic activities in support of the control and eradication programs in other functional components; applied research aimed at reducing economic damage from vertebrate animals; development of new pest and animal damage control methods and tools; and regulatory oversight of genetically engineered products.

Agricultural Quarantine Inspection.—User fees are collected to cover the cost of inspection and quarantine activities at U.S. ports of entry to prevent the introduction of exotic animal and plant diseases and pests.

COMMITTEE PROVISIONS

The following table reflects the amounts provided by the Committee:

ANIMAL AND PLANT HEALTH INSPECTION SERVICE—SALARIES AND EXPENSES

[In thousands of dollars]

	FY 1996 enacted	FY 1997 request	Committee provisions
Pest and Disease Exclusion:			
Agricultural quarantine inspection	24,914	26,047	26,047
User fees [1]	100,254	100,000	98,000
Subtotal, Agricultural quarantine inspection	125,168	126,047	124,047
Cattle ticks	4,537	4,537	4,537
Foot-and-mouth disease	3,991	4,132	3,991
Import-export inspection	6,528	7,165	6,847
International programs	6,100	7,186	6,643
Fruit fly exclusion and detection	16,151	26,238	21,161
Screwworm	33,969	31,713	31,713
Tropical bont tick	452	535	452
Total, Pest and Disease Exclusion	196,896	207,553	199,391
Plant and Animal Health Monitoring:			
Animal health monitoring and surveillance	59,276	60,831	60,831
Animal and plant health regulatory enforcement	5,855	5,855	5,855
Pest detection	4,202	4,853	4,202
Total, Plant and Animal Health Monitoring	69,333	71,539	70,888
Pest and Disease Management Programs:			
Animal damage control—operations	26,642	26,642	26,842
Aquaculture	470	672	571
Biocontrol	6,290	6,387	6,290
Boll weevil	18,084	9,834	16,209
Brucellosis eradication	23,360	19,962	23,360
Golden nematode	435	444	444

ANIMAL AND PLANT HEALTH INSPECTION SERVICE—SALARIES AND EXPENSES—Continued

[In thousands of dollars]

	FY 1996 enacted	FY 1997 request	Committee provisions
Grasshopper and Mormon cricket	.....	2,659	.....
Gypsy moth	4,367	4,985	4,367
Imported fire ant	1,000	.....	1,000
Miscellaneous plant diseases	1,516	1,799	1,516
Noxious weeds	338	304	304
Pink bollworm	1,069	1,463	1,069
Pseudorabies	4,543	4,518	4,518
Scrapie	2,967	2,161	2,967
Sweet potato whitefly	2,398	1,888	1,888
Tuberculosis	4,609	5,288	4,948
Witchweed	1,663	1,662	1,662
Total, Pest and Disease Management Programs	99,751	90,668	97,955
Animal Care:			
Animal welfare	9,185	9,624	9,185
Horse protection	362	360	360
Total, Animal Care	9,547	9,984	9,545
Scientific and Technical Services:			
ADC methods development	9,665	10,591	10,591
Biotechnology/environmental protection	7,677	7,722	7,677
Integrated systems acquisition project	4,055	4,000	4,000
Plant methods development laboratories	5,053	5,048	5,048
Veterinary biologics	10,360	10,768	10,360
Veterinary diagnostics	14,785	16,160	15,473
Total, Scientific and Technical Services	51,595	54,289	53,149
Contingency fund	4,799	5,000	4,500
Total, Salaries and Expenses	431,921	439,033	435,428

[1] In addition $24,857,000 is anticipated from Farm Bill direct appropriation.

Agricultural Quarantine Inspection (AQI).—In an attempt to assure that the agricultural quarantine inspection user fee account would have access to all the funds that were collected, the Federal Agriculture Improvement and Reform Act of 1996 amended the program. But in doing so, the amendment only made amounts collected in excess of $100,000,000 directly available for program operations. The first $100,000,000 collected still must be appropriated. The Committee provides $98,000,000 for the AQI user fee program, a decrease of $2,000,000 below the amount appropriated in fiscal year 1996.

Animal Damage Control.—The Administration is moving ahead with its wolf population expansion and reintroduction programs around the country. While the Fish and Wildlife Service, and the National Park Service are the agencies responsible for reintroducing the wolves in certain areas around the country, APHIS is responsible for continued predator monitoring and surveillance work. APHIS currently receives $60,000 per year from the Fish and Wildlife Service for this work, but with efforts to expand populations and reintroduction areas the agency is facing a budget shortfall of as much as $450,000 each year in surveillance work. The Committee has provided the agency an additional $100,000 to help offset

these costs. The Committee also expects the Administration to provide APHIS with adequate resources for monitoring wolf packs if this program is continued or expanded.

The Committee has also included an additional $100,000 to support predator control efforts in the western region.

The Committee expects APHIS to assure, to the maximum extent possible, that all control activities be cost-shared with local sponsors. The Committee expects APHIS to continue work related to beaver control in East Texas, rabies epizootics control in South Texas, blackbird damage control in North Dakota and Louisiana, the mountain lion threat to wool growers in California, deer and nonmigratory bird damage in New Jersey.

The Committee has provided a one-time increase of $926,000 to cover relocation costs of moving employees to the new Wildlife Research Center in Fort Collins, Colorado. The Committee expects that APHIS will use non-lethal methods of predator control as the method of first choice.

Avocados.—The fiscal year 1996 conference report included language regarding the importation of fresh Mexican avocados. The Committee believes that adequate safeguards must be in place to protect domestic avocados and other high-value crops from infestation by injurious exotic pests. The Department is in the process of promulgating a rule on the importation of Mexican avocados. The Committee expects the Secretary to review recent evidence of pest infestation and determine whether the original data it relied upon is sound and complete. If the Secretary cannot make this determination, the Committee directs the Department to undertake the following procedures before issuing a final rule on avocado imports: (1) APHIS must supervise surveys for seed and stem weevils and seed moths at the state, municipality, and grove level at least four times over the period of one year to establish the distribution, density, and seasonality of these quarantine pests; and (2) APHIS must supervise the trapping of fruit flies over a minimum period of at least one year prior to the approval of any grove for export certification.

Boll Weevil.—The Committee has learned that East Mississippi and the Lower Rio Grande Valley have voted to discontinue the program. In light of these recent programmatic changes and current fiscal constraints, the Committee has provided a funding level of $16,209,000 for the program, a decrease of $1,875,000 below the amount available for fiscal year 1996.

Fruit Fly.—The Committee is concerned about the growing number of line-items in the budget regarding fruit flies. In the current line-item structure, there are three line-items for fruit fly exclusion and detection. The Administration is requesting a fourth fruit fly line-item in the budget for Mediterranean fruit fly activities in California. The Committee has provided a single amount for all fruit fly activities of the Department including an increase of $5,000,000 for eradication efforts in California. It believes that combining these line-items would reduce duplication, provide the Agency with increased flexibility to meet program demands, and streamline overall program efforts.

Imported Fire Ant.—The Committee includes $200,000, the same as the fiscal year 1996 level, for ongoing work at the University of

Arkansas at Monticello for fire ant control methods and dissemination of information to the public. The Committee expects APHIS to establish a working group with state departments of agriculture, research universities, and private industry to address prioritizing research needs of various fire ant problems.

Noxious Weeds.—The Committee expects APHIS to continue funding for eradication of orobanche ramosa in Texas.

Research.—The Committee recognizes that the Agricultural Research Service (ARS) serves the priority needs of APHIS in plant and animal pest control and eradication activities. The Committee expects APHIS to work directly with ARS to establish research priority needs of the agency for fiscal year 1997.

Horse Protection Act.—The Committee expects the Department to use its existing authority under the Horse Protection Act to delegate primary responsibility for conducting horse show inspections and other related enforcement activities to USDA-certified horse industry organizations that meet or exceed Department criteria for industry self-regulation.

The Department has purchased thermovision devices for diagnostic and enforcement purposes. The Committee has learned that these devices may represent an untested technology which the scientific community has determined to be unreliable. The Committee requests a report by December 1, 1996 responding to these concerns, and reporting the Department's progress in establishing the industry self-regulation policies described above.

The Committee expects APHIS to report to the Congress within 60 days regarding efforts it is making to ensure that injurious exotic animal and plant diseases and pests are not introduced into this country. The report should include the rate of increase of plant and pest diseases that have entered this nation. The report should also indicate the source of the karnal bunt infestation and the department's efforts to obtain compensation from the source. The agency should also indicate how it will insure that seed and germplasm imported in the United States is protected from disease.

BUILDINGS AND FACILITIES

1996 appropriation	$8,757,000
1997 budget estimate	3,200,000
Provided in the bill	3,200,000
Comparison:	
1996 appropriation	−5,557,000
1997 budget estimate	

The APHIS Buildings and Facilities account funds major nonrecurring construction projects in support of specific program activities and recurring construction, alterations, preventive maintenance, and repairs of existing APHIS facilities.

COMMITTEE PROVISIONS

For Animal and Plant Health Inspection Service, Buildings and Facilities, the Committee provides an appropriation of $3,200,000, a decrease of $5,557,000 below the amount available for fiscal year 1996 and the same as the budget request.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

1996 appropriation	$46,517,000
1997 budget estimate	48,311,000
Provided in the bill	37,592,000
Comparison:	
1996 appropriation	−8,925,000
1997 budget estimate	−10,719,000

The Agricultural Marketing Service (AMS) was established by the Secretary of Agriculture on April 2, 1972, under the authority of Reorganization Plan No. 2 of 1953, and other authorities. Through its marketing, consumer, and regulatory programs, AMS aids in advancing orderly and efficient marketing and effective distribution and transportation of products from the Nation's farms.

Programs administered by this agency include the market news services, payments to states for marketing activities, the Plant Variety Protection Act, the Federal administration of marketing agreements and orders, standardization, grading, classing, and shell egg surveillance services, transportation services, and market protection and promotion.

COMMITTEE PROVISIONS

For marketing services of the Agricultural Marketing Service the Committee provides an appropriation of $37,592,000, a decrease of $8,925,000 below the amount available for fiscal year 1996 and $10,719,000 below the budget request.

The total amount does not include funding to continue the pesticide data program initiated in fiscal year 1991 in response to the Alar scare in apples. The program has proven that there are very low levels of residues on fruits and vegetables tested, levels well under the established EPA tolerances. The Committee has provided increases to this agency as well as to the Economic Research Service, the National Agricultural Statistics Service, and the Agriculture Research Service in support of integrated pest management activities. Included in the total appropriation for AMS is the budget request of $1,184,000 for pesticide recordkeeping. In these times of declining budgets and fiscal restraints it becomes necessary to prioritize activities. The Committee supports integrated pest management and believes redirecting shrinking Federal dollars into this area would be more beneficial and cost effective.

The Committee has learned that several states, such as California, New York, and Texas, have reduced or eliminated the state contribution to the cooperative Federal-state market news program. This has resulted in greater pressure on the Federal program to fill the critical gaps in reporting needed to develop national market perspectives. The Committee has included funds so the agency can continue to provide accurate and timely market information for all agriculture producers, traders, and consumers.

The Committee provides language to allow for the collection of fees for the development of standards.

LIMITATION ON ADMINISTRATIVE EXPENSES

1996 limitation	($58,461,000)
1997 budget limitation	(59,012,000)

Provided in the bill	(59,012,000)
Comparison:	
1996 limitation	(+551,000)
1997 budget limitation	

The Agricultural Marketing Service provides inspection, grading, and classing services to the cotton and tobacco industries on a user funded basis. The legislative authorities to carry out these programs are: the U.S. Cotton Standards Act; the Cotton Statistics and Estimates Act of 1927, as amended; the Tobacco Inspection Act; the Omnibus Budget Reconciliation Act of 1981; the Dairy and Tobacco Adjustment Act of 1985; and the Uniform Cotton Classing Fees Act of 1987. These programs facilitate the interstate and foreign commerce of these products. This is accomplished by inspecting, identifying, and certifying the quality of these products in accordance with official standards. Grades serve as a basis for prices and reflect the value of the products to the producer as well as the buyer. These programs facilitate the movement of commodities through marketing channels in a quick, efficient, and equitable manner.

COMMITTEE PROVISIONS

For a limitation on administrative expenses of the Agricultural Marketing Service the Committee provides $59,012,000, an increase of $551,000 above the amount available for fiscal year 1996 and the same amount as the budget request.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY

(SECTION 32)

1996 appropriation	$10,451,000
1997 budget estimate	10,576,000
Provided in the bill	10,576,000
Comparison:	
1996 appropriation	+125,000
1997 budget estimate	

The Act of August 24, 1935, appropriates 30 percent of all customs receipts for: (a) encouraging exports of agricultural commodities; (b) encouraging domestic consumption of agricultural commodities by diversion to alternative outlets or by increasing their utilization; and (c) reestablishing the farmers' purchasing power.

The primary purpose of section 32 is to strengthen markets by purchasing surplus perishable agricultural commodities to encourage continued adequate production.

The following table reflects the status of this fund for fiscal years 1995–1997:

SECTION 32—ESTIMATED TOTAL FUNDS AVAILABLE AND BALANCE CARRIED FORWARD, FISCAL YEARS 1995–1997

	FY 1995 actual	FY 1996 current estimate	FY 1997 current estimate
Appropriation (30 percent of customs receipts)	$5,789,935,663	$6,263,764,062	$5,923,376,725
Less transfers:			
Food and Consumer Service	−5,249,077,000	−5,597,858,000	−5,433,753,000
Commerce Department	−64,765,383	−72,893,162	−66,381,020
Total, transfers	−5,313,842,383	−5,670,751,162	−5,500,134,000

SECTION 32—ESTIMATED TOTAL FUNDS AVAILABLE AND BALANCE CARRIED FORWARD, FISCAL YEARS 1995–1997—Continued

	FY 1995 actual	FY 1996 current estimate	FY 1997 current estimate
Budget authority	476,093,280	593,012,900	423,242,705
Unobligated balance available, start of year	245,951,017	235,129,235	300,000,000
Recoveries of prior year obligations	25,755,147		
Available for obligation	747,799,444	828,142,135	723,242,705
Less obligations:			
Commodity procurement:			
Child nutrition purchases	399,876,216	400,000,000	400,000,000
Emergency surplus removal	96,679,225	31,374,000	
Diversion payments	−300,000		
Disaster relief	530,000	2,000,000	
Sunflower and cottonseed oil purchase		23,900,000	20,300,000
Total, commodity procurement	496,785,441	457,274,000	420,300,000
Administrative funds:			
Commodity purchase service	5,907,293	6,106,000	6,155,000
Marketing agreements and orders	9,977,475	10,451,000	10,576,000
Total, administrative funds	15,884,768	16,557,000	16,731,000
Total, direct obligations	512,670,209	491,731,000	437,031,000
Carryover	235,129,235	354,311,135	300,000,000
Return to Treasury		36,411,135	6,511,705
Unobligated balance available, end of year	235,129,235	300,000,000	300,000,000

COMMITTEE PROVISIONS

For the marketing agreements and orders program the Committee provides a transfer from section 32 funds of $10,576,000, an increase of $125,000 above the amount available for fiscal year 1996 and the same amount as the budget request.

PAYMENTS TO STATES AND POSSESSIONS

1996 appropriation	$1,200,000
1997 budget estimate	1,200,000
Provided in the bill	1,200,000
Comparison:	
1996 appropriation	
1997 budget estimate	

The Federal-State Marketing Improvement Program is authorized by section 204(b) of the Agricultural Marketing Act of 1946 and is also funded from appropriations. Payments are made to state marketing agencies to: identify and test market alternative farm commodities; determine methods of providing more reliable market information; and develop better commodity grading standards. This program has made possible many types of projects, such as electronic marketing and agricultural product diversification. Current projects are focused on the improvement of marketing efficiency and effectiveness, and seeking new outlets for existing farm produced commodities. The legislation grants the U.S. Department of Agriculture authority to establish cooperative agreements with State Departments of Agriculture or similar state agencies to improve the efficiency of the agricultural marketing chain. The states

perform the work or contract it to others, and must contribute at least one-half of the cost of the projects.

COMMITTEE PROVISIONS

For payments to states and possessions the Committee provides an appropriation of $1,200,000, the same as the amount available for fiscal year 1996 and the same as the budget request.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

SALARIES AND EXPENSES

1996 appropriation	$23,058,000
1997 budget estimate	24,595,000
Provided in the bill	22,728,000
Comparison:	
1996 appropriation	−330,000
1997 budget estimate	−1,867,000

The Grain Inspection, Packers and Stockyards Administration (GIPSA) was established pursuant to the Secretary's 1994 reorganization. Grain inspection and weighing programs are carried out under the U.S. Grain Standards Act and other programs under the authority of the Agricultural Marketing Act of 1946, including the inspection and grading of rice and grain-related products; conducting official weighing and grain inspection activities; and grading dry beans and peas, and processed grain products. Under the Packers and Stockyards Act, assurance of the financial integrity of the livestock, meat, and poultry markets is provided. The Administration monitors competition in order to protect producers, consumers, and industry from deceptive and fraudulent practices which affect meat and poultry prices.

COMMITTEE PROVISIONS

For Grain Inspection, Packers and Stockyards Administration the Committee provides an appropriation of $22,728,000, a decrease of $330,000 below the amount available for fiscal year 1996 and $1,867,000 below the budget request.

LIMITATION ON INSPECTION AND WEIGHING SERVICES EXPENSES

1996 limitation	($42,784,000)
1997 budget limitation	(43,207,000)
Provided in the bill	(43,207,000)
Comparison:	
1996 limitation	(+423,000)
1997 budget limitation	.....

The U.S. Grain Standards Act requires, with minor exceptions, that all grain exported by grade must be officially inspected and weighed. The agency's employees or delegated state agencies perform original inspection and weighing services at export port locations in the United States and Canada. Grain which is not being exported may be inspected at interior locations, upon request, by licensed employees of designated state and private agencies. The agency's employees, upon request, perform domestic original inspection and weighing services on grain, oilseeds, pulses, rice, and related grain commodities. The agency's employees supervise and provide oversight for inspectors performing official services.

COMMITTEE PROVISIONS

The Committee includes a limitation on inspection and weighing services expenses of $43,207,000, an increase of $423,000 above the amount available for fiscal year 1996 and the same as the budget request. The bill includes authority to exceed by 10 percent the limitation on inspection and weighing services with notification to the Appropriations Committees. This allows for flexibility if export activities require additional supervision and oversight or other uncontrollable factors occur.

OFFICE OF THE UNDER SECRETARY FOR FOOD SAFETY

1996 appropriation	$440,000
1997 budget estimate	576,000
Provided in the bill	446,000
Comparison:	
1996 appropriation	+6,000
1997 budget estimate	−130,000

The Office of the Under Secretary for Food Safety provides direction and coordination in carrying out the laws enacted by the Congress with respect to the Department's inspection of meat, poultry, and egg products. The Office has oversight and management responsibilities for the Food Safety and Inspection Service.

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Food Safety the Committee provides an appropriation of $446,000, an increase of $6,000 above the amount available for fiscal year 1996 and a decrease of $130,000 below the budget request.

The Committee notes that it has recommended full funding of the 1997 budget request for the Food Safety and Inspection Service (FSIS), over which the Under Secretary has responsibility. The request for an additional $136,000 for the Under Secretary's office in fiscal year 1997 is to "strengthen the policy guidance and evaluation function . . . within the Office of the Under Secretary." The Committee believes that resources for policy guidance and evaluation are readily available in FSIS and there is no need for additional bureaucracy within the Office of the Under Secretary.

FOOD SAFETY AND INSPECTION SERVICE

1996 appropriation	$544,906,000
1997 budget estimate	574,000,000
Provided in the bill	574,000,000
Comparison:	
1996 appropriation	+29,094,000
1997 budget estimate	

The Food Safety and Inspection Service was established on June 17, 1981, by Secretary's Memorandum No. 1000–1, issued pursuant to Reorganization Plan No. 2 of 1953.

The major objectives of the Service are to assure that meat and poultry products are wholesome, unadulterated, and properly labeled and packaged, as required by the Federal Meat Inspection Act and the Poultry Products Inspection Act; provide continuous in-plant inspection to egg processing plants under the Egg Products Inspection Act; and administer the pathogen reduction program.

The inspection program of the Food Safety and Inspection Service provides continuous in-plant inspection of all domestic plants preparing meat, poultry or egg products for sale or distribution; reviews foreign inspection systems and establishments that prepare meat or poultry products for export to the United States; and provides technical and financial assistance to states which maintain meat and poultry inspection programs.

COMMITTEE PROVISIONS

For the Food Safety and Inspection Service the Committee provides an appropriation of $574,000,000, an increase of $29,094,000 above the amount available for fiscal year 1996 and the same as the budget request.

The Committee directs the Department to work with the Centers for Disease Control and Prevention and any other appropriate agency to provide the House and Senate Committees on Appropriations an annual report on the incidence of foodborne illnesses in the United States. The report should be submitted with the annual Administration request for funding for the Food Safety and Inspection Service.

The Committee believes that the Food Safety and Inspection Service must do more to ensure that meat and poultry plant owners and managers are held accountable for violations of food safety laws and regulations. The Committee urges FSIS to revise its Grant-of-Inspection to require from plants expanded information about their operations and certification that plants are currently complying with food safety laws and regulations. The Committee fully supports the recommendations made by the Inspector General regarding the FSIS Grant-of-Inspection.

The Committee also learned from testimony by the Inspector General that plants in violation of food safety practices can remain open a substantial amount of time. In these cases, the Food Safety and Inspection Service sends in additional inspectors to bring the plant into compliance, thereby shifting the financial burden of noncompliance to the taxpayer. The Committee supports the efforts of the Department to improve its methods of compliance assurance and urges the Department to consider requesting authorizing legislation to allow the assessment of civil penalties where appropriate.

The Committee notes that the Department has not implemented an amendment to the Egg Products Inspection Act which was enacted into law in 1991. The amendment was intended to establish an average ambient temperature for transportation of eggs and egg products in order to inhibit the development of *Salmonella enteritidis* in eggs. The Committee expects the Department to issue final regulations to implement this amendment or to provide to the Committees on Appropriations of the House and the Senate, in writing, no later than 30 days after the enactment of this legislation, its reason for not issuing final regulations and any objections it has to the 1991 or other relevant legislation. The Committee further expects the Department to consult with representatives of the egg products industry on this amendment and on any related regulations.

The Committee recognizes that the Agricultural Research Service (ARS) serves the priority research needs of FSIS to assure safe and wholesome meat and poultry products. The Committee directs FSIS to report to the Committees on Appropriations of the House and Senate the process it uses to establish the research priorities of the agency and how it communicates those needs to ARS. The report should include the priorities established with ARS for fiscal years 1994 through 1996 and those projected for fiscal year 1997.

The Committee urges the Department to consider a joint FSIS/APHIS National Farm Animal Identification Pilot Program for dairy cows. This project would develop a prototype for a national identification system that would track animals from farm to farm, farm to market and market to processing unit. The prototype would help determine if a national system could be administered efficiently and cost-effectively. The Committee expects that any funds necessary for this pilot project will be paid from funds appropriated in this bill to the Food Safety and Inspection Service.

The Committee notes that the ratite industry is rapidly growing in the United States and that the consumption of ratite meat and products is growing rapidly as well. Therefore, the Committee urges the Department to consider changing the status of ratites as exotic animals and including ratite meat and meat products in the regular meat and poultry inspection process.

FARM ASSISTANCE PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES

1996 appropriation	$549,000
1997 budget estimate	572,000
Provided in the bill	572,000
Comparison:	
1996 appropriation	+23,000
1997 budget estimate	

The Office of the Under Secretary for Farm and Foreign Agricultural Services provides direction and coordination in carrying out the laws enacted by the Congress with respect to the Department's international affairs (except for foreign economics development) and commodity programs. The Office has oversight and management responsibilities for the Farm Service Agency, including the

Commodity Credit Corporation and crop insurance; Office of Risk Management; and the Foreign Agricultural Service.

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Farm and Foreign Agricultural Services the Committee provides an appropriation of $572,000, an increase of $23,000 above the amount available for fiscal year 1996 and the same as the budget request.

Language is included to prohibit the Secretary from automatically extending an existing or expiring conservation reserve contract. The Committee directs that all acres are to be rebid and reevaluated using the same criteria that was used during the thirteenth sign-up. Much of the land that was enrolled early in the program is marginal at best in terms of its environmental sensitivity and is highly productive. The Committee believes that by using the criteria of the last enrollment period for evaluation of all acres offered for extension, the Department will be able to verify that only land that represents a conservation benefit to the country is enrolled. This way the program will achieve its original goal of preventing or controlling critical soil erosion on highly erodible and environmentally sensitive cropland and at the same time help alleviate current grain shortages.

The Committee also reaffirms its position that contract rates should not exceed the prevailing rental rates for comparable land in the local area.

FARM SERVICE AGENCY

The Farm Service Agency (FSA) was established by the Department of Agriculture Reorganization Act of 1994, P.L. 103–354, enacted October 13, 1994. Originally called the Consolidated Farm Service Agency, the name was changed to the Farm Service Agency on November 8, 1995. The FSA administers the agricultural commodity programs financed by the Commodity Credit Corporation (CCC); the warehouse examination function; the conservation reserve program (CRP); and several other conservation cost-share programs; crop insurance and other risk management programs of the Federal Crop Insurance Corporation; and farm ownership and operating, and emergency disaster and other loan programs.

Agricultural market transition program.—The Federal Agriculture Improvement and Reform Act of 1996, P.L. 104–127 (1996 Act), enacted April 4, 1996, mandates that the Secretary offer individuals with eligible cropland acreage the opportunity for a one-time signup in a 7-year, production flexibility contract. Depending on each contract, a participant's prior contract-crop acreage history and payment yield, as well as total program participation, each contract participant shares a portion of a statutorily-specified annual dollar amount. In return, participants must comply with certain requirements regarding land conservation, wetland protection, planting flexibility, and agricultural use. Contract crops, for the purposes of determining eligible cropland and payments, include wheat, corn, grain sorghum, barley, oats, upland cotton, and rice. This program does not include any production adjustment require-

ments or related provisions except for restrictions on the planting of fruits and vegetables.

Marketing assistance loan program, price support programs, and other loan and related programs.—The 1996 Act provides for marketing assistance loans to producers of contract commodities, extra long staple (ELS) cotton, and oilseeds for the 1996 through 2002 crops. With the exception of ELS cotton, these nonrecourse loans are characterized by loan repayment rates that may be determined to be less than the principal plus accrued interest per unit of the commodity. Producers have the option of taking a loan deficiency payment, if available, in lieu of the marketing assistance loan.

The 1996 Act also provides for a loan program for sugar for the 1996 through 2002 crops of sugar beets and sugarcane, where the loans may be either recourse or nonrecourse in nature depending on the level of the tariff rate quota for imports of sugar. The 1996 Act provides for a milk price support program, whereby the price of milk is supported through December 31, 1999, via purchases of butter, cheese, and nonfat dry milk. The rate of support is fixed each calendar year, starting at $10.35 per hundredweight in 1996 and declining each year to $9.90 per hundredweight in 1999. Beginning January 1, 2000, the 1996 Act provides a recourse loan program for commercial processors of dairy products. The 1996 Act and the 1938 Act provide for a peanut loan and poundage quota program for the 1996 through 2002 crops of peanuts. Finally, the Agricultural Act of 1949, as amended (1949 Act), and the 1938 Act provide for a price support, quota, and allotment program for tobacco.

The interest rate on commodity loans secured on or after October 1, 1996, will be one percentage point higher than the formula which was used to calculate commodity loans secured prior to fiscal year 1997. The CCC monthly commodity loan interest rate will, in effect, be one percentage point higher than CCC's cost-of-money for that month.

The 1996 Act amended the payment limitation provisions in the Food Security Act of 1985, as amended (1985 Act), by changing the annual $50,000 payment limit per person for deficiency and diversion payments to an annual $40,000 payment limit per person for contract payments. The annual $75,000 payment limit per person applicable to combined marketing loan gains and loan deficiency payments for all commodities that was in effect for the 1991 through 1995 crop years continues through the 2002 crop year. Similarly, the 3-entity rule is continued.

Commodity Credit Corporation program activities.—Various price support and related programs have been authorized in numerous legislative enactments since the early 1930's. Operations under these programs are financed through the Commodity Credit Corporation. Personnel and facilities of the Farm Service Agency (FSA) are utilized in the administration of the Commodity Credit Corporation, and the Administrator of the FSA is also Executive Vice President of the Corporation.

Foreign assistance programs and other special activities.—Various surplus disposal programs and other special activities are conducted pursuant to the specific statutory authorizations and directives. These laws authorize the use of CCC funds and facilities to

implement the programs. Appropriations for these programs are transferred or paid to the Corporation for its costs incurred in connection with these activities, such as Public Law 480.

Farm credit programs.—The Department's reorganization has placed the farm credit programs under FSA and is designed to facilitate improved coordination between the credit programs and FSA's risk management, conservation, and commodity support programs. FSA reviews applications, makes and collects loans, and provides technical assistance and guidance to borrowers. Under credit reform, administrative costs associated with Agricultural Credit Insurance Fund (ACIF) loans are appropriated to the ACIF Program Account and transferred to FSA salaries and expenses.

Risk management.—Includes the program activities in direct support of the Federal crop insurance program as authorized by the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994. The Act repealed ad hoc disaster authority and replaces disaster bills as the Federal response to emergencies involving widespread crop loss. Functions included are research and development, insurance services, compliance and emergency and noninsured assistance. Included are policy formulation, procedures, and regulations development. Reviews and evaluations are conducted for overall performance to ensure the actuarial soundness of the insurance program.

SALARIES AND EXPENSES

	Appropriation	*Transfer from program accts.*	*Total, FSA, S&E*
1996 appropriation	$795,000,000	($209,780,000)	($1,004,780,000)
1997 budget estimate	820,495,000	(210,891,000)	(1,031,386,000)
Provided in the bill	746,440,000	(209,780,000)	(956,220,000)
Comparison:			
1996 appropriation	−48,560,000	.....	(−48,560,000)
1997 budget estimate	−74,055,000	(−1,111,000)	(−75,166,000)

COMMITTEE PROVISIONS

For salaries and expenses of the Farm Service Agency (FSA) the Committee provides an appropriation of $746,440,000 and transfers from other accounts of $209,780,000, for a total program level of $956,220,000, a decrease of $48,560,000 below the amount available for fiscal year 1996 and $75,166,000 below the budget request. In part the decrease is to cover the transfer of activities related to crop insurance to the Office of Risk Management.

The Committee is aware of the significant change in workload caused by the Federal Agriculture Improvement and Reform Act of 1996. While there are certainly programs that will require less work than previously, there are also clearly programs that will cause changes and increases in workload. The Committee expects the Department to report periodically during the next year as to the changes in workload and the savings that can be achieved.

Language is included to prohibit the Secretary from automatically extending an existing or expiring conservation reserve contract. The Committee directs that all acres are to be rebid and reevaluated using the same criteria that was used during the thirteenth sign-up. Much of the land that was enrolled early in the program is marginal at best in terms of its environmental sensitiv-

ity and is highly productive. The Committee believes that by using the criteria for the last enrollment period for evaluation of all acres offered for extension, the Department will be able to verify that only land that represents a conservation benefit to the country is enrolled. This way the program will achieve its original goal of preventing or controlling critical soil erosion on highly erodible and environmentally sensitive cropland and at the same time help alleviate current grain shortages.

The Committee also reaffirms its position that contract rates should not exceed the prevailing rental rates for comparable land in the local area.

The Committee directs the Department to maintain Farm Service Agency automation and accounting support for the farm loan programs at the Department's offices in St. Louis, Missouri. The Committee is concerned that the St. Louis office has not been able to meet required staffing levels due to the nationwide hiring freeze. The Committee urges the Farm Service Agency to give staff requirements at the St. Louis office a high priority. If Reductions-in-Force in FSA field offices are necessary due to budget constraints, the Committee expects the Department to ensure that federal and nonfederal employees are treated equitably.

STATE MEDIATION GRANTS

1996 appropriation	$2,000,000
1997 budget estimate	3,000,000
Provided in the bill	.....
Comparison:	
1996 appropriation	−2,000,000
1997 budget estimate	−3,000,000

This program is authorized under title V of the Agricultural Credit Act of 1987. Grants are made to states which have been certified by FSA as having an agricultural loan mediation program. Grants will be solely for operation and administration of the state's agricultural loan mediation program.

COMMITTEE PROVISIONS

Due to fiscal constraints the Committee defers funding for the state mediation grants program. This is $2,000,000 below the amount available for fiscal year 1996 and $3,000,000 below the budget request.

DAIRY INDEMNITY PROGRAM

1996 appropriation	$100,000
1997 budget estimate	100,000
Provided in the bill	100,000
Comparison:	
1996 appropriation	.....
1997 budget estimate	.....

Under the program, the Department makes indemnification payments to dairy farmers and manufacturers of dairy products who, through no fault of their own, suffer losses because they are directed to remove their milk from commercial markets due to contamination of their products by registered pesticides. The program also authorizes indemnity payments to dairy farmers for losses re-

sulting from the removal of cows or dairy products from the market due to nuclear radiation or fallout.

COMMITTEE PROVISIONS

For the dairy indemnity program the Committee provides an appropriation of $100,000, the same as the amount available for fiscal year 1996 and the same as the budget request.

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS

1996 appropriation	$1,000,000
1997 budget estimate	3,000,000
Provided in the bill	1,000,000
Comparison:	
1996 appropriation	
1997 budget estimate	−2,000,000

This program is authorized under section 2501 of title XXV of the Food, Agriculture, Conservation, and Trade Act of 1990. Grants are made to eligible community-based organizations with demonstrated experience in providing education or other agriculturally related services to socially disadvantaged farmers and ranchers in their area of influence. Also eligible are the 1890 land-grant colleges, Tuskegee University, Indian tribal community colleges, and Hispanic serving post-secondary education facilities.

COMMITTEE PROVISIONS

For the outreach for socially disadvantaged farmers and ranchers program the Committee provides an appropriation of $1,000,000, the same as the amount available for fiscal year 1996 and a decrease of $2,000,000 below the budget request.

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

Farm Ownership Loans.—Makes loans to farmers and ranchers for acquiring, enlarging, or improving farms, including farm buildings, land development, use, and conservation, refinancing indebtedness, and for loan closing costs.

Operating Loans.—Makes loans to farmers and ranchers for costs incident to reorganizing a farming system for more profitable operations, for a variety of essential farm operating expenses such as purchase of livestock, farm equipment, feed, seed, fertilizer, and farm supplies; for refinancing land and water development, use, and conservation; for refinancing indebtedness; for other farm and home needs; and for loan closing costs.

Emergency Loans.—Makes loans in designated areas where a natural disaster has caused a general need for agricultural credit which cannot be met for limited periods of time by private cooperatives or other responsible sources.

Indian Tribe Land Acquisition Loans.—Makes loans to any Indian tribe recognized by the Secretary of the Interior or tribal corporation established pursuant to the Indian Reorganization Act, which does not have adequate uncommitted funds, to acquire lands or interest in lands within the tribe's reservation or Alaskan Indian community, as determined by the Secretary of the Interior, for use of the tribe or the corporation or the members thereof.

Credit Sales of Acquired Property.—Makes loans in conjunction with the sale of security properties previously acquired during the servicing of its loan portfolio.

ESTIMATED LOAN LEVELS

1996 appropriation	($3,160,750,000)
1997 budget estimate	(3,196,071,000)
Provided in the bill	(2,996,071,000)
Comparison:	
1996 appropriation	(−164,679,000)
1997 budget estimate	(−200,000,000)

This fund makes the following loans to individuals: farm ownership, farm operating, soil and water, recreation, and emergency. In addition, the fund makes loans to associations for irrigation and drainage, grazing, recreation facilities, Indian tribe land acquisition, watershed protection, flood prevention, and resource conservation and development.

COMMITTEE PROVISIONS

Approximate loan levels provided by the Committee for fiscal year 1997 for the agricultural credit insurance fund programs are: $600,000,000 for farm ownership loans, of which $50,000,000 is for direct loans and $550,000,000 is for guaranteed loans; $2,345,071,000 for farm operating loans, of which $445,071,000 is for direct loans, $200,000,000 is for guaranteed subsidized loans, and $1,700,000,000 is for guaranteed unsubsidized loans; $1,000,000 for Indian tribe land acquisition loans; $25,000,000 for emergency disaster loans; and $25,000,000 for credit sales of acquired property.

AGRICULTURE CREDIT PROGRAMS

[In thousands of dollars]

	FY 1996 level	FY 1997 request	Committee provisions
Farm loan programs:			
Farm ownership:			
Direct	(60,000)	(50,000)	(50,000)
Guaranteed	(550,000)	(650,000)	(550,000)
Farm operating:			
Direct	(550,000)	(445,071)	(445,071)
Unsubsidized guaranteed	(1,700,000)	(1,750,000)	(1,700,000)
Subsidized guaranteed	(200,000)	(250,000)	(200,000)
Emergency disaster	(100,000)	.....	(25,000)
Soil and water:			
Indian tribe land acquisition	(750)	(1,000)	(1,000)
Credit sales of acquired property	.....	(50,000)	(25,000)
Total, farm loans	(3,160,750)	(3,196,071)	(2,996,071)

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	Direct loan subsidy	*Guaranteed loan subsidy*	*Administrative expenses*
1996 appropriation	$121,505,000	$56,339,000	$221,541,000
1997 budget estimate	70,184,000	68,940,000	222,091,000
Provided in the bill	76,184,000	59,745,000	221,046,000
Comparison:			
1996 appropriation	−6,000,000	−3,406,000	−495,000
1997 budget estimate	−45,321,000	−9,195,000	−1,045,000

The Federal Credit Reform Act of 1990 established the Program Account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated and loan guarantees committed in 1997, as well as for administrative expenses.

COMMITTEE PROVISIONS

The following table reflects the costs of loan programs under credit reform:

	FY 1996 enacted	FY 1997 request	Committee provisions
Loan subsidies:			
Farm ownership:			
Direct	14,034,000	5,920,000	5,920,000
Guaranteed	20,019,000	26,065,000	22,055,000
Subtotal	34,053,000	31,985,000	27,975,000
Farm operating:			
Direct	75,185,000	59,150,000	59,150,000
Guaranteed unsubsidized	18,360,000	19,775,000	19,210,000
Guaranteed subsidized	17,960,000	23,100,000	18,480,000
Subtotal	111,505,000	102,025,000	96,840,000
Indian tribe land acquisition	206,000	54,000	54,000
Emergency disaster	32,080,000		6,365,000
Credit sales of acquired property		5,060,000	2,530,000
Total, Loan subsidies	177,844,000	139,124,000	133,764,000
ACIF expenses:			
Salaries and expenses	208,935,000	209,485,000	208,446,000
Administrative expenses	12,606,000	12,606,000	12,600,000
Total, ACIF expenses	399,385,000	361,215,000	221,046,000

OFFICE OF RISK MANAGEMENT

1996 appropriation	
1997 budget estimate	
Provided in the bill	$62,198,000
Comparison:	
1996 appropriation	
1997 budget estimate	

Under the Federal Agriculture Improvement and Reform (FAIR) Act of 1996, Risk Management will become an agency of the Department of Agriculture, known as the Office of Risk Management, reporting to the Under Secretary for Farm and Foreign Agricultural Services.

Risk Management includes program activities in support of the Federal crop insurance program as authorized by the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 and the FAIR Act of 1996. Functional areas of Risk Management are research and development, insurance services, and compliance, whose functions include policy formulation and procedures and regulations development. Reviews and evaluations

are conducted for overall performance to ensure the actuarial soundness of the insurance program.

COMMITTEE PROVISIONS

For the Office of Risk Management the Committee provides an appropriation of $62,198,000. In fiscal year 1996 the activities of this office were performed as part of the Farm Service Agency.

The House Appropriations Committee directs the Federal Crop Insurance Corporation to implement changes to the peach coverage in Georgia that utilizes actual production history of the growers in Georgia and, where appropriate, uses current University of Georgia Research and Extension data. This actual production history should be developed by variety/by age/by location, consistent with sound underwriting and actuarial principles. Location may be determined by tree age and density, county, or a "T Yield Map Area".

CORPORATIONS

FEDERAL CROP INSURANCE CORPORATION FUND

1996 appropriation	$1,263,708,000
1997 budget estimate	1,591,000,000
Provided in the bill	(1)
Comparison:	
1996 appropriation	
1997 budget estimate	

[1] Bill provides such sums as necessary.

The Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 was designed to replace the combination of crop insurance and ad hoc disaster payment programs with a strengthened crop insurance program.

Producers of insurable crops are eligible to receive a basic level of protection against catastrophic losses, which cover 50 percent of the normal yield at 60 percent of the expected price. The only cost to the producer is an administrative fee of $50 per policy, or $200 for all crops grown by the producer in a county, with a cap of $600 regardless of the number of crops and counties involved. At least catastrophic (CAT) coverage was required for producers who participate in the commodity support, farm credit, and certain other farm programs. This coverage was available either through FSA local offices or private insurance companies. Under the Federal Agriculture Improvement and Reform (FAIR) Act of 1996, producers will be offered the option of waiving their eligibility for emergency crop loss assistance instead of obtaining CAT coverage required to meet program requirements. Emergency loss assistance does not include emergency loans or payment under the noninsured assistance program (NAP). Beginning with the 1997 crop, the Secretary will begin phasing out delivery of CAT coverage through the FSA offices, except in those areas where there are insufficient private insurance providers. The Secretary will announce phasing out plans within 90 days of enactment of the FAIR Act of 1996.

The Reform Act of 1994 also provides increased subsidies for additional "buy-up" coverage levels which producers may obtain from private insurance companies. The amount of subsidy is equivalent to the amount of premium established for catastrophic risk protec-

tion coverage and an amount for operating and administrative expenses for coverage up to 65 percent at 100 percent price. For coverage equal to or greater than 65 percent at 100 percent of the price, the amount is equivalent to an amount equal to the premium established for 50 percent loss in yield indemnified at 75 percent of the expected market price and an amount of operating and administrative expenses.

The reform legislation included the NAP program for producers of crops for which there is currently no insurance available. NAP was established to ensure that most producers of crops not yet insurable will have protection against crop catastrophes comparable to protection previously provided by ad hoc disaster assistance programs. While the NAP program was implemented under the Deputy Administrator for Risk Management, under the FAIR Act of 1996, the NAP program will remain with the Farm Service Agency and be incorporated into the Commodity Credit Corporation program activities.

COMMITTEE PROVISIONS

For the Federal Crop Insurance Corporation Fund the Committee provides an appropriation of such sums as may be necessary, the same as the budget request.

COMMODITY CREDIT CORPORATION FUND

The Corporation was organized on October 17, 1933, under the laws of the State of Delaware, as an agency of the United States, and was managed and operated in close affiliation with the Reconstruction Finance Corporation. On July 1, 1939, it was transferred to the Department of Agriculture by the President's Reorganization Plan No. 1. On July 1, 1948, it was established as an agency and instrumentality of the United States under a permanent Federal charter by Public Law 80–806, as amended. Its operations are conducted pursuant to this charter and other specific legislation.

The Commodity Credit Corporation engages in buying, selling, lending, and other activities with respect to agricultural commodities, their products, food, feed, and fibers. Its purposes include stabilizing, supporting, and protecting farm income and prices; maintaining the balance and adequate supplies of selected commodities; and facilitating their orderly distribution of such commodities. In addition, the Corporation also makes available materials and facilities required in connection with the storage and distribution of such commodities. The Corporation also disburses funds for sharing of costs with producers for the establishment of approved conservation practices on environmentally sensitive land and subsequent rental payments for such land for the duration of conservation reserve program contracts.

Activities of the Corporation are primarily governed by the following statutes: the Commodity Credit Corporation Charter Act, as amended; the Federal Agriculture Improvement and Reform Act of 1996, P.L. 104–127 (1996 Act), enacted April 4, 1996; the Agricultural Act of 1949, as amended (1949 Act); the Agricultural Adjustment Act of 1938, as amended (1938 Act); and the Food Security Act of 1985, as amended (1985 Act).

The 1996 Act requires that the following programs be offered for the 1996 through 2002 crops: seven-year production flexibility contracts for contract commodities (wheat, feed grains, upland cotton, and rice); nonrecourse marketing assistance loans for contract commodities, extra long staple (ELS) cotton, and oilseeds; a nonrecourse loan program for peanuts; and a nonrecourse/recourse loan program for sugar. The 1996 Act also requires a milk price support program that begins after enactment of the Act and continues through December 31, 1999, followed by a recourse loan program for dairy product processors.

The seven-year production flexibility contracts are offered to eligible landowners and producers on a one-time basis in 1996, with some contracts being available in subsequent years for eligible contract-commodity acreage in the CRP program that, prior to 2002, is either withdrawn early or for which the contract expires. Statutorily established fixed dollar amounts are to be distributed annually among contract participants according to statutory formulas. With the exception of limitations on fruits and vegetables, contract acreage may be planted (or not planted) to any crop, but the contract acreage must be devoted to an approved agricultural use and contract participants must comply with applicable land conservation and wetland protection requirements.

Marketing assistance loans are available to producers of ELS cotton and oilseeds. Such loans are also available to producers of contract commodities, but only if the producers of such commodities are contract participants. Marketing loan provisions and loan deficiency payments are applicable to all such commodities except ELS cotton.

The peanut loan program, as provided by the 1996 Act, is accompanied by the poundage quota program authorized by the 1938 Act, as amended by the 1996 Act. The loan rate for quota peanuts is set at $610 per ton for each of the crop years, 1996 through 2002. The quota poundage floor (1.35 million tons in 1995) authorized by the 1938 Act for 1995 is eliminated for the 1996 through 2002 crops. The 1996 Act also amends the peanut provisions of the 1938 Act pertaining to undermarketings of farm quotas and transfers of quotas across county lines.

The 1996 Act created a recourse loan program for sugar that reverts to a nonrecourse loan program in a given fiscal year if the tariff rate quota for imports of sugar exceeds 1.5 million short tons (raw value) in any fiscal year 1997 through 2002. The 1996 Act suspends marketing allotment provisions in the 1938 Act and implements a one-cent per pound penalty if cane sugar pledged as collateral for a Corporation loan is forfeited. A similar penalty applies to beet sugar.

The tobacco loan program authorized by the 1949 Act is supplemented by the quota and allotment programs authorized by the 1938 Act. The tobacco program provisions in both Acts were not affected by the 1996 Act.

Milk prices are supported each year through the end of calendar year 1999 at statutorily established levels through purchases of butter, cheese, and nonfat dry milk. The calendar year 1996 support level is $10.35 per hundredweight for milk containing 3.67 percent butterfat, and the rate declines annually to $9.90 per hun-

dredweight for calendar year 1999. A recourse loan program for commercial processors of dairy products begins on January 1, 2000. The recourse loan rate is to be established for eligible dairy products at a level that reflects a milk equivalent value of $9.90 per hundredweight of milk containing 3.67 percent butterfat.

The interest rate on commodity loans secured on or after October 1, 1996, will be one percentage point higher than the formula which was used to calculate commodity loans secured prior to fiscal year 1997. The CCC monthly commodity loan interest rate will, in effect, be one percentage point higher than CCC's cost-of-money for that month. Moreover, the Corporation's use of funds for purchases of information technology equipment, including computers, is more restricted than it was prior to enactment of the 1996 Act.

The 1996 Act amends the 1985 Act to establish the environmental conservation acreage reserve program (ECARP), which encompasses the conservation reserve program (CRP), the wetlands reserve program (WRP), and the environmental quality incentives program (EQIP). Each of these programs is funded through the Corporation.

CRP continues through fiscal year 2002, with up to 36.4 million acres enrolled at any one time. Except for lands that are determined to be of high environmental value, the Secretary is to allow participants to terminate any CRP contract entered into prior to January 1, 1995, upon written notice, provided the contract has been in effect for at least 5 years. The Secretary maintains discretionary authority to conduct future early outs and future sign-ups of lands that meet enrollment eligibility criteria.

WRP is reauthorized through fiscal year 2002, not to exceed 975,000 acres in total enrollment. Beginning October 1, 1996, one-third of the land enrolled will be in permanent easements, one-third 30-year easements or less, and one-third wetland restoration agreements with cost sharing. Seventy-five thousand acres of land in less than permanent easements must be placed in the program before any additional permanent easements are placed.

A new, cost-share assistance program, EQIP, is established to assist crop and livestock producers in dealing with environmental and conservation improvements on the farm. One-half of the available funds are for addressing conservation problems associated with livestock operations and one-half for other conservation concerns. Five- to ten-year contracts, based on a conservation plan, will be used to implement the program. EQIP is to be phased in over the first six months following passage of the 1996 Act. At the end of that time, authority for the agricultural conservation program, the Colorado River basin salinity control program, the water quality incentives program, and the Great Plains conservation program is to be terminated.

The 1996 Act also authorizes other new Corporation funded conservation programs, including the conservation farm option; flood risk reduction contracts; wildlife habitat incentives, and farmland protection programs.

The Corporation is managed by a board of directors appointed by the President and confirmed by the Senate, subject to the general supervision and direction of the Secretary of Agriculture, who is ex officio, a director, and chairman of the board. The board consists

of six members, in addition to the Secretary, who are designated according to their positions in the Department of Agriculture.

Personnel and facilities of the Farm Service Agency, FSA state and county committees, and other USDA agencies are used to carry out Corporation activities.

The Corporation has an authorized capital stock of $100 million held by the United States and authority to borrow up to $30 billion. The fiscal year 1988 Appropriations Act, P.L. 100–202, increased the statutory borrowing authority from $25 billion to $30 billion. Funds are borrowed from the Federal Treasury and may also be borrowed from private lending agencies.

The specific powers (15 U.S.C. 714c) of the Commodity Credit Corporation are as follows:

In the fulfillment of its purposes and in carrying out its annual budget programs submitted to and approved by the Congress pursuant to chapter 91 of title 31, the Corporation is authorized to use its general powers only to—

(a) Support the price of agricultural commodities through loans, purchases, payments, and other operations.

(b) Make available materials and facilities required in connection with the production and marketing of agricultural commodities.

(c) Procure agricultural commodities for sale to other government agencies, foreign governments, and domestic, foreign or international relief or rehabilitation agencies, and to meet domestic requirements.

(d) Remove and dispose of or aid in the removal or disposition of surplus agricultural commodities.

(e) Increase the domestic consumption of agricultural commodities by expanding or aiding in the expansion of domestic markets or by developing or aiding in the development of new and additional markets, marketing facilities, and use for such commodities.

(f) Export or cause to be exported, or aid in the development of foreign markets for agricultural commodities.

(g) Carry out such other operations as the Congress may specifically authorize or provide.

REIMBURSEMENT FOR NET REALIZED LOSSES

1996 appropriation	$10,400,000,000
1997 budget estimate	[1] 1,500,000,000
Provided in the bill	1,500,000,000
Comparison:	
1996 appropriation	−8,900,000,000
1997 budget estimate	.....

[1] Amount proposed to be reimbursed through a current, indefinite appropriation.

If necessary to perform the functions, duties, obligations, or commitments of the Commodity Credit Corporation, administrative personnel and others serving the Corporation shall be paid from funds on hand or from those funds received from the redemption or sale of commodities. Such funds shall also be available to meet program payments, commodity loans, or other obligations of the Corporation.

COMMITTEE PROVISIONS

For reimbursement for net realized losses to the Commodity Credit Corporation the Committee provides $1,500,000,000, a decrease of $8,900,000,000 below the amount provided in fiscal year 1996 and the same as the budget request.

OPERATIONS AND MAINTENANCE FOR HAZARDOUS WASTE MANAGEMENT

1996 appropriation	($5,000,000)
1997 budget estimate	(15,750,000)
Provided in the bill	(5,000,000)
Comparison:	
1996 appropriation	
1997 budget estimate	(−10,750,000)

The Commodity Credit Corporation's (CCC) hazardous waste management program is intended to ensure compliance with the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, and the Resource Conservation and Recovery Act, as amended.

In 1996, investigative and cleanup costs associated with the management of CCC hazardous waste are paid from USDA's hazardous waste management appropriation. CCC funds operations and maintenance costs only.

COMMITTEE PROVISIONS

For CCC operations and maintenance for hazardous waste management the Committee provides a limitation of $5,000,000, the same as the amount available for fiscal year 1996 and a decrease of $10,750,000 below the budget request.

TITLE II—CONSERVATION PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

1996 appropriation	$677,000
1997 budget estimate	693,000
Provided in the bill	693,000
Comparison:	
1996 appropriation	+16,000
1997 budget estimate	

The Office of the Under Secretary for Natural Resources and Environment provides direction and coordination in carrying out the laws enacted by the Congress with respect to natural resources and the environment. The Office has oversight and management responsibilities for the Natural Resources Conservation Service and the Forest Service.

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Natural Resources and Environment the Committee provides an appropriation of $693,000, an increase of $16,000 above the amount available for fiscal year 1996 and the same as the budget request.

NATURAL RESOURCES CONSERVATION SERVICE

The Natural Resources Conservation Service (NRCS) was established pursuant to Public Law 103–354, the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962). Through the years, this Service, together with the agricultural conservation programs and over 2 million conservation district cooperatives, has been a major factor in holding down pollution. The Natural Resources Conservation Service works with conservation districts, watershed groups, and Federal and state agencies having related responsibilities in water resources, to provide for agricultural production on a sustained basis, and reduce damage caused by flood and sedimentation. The NRCS, with its dams, debris basins, and planned watersheds, provides technical advice to the agricultural conservation programs, where the Federal government pays about one-third of the cost, and, through these programs, has done perhaps more to hold down pollution than any other activity. These programs and water and sewage systems in rural areas tend to hold pollution back from the areas of greatest damage, the rivers and harbors near our cities.

The watershed improvement programs of the Department of Agriculture were initiated by the authorization of planning and works of improvement on the original 11 major watersheds covered by the Flood Control Act of 1944. In 1953, the Committee provided $5,000,000 in the 1954 Appropriations Act, without a prior budget

estimate, to authorize 62 small "pilot" watershed projects to promote national interest in small upstream watershed control. These pilot projects were a tremendous success. The following year, the 83rd Congress enacted Public Law 566, which placed this program on a permanent basis. Under the authority of section 8 of this same Act, as amended, loans to local organizations were authorized to help defray a portion of the local share of the cost of watershed protection and flood prevention projects. These programs are now financed through two appropriations designated as "watershed surveys and planning," and "watershed and flood prevention operations."

CONSERVATION OPERATIONS

1996 appropriation	$629,986,000
1997 budget estimate	662,910,000
Provided in the bill	619,392,000
Comparison:	
1996 appropriation	−10,594,000
1997 budget estimate	−43,518,000

The purpose of conservation operations is to sustain agricultural productivity and protect and enhance the natural resource base. This is done through providing technical assistance to land users, communities, units of state and local government, and other Federal agencies in planning and implementing natural resources solutions to reduce erosion, improve soil and water quantity and quality, improve and conserve wetlands, enhance fish and wildlife habitat, improve air quality, improve pasture and range conditions, reduce upstream flooding, and improve woodlands. Assistance is also provided to implement highly erodible land (HEL), wetlands (swampbuster), wetlands reserve program (WRP), and conservation reserve program (CRP) provisions of the 1985 Food Security Act, as amended by the Food, Agriculture, Conservation, and Trade Act of 1990, as amended by the 1993 Omnibus Reconciliation Act and the Federal Agriculture Improvement and Reform Act of 1996.

COMMITTEE PROVISIONS

For conservation operations the Committee provides an appropriation of $619,392,000, a decrease of −$10,594,000 below the amount available for fiscal year 1996 and −$43,518,000 below the budget request. The total includes a $10,000,000 increase for the Service Center Field Consolidation Plan. The total also includes an increase of $5,000,000 to enhance the grazing land conservation assistance program begun in fiscal year 1996. The total does not include funding for technical assistance to the Colorado River Basin Salinity Control Program, the Great Plains Conservation Program, the Agricultural Conservation Program, and the Water Quality Incentives Program. These programs are now included as part of the new mandatory Environmental Quality Incentives Program (EQIP) that was created in the recently enacted Federal Agriculture Improvement and Reform Act of 1996. The Committee expects the agency's cost of providing technical assistance to EQIP will be fully funded within the program, as provided by law. The Department is in the process of writing the rules and regulations to carryout the new Environmental Quality Incentives Program (EQIP).

The Federal Agriculture Improvement and Reform Act of 1996 funds the wetlands reserve program (WRP) and the conservation reserve program (CRP) from funds of the Commodity Credit Corporation (CCC). The law also provides that the funds available for these programs are to be used for technical assistance. It has come to the attention of the Committee that the General Counsel of USDA is leaning towards a decision that a provision in the FAIR Act to prohibit the use of CCC funds to pay for ADP software and hardware may apply to the reimbursement for technical assistance needed to operate these important environmental programs. The law clearly states that funding for these programs is to cover technical assistance. A decision to not allow the agency to be reimbursed for the cost of providing technical assistance to these programs places a tremendous burden on the salaries and expenses account of the Natural Resources Conservation Service (NRCS) and the Fish and Wildlife Service. This will force the agency to choose between providing technical assistance to these programs or providing technical assistance to farmers, ranchers, and communities. The Committee is a strong supporter of protecting the nations natural resources and believes WRP and CRP need to continue. The Committee also believes that the CCC provision in the FAIR Act was not intended to apply to the technical assistance needed to implement these conservation programs.

The Committee provides $300,000 to continue to promote pastureland management and rotational grazing in central New York.

The Committee provides $250,000 to continue work on the Skaneateles and Owasco, New York watersheds in establishing best management practices to individual farmers to reduce the impact of agriculture-related non-point sources of pollution.

The Committee provides $350,000 to continue work on the Great Lakes Basin Program for Soil and Erosion Sediment Control.

The Committee is aware of and urges the agency to continue its support for the Adams County, Iowa, Conservation Reserve Program Research Farm.

The Committee provides $400,000 to continue work on the Hungry Canyon erosion control project in Iowa. The agency should coordinate its work with the Loess Hills Development and Conservation Authority.

The Committee provides $350,000 for technical assistance to the Embarras River watershed project.

The Committee provides $300,000 for technical assistance to the Westchester Soil and Water Conservation District for a partnership with the Environmental Protection Agency to address land use and water quality issues affecting the Long Island Sound.

The Committee expects the work being conducted at the Rice Research Station in Louisiana be continued at the same level as fiscal year 1996.

The Committee provides $100,000 to complete the program initiated in fiscal year 1996 between the agency and Pace University to address the watershed needs of the lower Hudson Valley.

Funding for the water quality incentives program is now included under the environmental quality incentives program. The Committee expects both a demonstration project to reduce atrazine

levels in lakes in Macoupin County, Illinois and a project to assist farmers surrounding Lake Otisco in central New York in implementing best management practices to continue at the fiscal year 1996 levels.

The Committee has included a limitation that will allow 130,000 additional acres to be added to the wetlands reserve program. Since the program was first funded in fiscal year 1992, over 400,000 acres have been enrolled either through the normal process or on an emergency basis. The Committee continues to believe that its actions of limiting the number of acres allowed into the program each year results in the most cost-effective and environmentally sensitive land being accepted into the program.

Based upon the findings of the Natural Resource Conservation Service's (NRCS) comprehensive study of the Lower Embarras River Watershed located in central and southern Illinois, the Committee urges the Department of Agriculture (USDA) to fund through the Environmental Quality Incentives Program (EQIP), Wetlands Reserve Program (WRP), Conservation Reserve Program, Emergency Watershed Protection (EWP) Program, Conservation of Private Grazing Lands Initiative, Forestry Incentives Program (FIP), Flood Risk Reduction, and other USDA resources a coordinated resource management plan to fully address and correct the needs of this region. Based upon the findings of the NRCS's report, the Committee believes that the Lower Embarras River Watershed conforms to the characteristics of a "Conservation Priority Area" as defined by the 1996 Farm Bill, and therefore, deserves appropriate attention by the Department.

WATERSHED AND FLOOD PREVENTION OPERATIONS

1996 appropriation	[1] $100,000,000
1997 budget estimate	116,036,000
Provided in the bill	101,036,000
Comparison:	
1996 appropriation	+1,036,000
1997 budget estimate	−15,000,000

[1] Does not include 1996 supplemental funding of $80,514,000.

The Watershed Protection and Flood Prevention Act (Public Law 566, 83d Cong.), as amended (16 U.S.C. 1001–1005, 1007–1009), provides for cooperation between the Federal government and the states and their political subdivisions in a program to prevent erosion, floodwater, and sediment damages in the watersheds or rivers and streams, and to further the conservation, development, utilization, and disposal of water.

The work of the Department under this item includes technical and financial assistance for the installation of works of improvement specified in approved watershed work plans including structural measures, land treatment measures, and program evaluation studies in selected watershed projects to determine the effectiveness of structural and land treatment measures installed; and making loans to local organizations to finance the local share of the costs of installing planned works of improvement.

COMMITTEE PROVISIONS

For watershed and flood prevention operations the Committee provides an appropriation of $101,036,000, an increase of $1,036,000 above the amount available for fiscal year 1996 and a decrease of $15,000,000 below the budget request. The Committee does not provide the budget request for emergency watershed protection operations. Additional funding for emergency watershed and flood prevention operations was included in the fiscal year 1996 Supplemental Appropriations Bill.

The Committee is aware of and expects progress to continue on the following project: Lake Carlinville, Illinois; and Virgil Creek watershed, Cortland and Tompkins Counties, New York.

RESOURCE CONSERVATION AND DEVELOPMENT

1996 appropriation	$29,000,000
1997 budget estimate	29,377,000
Provided in the bill	29,377,000
Comparison:	
1996 appropriation	+377,000
1997 budget estimate	

The Natural Resources Conservation Service has general responsibility under provisions of section 102, title I of the Food and Agriculture Act of 1962, for developing overall work plans for resource conservation and development projects in cooperation with local sponsors; to help develop local programs of land conservation and utilization; to assist local groups and individuals in carrying out such plans and programs; to conduct surveys and investigations relating to the conditions and factors affecting such work on private lands; and to make loans to project sponsors for conservation and development purposes and to individual operators for establishing soil and water conservation practices.

COMMITTEE PROVISIONS

For resource conservation and development the Committee provides an appropriation of $29,377,000, an increase of $377,000 above the amount available for fiscal year 1996 and the same as the budget request.

FORESTRY INCENTIVES PROGRAM

1996 appropriation	$6,325,000
1997 budget estimate	6,325,000
Provided in the bill	6,325,000
Comparison:	
1996 appropriation	
1997 budget estimate	

The forestry incentives program is authorized by the Cooperative Forestry Assistance Act of 1978 (Public Law 95–313), as amended by section 1214, title XII, of the Food, Agriculture, Conservation, and Trade Act of 1990 and the Federal Agriculture Improvement and Reform Act of 1996. Its purpose is to encourage the development, management, and protection of nonindustrial private forest lands. The program will be carried out by providing technical assistance and long-term cost sharing agreements with private landowners.

COMMITTEE PROVISIONS

For the forestry incentives program the Committee provides an appropriation of $6,325,000, the same as the amount available for fiscal year 1996 and the same as the budget request.

WATERSHED SURVEYS AND PLANNING

1996 appropriation	$14,000,000
1997 budget estimate	19,188,000
Provided in the bill	10,762,000
Comparison:	
1996 appropriation	−3,238,000
1997 budget estimate	−8,426,000

The Watershed Protection and Flood Prevention Act, Public Law 83–566, August 4, 1954, provided for the establishment of the Small Watershed Program (16 U.S.C. 1001–1008), and section 6 of the Act provided for the establishment of the River Basin Surveys and Investigations Program (16 U.S.C. 1006–1009). A separate appropriation funded the two programs until fiscal year 1996 when they were combined into a single appropriation, Watershed Surveys and Planning.

River Basin activities provide for cooperation with other Federal, state, and local agencies in making investigations and surveys of the watersheds of rivers and other waterways as a basis for the development of coordinated programs. Reports of the investigations and surveys are prepared to serve as a guide for the development of agricultural, rural, and upstream watershed aspects of water and related land resources, and as a basis for coordination of this development with downstream and other phases of water development.

Watershed planning activities provide for cooperation between the Federal government and the states and their political subdivisions in a program of watershed planning. Watershed plans form the basis for installing works of improvement of floodwater retardation, erosion control, and reduction of sedimentation in the watersheds of rivers and streams and to further the conservation, development, utilization, and disposal of water. The work of the Department of watershed planning consists of assisting local organizations to develop their watershed work plan by making investigations and surveys in response to requests made by sponsoring local organizations. These plans describe the soil erosion, water management, and sedimentation problems in a watershed and works of improvement proposed to alleviate these problems. Plans also include estimated benefits and costs, cost sharing and operating and maintenance arrangements, and other appropriate information necessary to justify Federal assistance for carrying out the plan.

COMMITTEE PROVISIONS

For watershed surveys and planning program the Committee provides an appropriation of $10,762,000, a decrease of $3,238,000 below the amount available for fiscal year 1996 and $8,426,000 below the budget request.

The Committee expects progress to continue to complete the Upper Trinity River Basin cooperative study; the Zuni River water-

shed study; Rockhouse Creek, Leslie County, Kentucky; and Troublesome Creek, Knott County, Kentucky.

NATIONAL NATURAL RESOURCES CONSERVATION SERVICE FOUNDATION

1996 appropriation	.....
1997 budget estimate	$500,000
Provided in the bill	.....
Comparison:	
1996 appropriation	.....
1997 budget estimate	−500,000

The Federal Agriculture Improvement and Reform Act of 1996 (P.L. 104–127) established a new nongovernmental National Natural Resources Conservation Service Foundation as a charitable and nonprofit corporation for scientific, charitable, and educational purposes. The Foundation may receive appropriations for three years to facilitate its establishment. The Foundation is authorized to promote partnerships between government and private interests in the promotion of natural resources on private lands.

COMMITTEE PROVISIONS

There are over 560 conservation organizations listed in the 1994 Conservation Directory published by the National Wildlife Federation. Many of these have similar if not exactly the same main goal as the proposed Foundation. The Committee notes that the authorization provides that the Secretary may appoint the Foundation Board and the initial executive director. The Committee provides no funds to establish this grant or to provide any funds in this Act to carry out 16 U.S.C. 5806. The authorization is specific in describing the Foundation as a charitable and nonprofit foundation. The authorization further states that the Foundation is not an agency or instrumentality of the United States and, as such, the Committee believes no Federal funds should be used in the establishment and operation of this Foundation.

TITLE III—RURAL ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAMS

The Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (Public Law 103–354) abolished the Farmers Home Administration, Rural Development Administration, and Rural Electrification Administration and replaced those agencies with the Rural Housing Service, Rural Business-Cooperative Service, and Rural Utilities Service and placed them under the oversight of the Under Secretary for Rural Development. These agencies deliver a variety of programs through a network of state, district, and county offices.

In the 1930's and 1940's these agencies were primarily involved in making small loans to farmers; however, today these agencies have a multi-billion dollar loan program throughout the United States providing loan and grant assistance for single family and multi-family housing, special housing needs, a variety of community facilities, infrastructure, and business development programs.

OFFICE OF THE UNDER SECRETARY FOR RURAL DEVELOPMENT

1996 appropriation	$568,000
1997 budget estimate	588,000
Provided in the bill	588,000
Comparison:	
1996 appropriation	+20,000
1997 budget estimate	.....

The Office of the Under Secretary for Rural Development provides direction and coordination in carrying out the laws enacted by the Congress with respect to the Department's rural economic and community development activities. The Office has oversight and management responsibilities for the Rural Housing Service, Rural Business-Cooperative Service, and the Rural Utilities Service.

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Rural Development the Committee provides an appropriation of $588,000, an increase of $20,000 above the amount available for fiscal year 1996 and the same as the budget request. P.L. 104–127 changes the name of the Under Secretary for Rural Economic and Community Development to the Under Secretary for Rural Development.

RURAL ASSISTANCE PROGRAMS

[In thousands of dollars]

	FY 1996 level	FY 1997 request	Committee provisions
Rural Assistance Program:			
Rural Housing Assistance Program	.....	[1] 136,435	73,190

[In thousands of dollars]

	FY 1996 level	FY 1997 request	Committee provisions
Rural Utilities Assistance Program	.....	661,560	523,868
Rural Business-Cooperative Assistance Program	.....	52,274	51,400
Total, RPPP	.....	860,269	648,458

[1] Includes $10,000,000 for a Community Facility Grant Program submitted by the Administration on May 16, 1996 as an amendment to the fiscal year 1997 budget request.

RURAL PERFORMANCE PARTNERSHIP PROGRAM

The Administration proposes the consolidation of 14 rural development programs into the Rural Performance Partnership Program (RPPP) in order to provide greater flexibility to tailor financial assistance to applicant needs. The consolidation creates three funding streams, one for housing, one for utilities and one for business-cooperative development. Not all rural development programs administered by the Under Secretary for Rural Development are included in the RPPP. Some programs would continue to be administered individually.

Funding for the RPPP would be allocated to state rural development directors for their priority-setting on a state-by-state basis. These directors would work in consultation with state, local, and tribal officials, including the State Rural Development Councils, to direct funds to the highest rural economic development priorities in each state. State directors would be authorized to transfer up to 25 percent of partnership funds allocated to their states among the participating programs, with up to ten percent of funds allowed to be reallocated nationwide.

Because of severe budget constraints, the Committee believes that the concept of the Rural Performance Partnership offers the most practical way of using scarce resources while allowing state directors the flexibility to address local and individual needs. The Department has informed the Committee that the consolidation of funding for rural utilities provided in the fiscal year 1996 appropriations bill under the name Rural Utilities Assistance Program has been successful.

Accordingly, the Committee is providing three funding streams for housing, business-economic development, and utilities and including several programs in addition to the 14 proposed by the Administration. The three funding streams are designated as the Rural Housing Assistance Program, the Rural Business-Cooperative Assistance Program and the Rural Utilities Assistance Program. The last of these was funded in the fiscal year 1996 appropriations bill.

RURAL HOUSING SERVICE

The Rural Housing Service (RHS) was established under the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, dated October 13, 1994 (Public Law 103–354).

The mission of the Service is to improve the quality of life in rural America by assisting rural residents and communities in obtaining adequate and affordable housing and access to needed com-

munity facilities. The goals and objectives of the Service are to: (1) facilitate the economic revitalization of rural areas by providing direct and indirect economic benefits to individual borrowers, families, and rural communities; (2) assure that benefits are communicated to all program eligible customers with special outreach efforts to target resources to underserved, impoverished, or economically declining rural areas; (3) lower the cost of programs while retaining the benefits by redesigning more effective programs that work in partnership with state and local governments and the private sector; and (4) leverage the economic benefits through the use of low-cost credit programs, especially guaranteed loans.

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

ESTIMATED LOAN LEVEL

1996 loan level	($2,940,163,000)
1997 budget estimate	(3,806,336,000)
Provided in the bill	(3,459,854,000)
Comparison:	
1996 loan level	+519,691,000
1997 budget estimate	−346,482,000

This fund was established in 1965 (Public Law 89–117) pursuant to section 517 of title V of the Housing Act of 1949, as amended. This fund may be used to insure or guarantee rural housing loans for single family homes, rental and cooperative housing, farm labor housing, and rural housing sites. Rural housing loans are made to construct, improve, alter, repair, or replace dwellings and essential farm service buildings that are modest in size, design, and cost. Rental housing insured loans are made to individuals, corporations, associations, trusts, or partnerships to provide moderate-cost rental housing and related facilities for elderly and low-income persons in rural areas. These loans are repayable in not to exceed 50 years. Farm labor housing insured loans are made either to a farm owner or to a public or private nonprofit organization to provide modest living quarters and related facilities for domestic farm labor. Loan programs are limited to rural areas which include towns, villages, and other places of not more than 10,000 population, which are not part of an urban area. Loans may also be made in areas with a population in excess of 10,000 but less than 20,000, if the area is not included in a standard metropolitan statistical area and has a serious lack of mortgage credit for low- and moderate-income borrowers.

COMMITTEE PROVISIONS

[In thousands of dollars]

	FY 1996 level	FY 1997 request	Committee provisions
Rural Housing Insurance Fund Program Account:			
Low-income family housing (sec. 502):			
Direct	[1] (1,034,965)	(1,320,000)	(1,000,000)
Unsubsidized guaranteed	(1,700,000)	(2,300,000)	(2,300,000)
Rental housing (sec. 515)	(150,000)	(58,654)	(58,654)
Housing repair (sec. 504)	[1] (38,995)	(35,000)	(35.0040)
Farm labor (sec. 514)	(15,000)	(16,482)	(15,000)
Credit sales of acquired property		(75,000)	(50,000)
Site loans (sec. 524)	(600)	(600)	(600)

[In thousands of dollars]

	FY 1996 level	FY 1997 request	Committee provisions
Self-help housing land developmentfund	(603)	(600)	(600)
Total, RHIF	(2,940,163)	(3,806,336)	(3,459,854)
Rural Housing Service Grants and Payments:			
Very low-income housing repair grants	[1] 26,000		
Rural housing for domestic labor	10,000		
Mutual and self-help housing	12,650	26,000	26,000
Compensation for construction defects	495		
Rural housing preservation grants	11,000		
Rental assistance	540,900	493,870	493,870
Total, Rural Housing Grants and Payments	601,045	519,870	519,870
Total, RHS Loans and Grants	(3,818,208)	(4,326,206)	(3,979,724)

[1] Includes 1996 supplemental funding of $34,965 for section 502, $3,995 for section 504 very low-income housing repair loans, and $1,100 for very low-income housing repair grants.

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	Direct loan subsidy	*Guaranteed loan subsidy*	*Administrative expenses*
1996 appropriation [1]	$257,221,000	$2,890,000	$385,889,000
1997 budget estimate	163,308,000	6,210,000	366,205,000
Provided in the bill	134,020,000	6,210,000	366,205,000
Comparison:			
1996 appropriation	−123,201,000	+3,320,000	−19,684,000
1997 budget estimate	−29,288,000		

[1] The 1996 appropriation includes funds for the self-help housing land development fund because this program is included in this account in 1997.

The Federal Credit Reform Act of 1990 established the Program Account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated and loan guarantees committed in 1997, as well as for administrative expenses.

COMMITTEE PROVISIONS

The following table reflects the cost of the loan programs under credit reform. In many cases, changes from the fiscal year 1996 amount reflect changes in the loan subsidy rates as set by OMB.

[In thousands of dollars]

	FY 1996 enacted	FY 1997 request	Committee provisions
Loan subsidies:			
Single family (sec. 502):			
Direct	[1] 150,833	109,560	83,000
Unsubsidized guaranteed	2,890	6,210	6,210
Housing repair (sec. 504)	[1] 15,693	11,081	11,081
Farm labor (sec. 514)	8,629	7,565	6,885
Rental housing (sec. 515)	82,035	[2] 28,987	28,987
Credit sales of acquired property		6,098	4,050
Self-help housing land development fund	31	17	17
Total, Loan subsidies	260,111	169,518	140,230
RHIF expenses:			
Administrative expenses	385,889	366,205	366,205

[1] Includes 1996 supplemental funding of $5,000 for section 502 and $1,500 for section 504 for very low-income repair.
[2] Funding for rental housing section 515 new construction is included in the RPPP request.

RENTAL ASSISTANCE PROGRAM

1996 appropriation	$540,900,000
1997 budget estimate	[1] 493,870,000
Provided in the bill	493,870,000
Comparison:	
1996 appropriation	−47,030,000
1997 budget estimate	

[1] Funding for the portion of rental assistance payments supporting rental housing section 515 new construction is included in the RPPP request.

The Housing and Community Development Act of 1974 established a rural rental assistance program to be administered through the rural housing loans programs.

The objective of the program is to reduce rents paid by low-income families living in Rural Housing Service financed rental projects and farm labor housing projects. Under this program, low-income tenants will contribute the higher of: (1) 30 percent of monthly adjusted income; (2) 10 percent of monthly income; or (3) designated housing payments from a welfare agency.

Payments from the fund are made to the project owner for the difference between the tenant's payment and the approved rental rate established for the unit.

The program is administered in tandem with Rural Housing Service section 515 rural rental and cooperative housing programs and the farm labor loan and grant programs. Priority is given to existing projects for units occupied by low-income families to renew expiring contracts. Remaining funding will be used for projects receiving new construction commitments under sections 514, 515, or 516 for very low-income families with certain limitations and to provide additional rental assistance units to existing projects.

COMMITTEE PROVISIONS

For rental assistance for renewal units the Committee provides a program level of $493,870,000, a decrease of $47,030,000 below the fiscal year 1996 level and the same amount as the budget request. Of the amount provided, $487,970,000 is available for section 521 rental assistance and $5,900,000 is for the section 502 (c)(5)(D) program.

COMMUNITY FACILITY LOANS

1996 loan level	($275,000,000)
1997 budget estimate	
Provided in the bill	
Comparison:	
1996 loan level	
1997 budget estimate	

This fund created by the Rural Development Act of 1972 finances a variety of rural community facilities.

Loans are made to organizations, including certain Indian tribes and corporations not operated for profit and public and quasi-public agencies, to construct, enlarge, extend, or otherwise improve community facilities providing essential services to rural residents. Such facilities include those providing or supporting overall community development such as fire and rescue services, health care, transportation, community, social, and cultural benefits. Loans are

made for facilities which primarily serve rural residents of open country and rural towns and villages of not more than 20,000 people. Health care and fire and rescue facilities are the priorities of the program and receive the majority of available funds.

COMMITTEE PROVISIONS

For fiscal year 1997, funding for the community facility loans program is provided in the rural housing assistance program.

VERY LOW-INCOME HOUSING REPAIR GRANTS

1996 appropriation	[1] $24,900,000
1997 budget estimate	24,900,000
Provided in the bill	
Comparison:	
1996 appropriation	
1997 budget estimate	

[1] Does not include 1996 supplemental funding of $1,100,000.

This grant program is authorized under section 504 of title V of the Housing Act of 1949, as amended. The rural housing repair grant program is carried out by making grants to very low-income elderly owner-occupants to make necessary repairs to their homes in order to make such dwellings safe and sanitary, and remove hazards to the health of the occupants, their families, or the community.

These grants may be made to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports or making similar repairs, additions, or improvements, including all preliminary and installation costs in obtaining central water and sewer service. A grant can be made in combination with a section 504 very low-income housing repair loan.

No assistance can be extended to any one individual in the form of a loan, grant, or combined loans and grants in excess of $5,000 and grant assistance is limited to persons, or families headed by persons, who are 62 years of age or older.

COMMITTEE PROVISIONS

For fiscal year 1997, funding for grants for very low-income housing repair grants is provided in the rural housing assistance program.

RURAL HOUSING FOR DOMESTIC FARM LABOR

1996 appropriation	$10,000,000
1997 budget estimate	10,000,000
Provided in the bill	
Comparison:	
1996 appropriation	
1997 budget estimate	

Financial assistance in the form of grants is authorized to public or private nonprofit organizations or other eligible organizations for low-rent housing and related facilities for domestic farm labor.

Under section 516 of the Housing Act of 1949, the Rural Housing Service is authorized to share with states or other political subdivisions, public or private nonprofit organizations, or nonprofit organi-

zations of farm workers, the cost of providing low-rent housing, basic household furnishings, and related facilities to be used by domestic farm laborers. Such housing may be for year-round or seasonal occupancy and consist of family units, apartments, or dormitory-type units, constructed in an economical manner, and not of elaborate or extravagant design or materials. Grant assistance may not exceed 90 percent of the total development cost. Applicants furnish as much of the development cost as they can afford by using their own resources, by borrowing either directly from private sources, or by obtaining an insured loan under section 514 of the Housing Act. The applicant must agree to charge rentals which do not exceed amounts approved by the Secretary, maintain the housing at all times in a safe and sanitary condition, and give occupancy preference to domestic farm laborers.

The obligations incurred by the applicant as a condition of the grant continue for 50 years from the date of the grant unless sooner terminated by the Rural Housing Service. Grant obligations are secured by a mortgage of the housing or other security. In the event of default, the Rural Housing Service has the option to require repayment of the grant.

COMMITTEE PROVISIONS

For fiscal year 1997, funding for grants for rural housing for domestic farm labor is provided in the rural housing assistance program.

MUTUAL AND SELF-HELP HOUSING GRANTS

1996 appropriation	$12,650,000
1997 budget estimate	26,000,000
Provided in the bill	26,000,000
Comparison:	
1996 appropriation	+13,350,000
1997 budget estimate	

This grant program is authorized by title V of the Housing Act of 1949, as amended. Grants are made to local organizations to promote the development of mutual or self-help programs under which groups of usually six to ten families build their own homes by mutually exchanging labor. Funds may be used to pay the cost of construction supervisors who will work with families in the construction of their homes and for administrative expenses of the organizations providing the self-help assistance.

COMMITTEE PROVISIONS

For mutual and self-help housing grants the Committee provides an appropriation of $26,000,000, an increase of $13,350,000 above the amount available for fiscal year 1996 and the same amount as the budget request.

RURAL COMMUNITY FIRE PROTECTION GRANTS

1996 appropriation	$2,000,000
1997 budget estimate	
Provided in the bill	
Comparison:	
1996 appropriation	
1997 budget estimate	

Rural community fire protection grants are authorized by section 7 of the Cooperative Forestry Assistance Act of 1978. Grants are made to public bodies to organize, train, and equip local firefighting forces, including those of Indian tribes or other native groups, to prevent, control, and suppress fires threatening human lives, crops, livestock, farmsteads or other improvements, pastures, orchards, wildlife, rangeland, woodland, and other resources in rural areas.

COMMITTEE PROVISIONS

For fiscal year 1997, funding for rural community fire protection grants is provided in the rural housing assistance program.

RURAL HOUSING PRESERVATION GRANTS

1996 appropriation	$11,000,000
1997 budget estimate	.....
Provided in the bill	.....
Comparison:	
1996 appropriation	.....
1997 budget estimate	.....

Section 522 of the Housing and Urban-Rural Recovery Act of 1983 authorized the Rural Housing Service to administer a program of home repair directed at low- and very low-income people.

The purpose of the preservation program is to improve the delivery of rehabilitation assistance by employing the expertise of housing organizations at the local level. Eligible applicants compete on a state-by-state basis for grant funds. These funds may be administered as loans, loan write-downs, or grants to finance home repair. The program is administered by local grantees.

COMMITTEE PROVISIONS

For fiscal year 1997, funding for grants for rural housing preservation is provided in the rural housing assistance program.

COMMUNITY FACILITY GRANT PROGRAM

1996 appropriation	.....
1997 budget estimate	$10,000,000
Provided in the bill	.....
Comparison:	
1996 appropriation	.....
1997 budget estimate	.....

This new grant program, authorized in the Federal Agriculture Improvement and Reform Act of 1996 (P.L. 104–127), would be used in conjunction with the existing direct and guaranteed loan programs for the development of community facilities, such as hospitals, fire stations, and community centers. Grants will be targeted to the lowest income communities. Communities that have lower population and income levels would receive a higher cost-share contribution through these grants, to a maximum contribution of 75 percent of the cost of developing the facility.

COMMITTEE PROVISIONS

For fiscal year 1997, funding for community facility grants is provided for in the rural housing assistance program.

RURAL HOUSING ASSISTANCE PROGRAM

	Program level	Budget authority	Committee provisions
LOANS:			
Community facility:			
Direct	$200,000	$14,880	
Guaranteed	100,000	410	
Rural Rental Housing—New construction	150,000	62,115	
Multi-family guarantee			
Subtotal	450,000	77,405	
GRANTS:			
Rural rental assistance payments	47,030	47,030	
Rural community fire protection	2,000	2,000	
Community facility grants	10,000	10,000	
Domestic farm labor	10,000	10,000	
Very low-income housing repair	24,900	24,900	
Rural housing preservation	11,000	11,000	
Subtotal, Grants	104,930	104,930	
Total, RHAP	554,930	182,335	$73,190

COMMITTEE PROVISIONS

For the Rural Housing Assistance Program (RHAP) the Committee provides an appropriation of $73,190,000, a decrease of $109,145,000 below the budget request. The programs of this account were funded separately in fiscal year 1996. On May 16, the Administration submitted an amendment to the fiscal year 1997 budget request which would create a Community Facility Grant Program which is a new program. The Administration has requested $10,000,000 in budget authority for this program. The Committee has included this request in the RHAP.

The Committee provides no funds for new construction under the Section 515 multi-family rural rental housing program. The Special Investigations Staff of the Committee and the Department's Inspector General have identified serious problems of waste and profiteering in this program which have existed for several years. The Committee believes that no additional funds should be available until these problems are addressed in legislation. Funds for building rehabilitation under Section 515 are provided in the Rural Housing Insurance Fund Program Account.

The Committee also provides bill language for an earmark of $1,200,000 of the funds provided for the cost of subsidies for the multi-family rural housing guarantee program. This program began in fiscal year 1996 as a demonstration program. The Administration estimates that $1,200,000 in subsidy will provide for a loan level of $30,000,000.

The Committee also provides bill language for an earmark of $1,200,000 for empowerment zones and enterprise communities.

SALARIES AND EXPENSES

	Administrative expenses	*Transfers*	*Total expenses*
1996 level	$46,583,000	($385,976,000)	($432,559,000)
1997 budget estimate	89,660,000	(366,205,000)	(455,865,000)

	Administrative expenses	*Transfers*	*Total expenses*
Provided in the bill	53,889,000	(366,205,000)	(420,094,000)
Comparison:			
1996 level	+7,306,000	(−19,771,000)	(−12,465,000)
1997 budget estimate	−35,771,000		(−35,771,000)

These funds are used to administer the loan and grant programs of the Rural Housing Service including reviewing applications, making and collecting loans, and providing technical assistance and guidance to borrowers; and to assist in extending other Federal programs to people in rural areas.

Under credit reform administrative costs associated with loan programs are appropriated to the program accounts for the rural housing insurance fund and rural community facility loans. Appropriations to the salaries and expenses account will be for costs associated with grant programs.

COMMITTEE PROVISIONS

For salaries and expenses of the Rural Housing Service the Committee provides $53,889,000 an increase of $7,306,000 over the amount appropriated for fiscal year 1996 and a decrease of $35,771,000 below the budget request.

RURAL BUSINESS-COOPERATIVE SERVICE

The Rural Business-Cooperative Service (RBCS) was established under the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, dated October 13, 1994 (Public Law 103–354).

The mission of the Rural Business-Cooperative Service is to enhance the quality of life for all rural residents by assisting new and existing cooperatives and other businesses through partnership with rural communities. The goals and objectives are to: (1) promote a stable business environment in rural America through financial assistance, sound business planning, technical assistance, appropriate research, education, and information; (2) support environmentally sensitive economic growth that meets the needs of the entire community; and (3) assure that the Service benefits are available to all segments of the rural community, with emphasis on those most in need.

[In thousands of dollars]

	FY 1996 level	FY 1997 request	Committee provisions
Rural Business-Cooperative Service:			
Rural business and industry loans program:			
Direct and guaranteed	(500,000)	(800,000)	[1] RB–CAP
Rural development loan fund	(37,544)	(80,000)	(40,000)
Rural economic development loans	(12,865)	(14,000)	(12,865)
Total, RBCS loans	(550,409)	(894,000)	(52,865)
Grants:			
Rural business enterprise grants	45,000	45,000	[1] RB–CAP
Rural technology and cooperative development	2,300	3,000	[1] RB–CAP
Alternative agricultural research and commercialization	6,000	6,975	6,000

[In thousands of dollars]

	FY 1996 level	FY 1997 request	Committee provisions
Total, RBCS grants	53,800	54,975	6,000
Total, RBCS loans and grants	(604,209)	(948,975)	(58,865)

[1] The Rural Business-Cooperative Assistance Program.

RURAL BUSINESS AND INDUSTRY LOANS PROGRAM ACCOUNT

ESTIMATED LOAN LEVEL

1996 loan level	($500,000,000)
1997 budget estimate	.....
Provided in the bill	.....
Comparison:	
1996 loan level	.....
1997 budget estimate	.....

This fund, created by the Rural Development Act of 1972, finances a variety of rural industrial development loans.

Rural Industrialization Loans.—Makes loans for rural industrialization and rural community facilities under Rural Development Act amendments to the Consolidated Farm and Rural Development Act authorities. Business and industry loans are made to public, private, or cooperative organizations organized for profit, to certain Indian tribes, or to individuals for the purpose of improving, developing or financing business, industry, and employment or improving the economic and environmental climate in rural areas. Such purposes include financing business and industrial acquisition, construction, enlargement, repair or modernization, financing the purchase and development of land, easements, rights-of-way, buildings, payment of start-up costs, and supplying working capital. Industrial development loans may be made in any area that is not within the outer boundary of any city having a population of 50,000 or more and its immediately adjacent urbanized and urbanizing areas with a population density of more than 100 persons per square mile. Special consideration for such loans is given to rural areas and cities having a population of less than 25,000.

The Federal Credit Reform Act of 1990 established the Program Account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated and loan guarantees committed in 1996, as well as for administrative expenses.

COMMITTEE PROVISIONS

For fiscal year 1997, funding for the rural business and industry loans program account is provided in the rural business-cooperative assistance program.

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

ESTIMATED LOAN LEVEL

1996 loan level	($37,544,000)
1997 budget estimate	(80,000,000)
Provided in the bill	(40,000,000)

Comparison:	
1996 loan level	+2,456,000
1997 budget estimate	−40,000,000

The rural development loans program was originally authorized by the Economic Opportunity Act of 1964 (Public Law 88–452).

The making of rural development loans by the Department of Agriculture was reauthorized by Public Law 99–425, the Human Services Reauthorization Act of 1986.

Loans are made to intermediary borrowers (small investment groups) who in turn will reloan the funds to rural businesses, community development corporations, private nonprofit organizations, public agencies, and others for the purpose of improving business, industry, community facilities, and employment opportunities and diversification of the economy in rural areas.

The Federal Credit Reform Act of 1990 established the Program Account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated in 1996, as well as for administrative expenses.

COMMITTEE PROVISIONS

For the rural development loan fund program account, the Committee provides for a loan level of $40,000,000, an increase of $2,456,000 over the loan level for fiscal year 1996 and a decrease of $40,000,000 below the budget request.

The Committee also provides bill language for an earmark of $3,345,000 for empowerment zones and enterprise communities.

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	Direct loan subsidy	*Administrative expenses*
1996 appropriation	$22,395,000	$476,000
1997 budget estimate	36,928,000	1,476,000
Provided in the bill	18,400,000	.....
Comparison:.		
1996 appropriation	−4,535,000	−1,476,000
1997 budget estimate	−18,528,000	−1,476,000

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

ESTIMATED LOAN LEVEL

1996 loan level	($12,865,000)
1997 budget estimate	(14,000,000)
Provided in the bill	(12,865,000)
Comparison:	
1996 loan level	.....
1997 budget estimate	(−1,135,000)

The rural economic development loans program was established by the Reconciliation Act of December 1987 (P.L. 100–203), which amended the Rural Electrification Act of 1936 by establishing a new section 313. This section of the Rural Electrification Act (7 U.S.C. 901) established a cushion of credits payment program and created the rural economic development subaccount. The Administrator of RBCS is authorized under the Act to utilize funds in this program to provide zero interest loans to electric and telecommunications borrowers for the purpose of promoting rural economic development and job creation projects, including funding for feasibil-

ity studies, start-up costs, and other reasonable expenses for the purpose of fostering rural economic development.

COMMITTEE PROVISIONS

For fiscal year 1997 the Committee provides a loan level of $12,865,000 for the Rural Economic Development Loans Program Account, the same level as provided in fiscal year 1996 and a decrease of $1,135,000 below the budget request.

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	Direct loan subsidy	*Administrative expenses*
1996 appropriation	$3,729,000	$654,000
1997 budget estimate	3,095,000	699,000
Provided in the bill	2,830,000	654,000
Comparison:		
1996 appropriation	−899,000	.....
1997 budget estimate	−265,000	−45,000

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION REVOLVING FUND

COOPERATIVE AGREEMENTS

1996 appropriation	$6,500,000
1997 budget estimate	6,975,000
Provided in the bill	6,000,000
Comparison:	
1996 appropriation	−500,000
1997 budget estimate	−975,000

The Alternative Agricultural Research and Commercialization Act of 1990, subtitle G of the Food, Agriculture, Conservation, and Trade Act of 1990, as amended by the Federal Agriculture Improvement and Reform Act of 1996, was established to develop and produce marketable products other than food, feed, or traditional forest or fiber products. It will assist in researching, developing, commercializing, and marketing new nonfood, nonfeed uses for traditional and new agriculture commodities.

COMMITTEE PROVISIONS

For the alternative agricultural research and commercialization revolving fund the Committee provides an appropriation of $6,000,000, a decrease of $500,000 below the amount provided for fiscal year 1996 and a decrease of $975,000 below the budget request.

P.L. 104–127 establishes an Alternative Agricultural Research and Commercialization Corporation to manage the revolving fund.

RURAL BUSINESS ENTERPRISE GRANTS

1996 appropriation	$45,000,000
1997 budget estimate	.....
Provided in the bill	.....
Comparison:	
1996 appropriation	.....
1997 budget estimate	.....

This program was authorized by the Rural Development Act of 1972. Grants are made to public bodies and non-profit organiza-

tions to facilitate development of small and emerging business enterprises in rural areas, including the acquisition and development of land; the construction of buildings, plants, equipment, access streets and roads, parking areas, and utility extensions; refinancing fees; technical assistance; and startup operating costs and working capital.

COMMITTEE PROVISIONS

For fiscal year 1997, funding for the rural business enterprise grants program is provided in the rural business-cooperative assistance program.

RURAL TECHNOLOGY AND COOPERATIVE DEVELOPMENT GRANTS

1996 appropriation	$2,300,000
1997 budget estimate	1,300,000
Provided in the bill	.....
Comparison:	
1996 appropriation	.....
1997 budget estimate	.....

This grant program is authorized by section 310(f) of the Consolidated Farm and Rural Development Act, as amended by section 2347 of the Food, Agriculture, Conservation, and Trade Act of 1990, as amended by the Federal Agriculture Improvement and Reform Act of 1996. These grants are made available to public bodies and nonprofit organizations to fund the establishment and operation of centers for rural technology or cooperative development with their primary purpose being the improvement of economic conditions in rural areas. Funds are used to promote the development (through technological innovation, cooperative development, and adaptation of existing technology) and commercialization of new services and products that can be produced or provided in rural areas; new processes that can be utilized in the production of products in rural areas; and new enterprises that add value to on-farm production through processing or marketing. The Rural Business-Cooperative Service proposes to fund up to 75 percent of the project cost while requiring the applicant's contribution be at least 25 percent which must be cash from non-Federal sources.

COMMITTEE PROVISIONS

For fiscal year 1997, funding for rural technology and cooperative development grants is provided in the rural business-cooperative assistance program.

RURAL BUSINESS-COOPERATIVE ASSISTANCE PROGRAM

[In thousands of dollars]

	Program level	Budget authority	Committee provisions
LOANS:			
Business and industry:			
Direct	50,000	.....	.....
Guaranteed	750,000	7,050	.....
Intermediary relending program	80,000	36,928	.....

[In thousands of dollars]

	Program level	Budget authority	Committee provisions
Total, loans	880,000	43,978	
GRANTS:			
Rural business enterprise	45,000	45,000	
Rural technology and cooperative development	1,700	1,700	
Rural business opportunity			
Total, Grants	46,700	46,700	
Total, RB–CAP	926,700	90,678	51,400

COMMITTEE PROVISIONS

For the Rural Business-Cooperative Assistance Program (RBCAP) the Committee provides an appropriation of $51,400,000, a decrease of $39,278,000 below the budget request. This program was not funded in fiscal year 1996.

The Committee has provided bill language which earmarks $500,000 of the amount provided for the Rural Business-Cooperative Assistance Program for grants for rural water, waste, and transportation technical assistance, the same as provided for fiscal year 1996.

The Committee has provided bill language creating an earmark of $3,000,000 for cooperative development and cooperative development centers. There is a separate earmark of $148,000 for business and industry loans in empowerment zones and enterprise communities.

SALARIES AND EXPENSES

	Appropriation	*Transfer from loan accounts*	*Total, RB-CS, S&E*
1996 level	$9,013,000	($16,871,000)	($25,890,000)
1997 budget estimate	27,068,000	(699,000)	(27,767,000)
Provided in the bill	25,680,000	(654,000)	(26,334,000)
Comparison:			
1996 level	16,667,000	(−16,217,000)	(−444,000)
1997 budget estimate	−1,388,000	(−45,000)	(−1,433,000)

These funds are used to administer the loan and grant programs of the Rural Business-Cooperative Service including reviewing applications, making and collecting loans, and providing technical assistance and guidance to borrowers; and to assist in extending other Federal programs to people in rural areas.

COMMITTEE PROVISIONS

For salaries and expenses of the Rural Business-Cooperative Service the Committee provides a total of $25,680,000, an increase of $16,667,000 above the amount available for fiscal year 1996 and a decrease of $1,388,000 below the budget request.

The Committee expects the Department to give consideration to the following projects requesting assistance under the rural business enterprise grants program: the Northeast (Minnesota) Entre-

preneur Fund for technical and financial assistance to small businesses; establishment of two regional farmers' markets in Southwest Virginia; the LENOWISCO Planning District Commission's (Virginia) business incubator project; the Southwind Maritime Centre, Mt. Vernon, Indiana, wastewater pretreatment facility; completion of a pipeline project for the City of Tucumcari, New Mexico Agriculture Industrial Park; the University of Scranton (Pennsylvania) Center for Public Initiatives business advancement and distance and education training infrastructure project; the Rural Community Assistance Corporation (California) lending program for child care and environmental infrastructure; the Northern Initatives/Suomi College (Michigan) workforce training and industrial outreach programs; the Kansas City Southern Railway Company/Hopkins County (Texas) Industrial Complex rail spur; the Sulphur Springs (Texas) wastewater infrastructure for a cultured dairy products manufacturing facility; the Vevay-Switzerland County (Indiana) revolving loan fund for rural enterprises; the University of Illinois/Lincoln Land Community College Rural Education and Technology Center; the Tehama Local Development Corporation (California) economic development project; and an economic development entity for innovative agricultural technologies in the Sacramento, California area the Chicanos Por La Causa business incubator park in Nogales, Arizona and the Southern Kentucky Rural Development Center rural technology facility in Somerset, Kentucky in coordination with Kentucky Educational Television; the Tulare County (California) farm-to-market road project; intermodial transportation and technical assistance requests for Geyserville and Eureka (California) train depots, the Montrose Area Industrial Development Agency, Inc. expansion of the industrial park in Bridgewater Township, Susquehanna County, Pennsylvania, and a technical assistance request for a Ukiah (California) transportation/business development study.

The Committee expects the Department to consider only those applications judged meritorious when subjected to established review procedures.

RURAL UTILITIES SERVICE

The Rural Utilities Service (RUS) was established under the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (Public Law 103–354), October 13, 1994.

The mission of the RUS is to serve a leading role in improving the quality of life in rural America by administering its electric, telecommunications, and water and waste disposal programs in a service oriented, forward looking, and financially responsible manner. All three programs have the common goal of modernizing and revitalizing rural communities. RUS provides funding and support service for utilities serving rural areas. The public-private partnerships established by RUS and local utilities assist rural communities in modernizing local infrastructure and creating jobs. RUS programs are also characterized by the substantial amount of private investment which is leveraged by the public funds invested into infrastructure and technology resulting in the creation of new sources of employment.

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS PROGRAM ACCOUNT

ESTIMATED LOAN LEVEL

1996 loan level	($1,405,000,000)
1997 budget estimate	(1,620,000,000)
Provided in the bill	1,445,000,000
Comparison:	
1996 loan level	+40,000,000
1997 budget estimate	−175,000,000

The Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.), as amended provides the statutory authority for the electric and telecommunications programs.

COMMITTEE PROVISIONS

The following table reflects the loan levels for the rural electrification and telecommunications loans program account:

	FY 1996 enacted	FY 1997 request	Committee provisions
Rural electrification and telecommunications loans program account: Loan authorizations: Direct loans:			
Electric 5%	(90,000,000)	(125,000,000)	(125,000,000)
Telecommunications 5%	(70,000,000)	(75,000,000)	(75,000,000)
Subtotal	(160,000,000)	(200,000,000)	(200,000,000)
Treasury rate: Telecommunications	(300,000,000)	(300,000,000)	(300,000,000)
Muni-rate: Electric	(525,000,000)	(600,000,000)	(525,000,000)
FFB loans:			
Electric, regular	(300,000,000)	(400,000,000)	(300,000,000)
Telecommunications	(120,000,000)	(120,000,000)	(120,000,000)
Subtotal	(420,000,000)	(520,000,000)	(1,245,000,000)
Total, Loan authorizations	(1,405,000,000)	(1,620,000,000)	(1,445,000,000)

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	FY 1996 enacted	FY 1997 request	Committee provisions
Loan subsidies: Direct loans:			
Electric 5%	21,168,000	3,625,000	3,625,000
Telecommunications 5%	13,958,000	1,193,000	1,193,000
Subtotal	35,126,000	4,818,000	4,818,000
Treasury rate: Telecommunications	60,000	60,000	60,000
Muni-rate, Electric	56,858,000	32,280,000	28,245,000
FFB loans, Regular Electric	2,520,000	3,720,000	2,790,000
Total, Loan subsidies	94,564,000	40,878,000	35,913,000
RETLP administrative expenses	29,982,000	33,070,000	29,982,000
Total, Rural electrification and telecommunications loans program account	124,546,000	73,948,000	65,895,000
(Loan authorization)	(1,405,000,000)	(1,620,000,000)	(1,445,000,000)

The Federal Credit Reform Act of 1990 established the Program Account. An appropriation to this account will be used to cover the

lifetime subsidy costs associated with the direct loans obligated and loan guarantees committed in 1997, as well as for administrative expenses.

RURAL TELEPHONE BANK PROGRAM ACCOUNT

ESTIMATED LOAN LEVEL

1996 loan level	($175,000,000)
1997 budget estimate	(175,000,000)
Provided in the bill	(175,000,000)
Comparison:	
1996 loan level	.....
1997 budget estimate	.....

The Rural Telephone Bank (RTB) was required by law to begin privatization (repurchase of federally owned stock) in fiscal year 1996. RTB borrowers are able to borrow at private market rates and no longer require Federal assistance.

The Rural Telephone Bank is managed by a 13-member board of directors. The Administrator of RUS serves as Governor of the Bank until conversion to private ownership, control, and operation. This will take place when 51 percent of the Class A stock issued to the United States and outstanding at any time after September 30, 1995, has been fully redeemed and retired. Activities of the Bank are carried out by RUS employees and the Office of the General Counsel of the U.S. Department of Agriculture.

COMMITTEE PROVISIONS

For the Rural Telephone Bank direct loans the Committee provides a limitation of $175,000,000, the same level as provided in fiscal year 1996 and the same as the budget request.

The Administration has announced its intention to submit to Congress in calendar year 1996 legislation to facilitate the privatization of the Rural Telephone Bank at the end of 1998. The Committee is concerned that the study and report on privatization required in last year's bill have not yet been completed and, therefore, the full costs and impact of privatization are not yet known. Therefore bill language directs that no more than five percent of Class A stock of the Rural Telephone Bank be retired in fiscal year 1997.

The Committee has also included language in the bill to preclude the maintenance of an equity fund subaccount within the accounting records of the Rural Telephone Bank. The Committee believes the subaccount is unnecessary to protect the equity interests of Class B and C stockholders of the bank and contrary to the prohibition contained in Sec. 406(G) of the Rural Electrification Act of 1936.

ESTIMATED LOAN SUBSIDY AND ADMINISTRATIVE EXPENSES LEVELS

	Direct loan subsidy	*Administrative expenses*
1996 appropriation	$5,023,000	$3,541,000
1997 budget estimate	2,328,000	3,500,000
Provided in the bill	2,328,000	3,500,000
Comparison:		
1996 appropriation	−2,695,000	−41,000

	Direct loan subsidy	*Administrative expenses*
1997 budget estimate		

The Federal Credit Reform Act of 1990 established the Program Account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the direct loans obligated in 1996, as well as for administrative expenses.

DISTANCE LEARNING AND MEDICAL LINK PROGRAM

1996 appropriation	$7,500,000
1997 budget estimate	20,261,000
Provided in the bill	7,500,000
Comparison:	
1996 appropriation	
1997 budget estimate	−12,761,000

The distance learning and medical link program was established by the Rural Economic Development Act of 1990 (104 STAT. 4017, 7 U.S.C. 950aaa et seq.), as amended by the Federal Agriculture Improvement and Reform Act of 1996. This program is authorized in the Food, Agriculture, Conservation, and Trade Act of 1990 to provide incentives to improve the quality of phone services, to provide access to advanced telecommunications services and computer networks, and to improve rural opportunities.

This program provides the facilities and equipment to link rural education and medical facilities with more urban centers and other facilities providing rural residents access to better health care through technology and increasing educational opportunities for rural students.

COMMITTEE PROVISIONS

For the Distance Learning and Medical Link Program, the Committee provides an appropriation of $7,500,000, the same as the amount available in fiscal year 1996 and a decrease of $12,761,000 below the budget request.

The Department has proposed legislation which would permit distance learning and medical link loans in addition to grants. The Committee believes this would provide additional management flexibility and enable scarce resources to be better utilized by offering loans to entities which are more able to repay and thereby saving grants for the most needy projects.

The present grant program is limited to the purchase and installation of hardware. A loan program will assist borrowers in making telecommunications and data transmission linkages available as well as purchases and installation of hardware. A portion of the loan program will be available at five percent interest to assist the lowest income communities but the majority of the funds will be available at Treasury rates. Loans will be available to those entities currently eligible for grants.

The Committee has provided bill language which will extend the authority of the Department to grant loans under this program.

The Committee expects the Department to give consideration to the following projects requesting assistance under the Distance Learning Medical Link Program: Middle Tennessee State University National Agriculture Library satellite uplink; the Florida State

University project to improve information access for rural public schools and libraries; the University of Arkansas compressed video network and information integration program; the University of Illinois/Lincoln Land Community College Rural Education and Technology Center; and the Midwest Center for Rural Health (Indiana) telemedicine project for rural health care providers, the Southern Kentucky Rural Development Center rural technology facility in Somerset, Kentucky in coordination with Kentucky Educational television and the Texas Telecare Consortium statewide telemedicine network emphasizing specialty care in pediatrics and high risk adult care.

The Committee expects the Department to consider only those applications judged meritorious when subjected to established review procedures.

RURAL UTILITIES ASSISTANCE PROGRAM

1996 appropriation	[1] $487,868,000
1997 budget estimate	661,560,000
Provided in the bill	496,868,000
Comparison:	
1996 appropriation	+9,000,000
1997 budget estimate	−164,692,000

[1] Includes 1996 supplementals of $6,000,000 for water and waste disposal loans and grants.

In 1996, the Congress appropriated funds under the rural utilities assistance program to support water and waste disposal loans and grants and solid waste management grants and the associated administrative expenses. This program, allows for greater flexibility to tailor the assistance to the applicant's needs.

The water and waste disposal program is authorized by several actions, including sections 306, 306A, 309A, and 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq., as amended).

The program makes loans for water and waste disposal development costs. Development loans are made to associations, including corporations operating on a nonprofit basis, municipalities and similar organizations generally designated as public or quasi-public agencies, that propose projects for the development, storage, treatment, purification, and distribution of domestic water or the collection, treatment, or disposal of waste in rural areas.

The program makes grants for water and waste disposal development costs. Development grants are made to associations, including corporations operating on a nonprofit basis, municipalities and similar organizations generally designated as public or quasi-public agencies, that propose projects for development, storage, treatment, purification, and distribution of domestic water or the collection, treatment, or disposal of waste in rural areas.Such grants may not exceed 75 percent of the development cost of the projects and can supplement other funds borrowed or furnished by applicants to pay development costs.

The solid waste grant program is authorized under section 310(b)(2) of the Consolidated Farm and Rural Development Act, as amended. Grants are made to public bodies and private nonprofit organizations to provide technical assistance to local and regional governments for the purpose of reducing or eliminating pollution of

water resources and for improving the planning of management of solid waste disposal facilities.

COMMITTEE PROVISIONS

[In thousands of dollars]

	Program level	Budget authority	Committee provisions
LOANS:			
Water and waste disposal:			
Direct	800,000	68,560	
Guaranteed			
Total, Loans	800,000	68,560	
GRANTS:			
Water and waste disposal	590,000	590,000	
Solid waste management	3,000	3,000	
Total, Grants	593,000	593,000	
Total, RUAP	1,393,000	661,560	523,868

COMMITTEE PROVISIONS

For the Rural Utilities Assistance Program (RUAP) the Committee provides an appropriation of $496,868,000, an increase of $9,000,000 above the amount available for fiscal year 1996 and a decrease of $164,692,000 below the budget request. The original appropriation for the RUAP in fiscal year 1996 was $487,868,000 to which the Administration added $36,000,000 from other sources for a total fiscal year 1996 level of $523,868,000.

The bill provides earmarks of $5,000,000 for the circuit rider program, $18,700,000 for water and waste disposal systems for Colonias along the United States-Mexico border, $18,700,000 in direct loans, loan guarantees and grants for empowerment zones and enterprise communities and a continuation of technical assistance at the same level of fiscal year 1996 for water, solid waste and transportation projects.

SALARIES AND EXPENSES

	Appropriation	*Transfer from loan accounts*	*Total, RUS, S&E*
1996 level	$18,449,000	($46,464,000)	($64,913,000)
1997 budget estimate	33,873,000	(36,570,000)	(70,443,000)
Provided in the bill	33,195,000	(33,482,000)	(66,677,000)
Comparison:			
1996 level	+14,746,000	(−12,982,000)	(+1,764,000)
1997 budget estimate	−678,000	(−3,088,000)	(−3,766,000)

These funds are used to administer the loan and grant programs of the Rural Utilities Service, including reviewing applications, making and collecting loans, and providing technical assistance and guidance to borrowers; and to assist in extending other Federal programs to people in rural areas.

Under Credit Reform, administrative costs associated with loan programs are appropriated to the program accounts for the agricultural credit insurance fund and the rural housing insurance fund.

Appropriations to the salaries and expenses account will be for costs associated with grant programs.

COMMITTEE PROVISIONS

For salaries and expenses of the Rural Utilities Service the Committee provides an appropriation of $33,195,000 an increase of $14,746,000 above the amount provided for fiscal year 1996 and a decrease of $678,000 below the budget request.

The Committee expects the Department to give consideration to the following projects requesting funds from the rural utilities assistance program: water systems improvements in the Village of Angel Fire, New Mexico; a water and waste disposal project operated by the Mojave Water Agency in California; a regional stormwater treatment facility on Sweetwater Branch (Florida); and the South Ocean View Sanitary Sewer District project, Cedar Neck Expansion of the Bethany Beach Sanitary Sewer District and the Ellendale Sanitary Sewer District project (Delaware) the Willits (California) wastewater treatment project and the Weott (California) community services district sewer grant.

The Committee expects the Department to consider only those applications judged meritorious when subjected to established review procedures.

TITLE IV—DOMESTIC FOOD PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR FOOD, NUTRITION AND CONSUMER SERVICES

1996 appropriation	$440,000
1997 budget estimate	554,000
Provided in the bill	454,000
Comparison:	
1996 appropriation	+14,000
1997 budget estimate	−100,000

The Office of the Under Secretary for Food, Nutrition and Consumer Services provides direction and coordination in carrying out the laws enacted by the Congress with respect to the Department's food and consumer activities. The Office has oversight and management responsibilities for the Food and Consumer Service.

COMMITTEE PROVISIONS

For the Office of the Under Secretary for Food, Nutrition, and Consumer Services the Committee provides an appropriation of $454,000, an increase of $14,000 above the amount available for fiscal year 1996 and a decrease of $100,000 below the budget request.

FOOD AND CONSUMER SERVICE

The Food and Consumer Service (FCS) represents an organizational effort to eliminate hunger and malnutrition in this country. Food assistance programs are intended to provide access to a nutritionally adequate diet for families and persons with low incomes, and encourage better eating patterns among the nation's children. These programs include:

Child Nutrition Programs.—Federal assistance is provided to the 50 States, Puerto Rico, Virgin Islands, and Guam for use in serving nutritious lunches and breakfasts to children attending schools of high school grades or under, to children of preschool age in child care centers and homes, and to children in other institutions in order to improve the health and well-being of the nation's children, and broaden the markets for agricultural food commodities. Through the special milk program, assistance is provided to the states for making reimbursement payments to eligible schools and child care institutions which institute or expand milk service in order to increase the consumption of fluid milk by children.

Food Stamp Program.—This program is aimed at making more effective use of the nation's food supply and at improving nutritional standards of needy persons and families, in most cases, through the issuance of food coupons which may be used in retail stores for the purchase of food. The program also includes nutrition assistance to Puerto Rico. The Omnibus Budget Reconciliation Act

of 1981 (Public Law 97–35) authorized a block grant for nutrition assistance to Puerto Rico which gives the Commonwealth broad flexibility in establishing a food assistance program that is specifically tailored to the needs of its low-income households.

Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).—This program helps to safeguard the health of pregnant, postpartum, and breastfeeding women, and infants, and children up to age five who are at nutritional risk by providing food packages designed to supplement each participant's diet with foods that are typically lacking. Delivery of supplemental foods may be done through health clinics, vouchers redeemable at retail food stores, or other approved methods which a cooperating state health agency may select

The Commodity Assistance Program (CAP).—This program was created by the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1996 (P.L. 104–37), by consolidating funding for the commodity supplemental food program (CSFP), the emergency food assistance program (TEFAP), and the soup kitchens and food banks program (SK/FB).

CSFP provides supplemental foods to infants and children up to age six, and to pregnant, postpartum, and breastfeeding women with low incomes who reside in approved project areas. In addition, this program operates commodity distribution projects directed at low-income elderly persons.

TEFAP provides commodities and grant funds to state agencies to assist in the cost of storage and distribution of donated commodities for needy individuals. In addition, commodities are also provided to soup kitchens and food banks.

Food Donations Programs for Selected Groups.—Nutritious agricultural commodities are provided to low-income persons living on or near Indian reservations who choose not to participate in the food stamp program; and to residents of the Pacific Territory of Palau and Federated States of Micronesia and the Marshall Islands. Cash assistance is provided to distributing agencies to assist them in meeting administrative expenses incurred. Commodities or cash-in-lieu of commodities are provided to assist nutrition programs for the elderly.

Food Program Administration.—This account represents all salaries and Federal operating expenses of the Food and Consumer Service and the Center for Nutrition Policy and Promotion. As of September 30, 1995, there were 1,797 full-time permanent and 147 part-time and temporary employees in the agency. There were 643 in the Washington headquarters and 1,301 in the field, which includes 870 in seven regional offices and the balance in six food stamp compliance offices; one computer support center in Minneapolis, Minnesota; five administrative review offices; and 74 field offices. The Center oversees improvements in and revisions to the food nutrition guidance systems. CNPP is the focal point for advancing and coordinating nutrition promotion and education policy to improve the health of all Americans.

Funds for Strengthening Markets, Income, and Supply (Section 32).—This program includes the donation of commodities purchased under the surplus removal activities of the Agricultural

Marketing Service. Special programs provide food to needy children and adults who are suffering from general and continued hunger.

CHILD NUTRITION PROGRAMS

	Direct appropriation	Transfer from section 32	Total program level
1996 appropriation	$2,348,166,000	($5,597,858,000)	($7,946,024,000)
1997 budget estimate	3,255,215,000	(5,413,453,000)	(8,668,668,000)
Provided in the bill	3,218,844,000	(5,433,753,000)	(8,652,597,000)
Comparison:			
1996 appropriation	+870,678,000	(−164,105,000)	(+706,573,000)
1997 budget estimate	−36,371,000	(+20,300,000)	(−16,071,000)

Working through state agencies, the Food and Consumer Service (FCS) provides Federal assistance in cash and commodities for use in preparing and serving nutritious meals to children while they are attending school, residing in service institutions, or participating in other organized activities away from home. The purpose of this program is to help maintain the health and proper physical development of America's children. The child nutrition account includes the school lunch program; the school breakfast program; the summer food service; and child and adult care food programs. In addition, the special milk program provides funding for milk service in some kindergartens, as well as in schools, nonprofit child care centers, and camps which have no other Federally assisted food programs. Milk is provided to children either free or at a low cost depending on their family income level. FCS provides cash subsidies to state administered programs and directly administers the program in the states which have chosen not to do so. Funds for this program are provided by direct appropriation and transfer from section 32. Grants are also made for nutritional training and surveys and for state administrative expenses. Under current legislation, most of these payments are made on the basis of reimbursement rates established by law and applied to lunches and breakfasts actually served by the states.

The Child Nutrition and WIC Reauthorization Act of 1989, Public Law 101–147, contained a number of child nutrition provisions. These include:

Summer Food Service Program (SFSP).—Reauthorized and expanded SFSP to private, nonprofit organizations under certain conditions.

School Breakfast Program (SBP).—Provided start-up grants for programs serving low-income children.

Child and Adult Care Food Program (CACFP).—Provided funds for demonstration projects to expand services to homeless children and family day care homes in low-income areas.

National School Lunch Program (NSLP).—(1) Mandated a unified system for compliance and accountability which would integrate Federal and state efforts and provide for increased Federal monitoring of SFSP operations. (2) Authorized the Food Service Management Institute to improve school food service operations.

Nutrition Education and Training (NET).—Required demonstration projects and studies to examine a number of program issues and increased the authorization level.

Through the special milk program, funds are provided to state agencies to reimburse eligible participants for all or part of the cost of fluid milk consumed. Under Public Law 97–35, participation in the special milk program is restricted to schools and institutions that do not participate in another meal service program authorized by the Child Nutrition or School Lunch Acts. Effective October 1, 1986, based on authority in Public Law 99–661, children in split session kindergarten programs in nonprofit schools who do not have access to the meal service programs operating in those schools may participate in the program.

COMMITTEE PROVISIONS

For the child nutrition programs the Committee provides a total of $8,652,597,000, an increase of $706,573,000 above the amount available for fiscal year 1996 and a decrease of $16,071,000 below the budget request. Of the total amount provided, $3,218,844,000 is by direct appropriation and $5,433,753,000 is by transfer from section 32.

The total includes $10,300,000 for the school meals initiative to provide the budget request for food service training grants to states, in-school and community education materials, and a cooperative agreement for food service with the Food Service Management Institute. The Committee directs the Under Secretary to coordinate all activities related to the school meals initiative with the nutrition education and training program to better make use of limited resources.

The total does not include funding for nutrition studies and surveys. The agency should reallocate staff time from starting new studies and evaluations to working directly with states to reduce error rates in the food stamp program. The Committee believes that reducing the amount of taxpayer dollars being spent for erroneous benefits is a higher priority than starting new studies. The 12 ongoing child nutrition studies will continue to completion.

The Committee provides for the child nutrition programs at the following annual rates:

	Amount
Child Nutrition Programs:	
School lunch program	$4,904,852,000
School breakfast program	1,264,949,000
Child and adult care food program	1,739,767,000
Summer food service program	288,920,000
Special milk program	18,074,000
State administrative expenses	108,874,000
Commodity procurement and computer support	312,830,000
School meals initiative	10,300,000
Coordinated review effort	4,031,000
Total	$8,652,597,000

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

1996 appropriation	[1]$3,729,807,000
1997 budget estimate	3,880,000,000
Provided in the bill	3,729,807,000
Comparison:	
1996 appropriation	.....

1997 budget estimate	−150,193,000

[1] Does not reflect an estimated $36 million to be transferred to the rural utilities assistance program from FY 1995 carryover funds.

The special supplemental nutrition program for women, infants, and children (WIC) safeguards the health of pregnant, breastfeeding, and postpartum women, and infants, and children up to age five who are at nutritional risk because of inadequate nutrition and inadequate income.

The Child Nutrition and WIC Reauthorization Act of 1989, Public Law 101–147, reauthorized and added a provision to the program as follows:

Cost Containment Initiatives to Expand Participation.—(1) Required state agencies with a retail food delivery system to use a competitive bidding system or a system with equal savings for the procurement of infant formula. Savings are to be used to expand program participation. (2) Permitted states with an approved cost containment system to use first quarter funds to cover obligations incurred during the fourth quarter of the preceding fiscal year.

The WIC farmers' market nutrition program (FMNP) is also funded from the WIC appropriation. FMNP is designed to accomplish two major goals: 1) to improve the diets of WIC participants by providing them with coupons to purchase fresh, nutritious, unprepared food, such as fruits and vegetables, from farmers' markets; and 2) to increase the awareness and use of farmers' markets by low-income households. Funds for the WIC program are provided by direct appropriation.

COMMITTEE PROVISIONS

For the special supplemental nutrition program for women, infants, and children (WIC) the Committee provides an appropriation of $3,729,807,000, the same as the amount available for fiscal year 1996 and a decrease of $150,193,000 below the budget request. Language is included allowing up to $6,750,000 for the farmers' market nutrition program, the same as the amount available in fiscal year 1996.

The WIC program has been and continues to be a high priority of the Committee, Congress, and the Administration. In its commitment to the program's success, Congress has provided WIC with significant increases for program growth at a time of declining budgets and fiscal austerity. In the last five years, as the appropriations increased so did the amount that went unspent each year and was carried over into the next fiscal year. There have been some concerns, that because of the proven success of the program in reducing infant mortality rates and future Medicaid costs, we have asked the program to grow faster than it was capable of growing. This is evidenced by the fact the total amount of carryover has increased from a level of $54,718,077 in fiscal year 1990 to an estimated level of $245,000,000 in fiscal year 1996. As further evidence, the program expected to reach a year-end participation level of 7.3 million at the end of fiscal year 1995, when in actuality it only reached 7.0 million.

The appropriated amount of $3,729,807,000, together with the anticipated carryover of $245,000,000, allows for program growth and will support an average participation level of 7.5 million and

a year-end participation level of 7.6 million or full funding of the program. If uncontrollable circumstances arise during the fiscal year to cause participants to be removed from the program, the Committee will consider supplemental action. To assist the states in attaining full participation in an efficient and effective manner, the Committee directs the Department to work with state agencies to develop earlier reporting methods which would result in more frequent analysis and redistribution of available resources. Also, the Healthy Meals for Healthy Americans Act of 1994 requires that up to $10,000,000 of WIC funds be used for development of infrastructure, special state projects, and special breastfeeding promotion and support projects. The Committee believes that development of infrastructure should be the highest priority when distributing these funds to ensure that state agencies have the capacity to reach full funding participation levels.

The Committee includes language that permits the Secretary to transfer any carryover funds in excess of $100,000,000 that cannot be spent in fiscal year 1997 to other programs in the Department, excluding the Forest Service, with prior notification to the Committees on Appropriation.

Language is included prohibiting the use of funds to begin more than two new studies and evaluations. There are 13 ongoing WIC studies which will continue to completion. The Department is planning to start five new studies. This language will allow the agency to begin two of the five. The budget request for studies and evaluations in fiscal year 1997 is $3,495,000. The Committee expects the amount that is not spent on the two new studies will be spent on contracting with the Expanded Food Nutrition and Education Program to provide additional nutrition education programs to WIC recipients.

The Committee understands that WIC legislation establishes very broad parameters for states to use in establishing income eligibility and nutritional risk criteria. The Committee also understands that the Department has issued WIC regulations which require states to submit and receive USDA approval of their criteria on an annual basis. While this is the case, there are some concerns that effective measures are not in place to ensure that only individuals who meet both income eligibility and nutritional risk criteria are accepted into the program. The 1994 eligibility and coverage estimates show that 101 percent of eligible postpartum and breastfeeding women and 111 percent of eligible infants are being served. The Committee expects the Department to work with state agencies to develop more uniform eligibility criteria and to develop a plan for all state agencies to follow to ensure that only those truly eligibile to participate in the program are actually enrolled.

The Committee is concerned that the recent departure of Wyeth from the domestic infant formula market could result in reduced cost containment savings and cause reductions in WIC caseload and create budgetary pressures. The Committee directs the Secretary to initiate a rulemaking to amend existing regulations which will require new infant formula contracts to be awarded on the basis of the lowest net cost unless a state agency demonstrates to the satisfaction of the Secretary that there is less than five percent variance in the retail prices in the state for different brands of in-

fant formula. If a state agency establishes that there is minimal variance in prices, it may use the highest rebate per unit to select the bidder offering the greatest rebate savings. The Committee will monitor this situation closely and expects the Department to keep it informed of any changes that occur to cost containment savings. The Committee also directs the Department to obtain available survey data on infant formula rebate prices and share this data with states requesting it unless the cost of obtaining such data makes this infeasible.

FOOD STAMP PROGRAM

1996 appropriation	$27,597,828,000
1997 budget estimate	29,988,755,000
Provided in the bill	27,615,029,000
Comparison:	
1996 appropriation	+17,201,000
1997 budget estimate	−2,373,726,000

The food stamp program, authorized by the Food Stamp Act of 1964, attempts to alleviate hunger and malnutrition among low-income persons by increasing their food purchasing power. Eligible households receive food stamps with which they can purchase food through regular retail stores. They are thus enabled to obtain a more nutritious diet than would be possible without food stamp assistance.

Participating households receive free food stamps in amounts determined by household size and income. Since March 1975, food stamp projects have been established throughout the country. State social service agencies assume responsibility for certifying eligible households and issuing the stamps through suitable outlets. The Food and Consumer Service establishes a range of household food stamp allotments which are updated annually.

Authorized grocery stores accept the stamps as payment for food purchases and forward them to commercial banks for cash or credit. The stamps flow through the banking system to a Federal Reserve Bank for redemption out of a special account maintained by the U.S. Treasury Department. As the major alternative to the paper food stamp system, Electronic Benefit Transfer (EBT) is operating statewide in Maryland, in parts of Pennsylvania, Minnesota, Ohio, New Mexico, New Jersey, Texas, and Iowa, and is planned in other states.

ADMINISTRATIVE COSTS

All direct and indirect administrative costs incurred for certification of households, issuance of food coupons, quality control, outreach, and fair hearing efforts are shared by the Federal government and the states on a 50–50 basis.

In addition, state agencies which reduce quality control error rates below 6 percent receive up to a maximum match of 60 percent of their administrative expenses. Also, state agencies are paid up to 100 percent of the costs of administering the program on Indian reservations. The food stamp program is in operation in all 50 States, the Virgin Islands, Guam, and the District of Columbia.

The Food Stamp Act Amendments of 1982 provided for the establishment of a system for levying fiscal sanctions on states which fail to reduce high error rates below a prescribed target.

OTHER PROGRAM COSTS

Other program costs, which are borne entirely by the Federal government, include printing and transporting coupons to authorized state agencies and processing and destruction of redeemed coupons by Federal banks.

The total cost of this program has greatly increased over past years. The following table indicates total program costs by fiscal year from 1962 to the present:

FOOD STAMP APPROPRIATIONS

[In thousands of dollars]

	Budget authority
Fiscal year:	
1962	[1] 48,900
1963	[1] 50,000
1964	[1] 45,000
1965	[2] 60,000
1966	[3] 100,000
1967	[4] 139,525
1968	[5] 185,000
1969	280,000
1970	610,000
1971	1,679,000
1972	2,289,214
1973	2,500,000
1974	3,000,000
1975	4,874,600
1976	5,203,000
1977	5,514,000
1978	5,627,000
1979	6,679,200
1980	9,191,000
1981	11,480,000
1982	11,300,000
1983	13,005,141
1984	11,739,005
1985	11,768,856
1986	11,817,653
1987	[6] 12,684,665
1988	[7] 13,557,757
1989	[8] 13,598,955
1990	[9] 15,707,096
1991	[10] 20,550,901
1992	[11] 23,362,975
1993	[12] 28,115,357
1994	[13] 28,136,655
1995	[14] 28,830,710

	Budget authority
1996	[15] 27,597,828

[1] Pilot program with sec. 32 funding.
[2] $35,000,000 of sec. 32 funds, $25,000,000 by direct appropriation.
[3] Includes $2,000,000 reappropriation.
[4] Includes $29,549,000 reappropriation.
[5] Includes $23,200,000 reappropriation.
[6] Includes $852,750,000 nutrition assistance for Puerto Rico.
[7] Includes $879,250,000 nutrition assistance for Puerto Rico.
[8] Includes $908,250,000 nutrition assistance for Puerto Rico.
[9] Includes $936,750,000 nutrition assistance for Puerto Rico.
[10] Includes $974,220,000 nutrition assistance for Puerto Rico and $1,500,000,000 in supplemental appropriations available until September 30, 1992.
[11] Includes $1,013,000,000 nutrition assistance for Puerto Rico.
[12] Includes $1,051,000,000 nutrition assistance for Puerto Rico.
[13] Includes $1,091,000,000 nutrition assistance for Puerto Rico.
[14] Includes $1,143,000,000 nutrition assistance for Puerto Rico.
[15] Includes $1,143,000,000 nutrition assistance for Puerto Rico.

Nutrition Assistance for Puerto Rico.—The Omnibus Budget Reconciliation Act of 1981, Public Law 97–35, authorized a block grant for nutrition assistance to Puerto Rico which gives the Commonwealth broad flexibility in establishing a food assistance program which is specifically tailored to the needs of its low-income households. Beginning in fiscal year 1987, funding for this block grant program was included under the food stamp appropriation account.

COMMITTEE PROVISIONS

For the food stamp program the Committee provides an appropriation of $27,615,029,000, an increase of $17,201,000 above the amount available for fiscal year 1996 and a decrease of $2,373,726,000 below the budget request. The total amount includes $100,000,000 for a contingency reserve in fiscal year 1997. The total amount does not include funding for studies and evaluations. The agency is directed to reallocate staff time from starting new studies and evaluations to working directly with states to reduce food stamp error rates. The Committee believes that reducing the amount of taxpayer dollars being spent on erroneous benefits is a higher priority than starting new studies. The 37 ongoing food stamp studies will continue to completion.

For the Puerto Rico block grant for nutrition assistance the Committee includes $1,174,000,000, an increase of $31,000,000 above the amount available in fiscal year 1996 and the same as the budget request.

The amount of food stamp benefits a person is eligible to receive each month is calculated annually based on 103 percent of the thrifty food plan and a number of allowable deductions. The thrifty food plan is what USDA determines as a market basket of foods to provide a nutritious low-cost diet. The eligible deductions include a standard deduction, an earned income deduction, deductions for dependent care and medical expenses, and several shelter cost deductions. The Committee has included language which provides that, in fiscal year 1997, food stamp benefits are to be calculated using the standard deduction level in effect for fiscal year 1995. The Committee notes that, based on Departmental information, the average monthly benefit per person will increase from a level of $74.08 in fiscal year 1996 to $77.30 in fiscal year 1997.

The Committee commends the agency for expanding the number of preauthorization visits that are being made to stores applying to

participate in the program. It is encouraging that, through these visits, the agency is preventing stores from participating in the program that may have been approved in the past. The Committee urges the Department to require preauthorization visits for all high risk stores.

The Committee is pleased that the Electronic Benefit Transfer (EBT) system is moving forward. This system is key to ensuring that retailers are not redeeming food stamps in violation of the Food Stamp Act. Full implementation of the system would help prevent retail fraud and abuse in the program because it creates a paper trail for investigators to follow. The Committee urges the agency to expedite implementation of a nationwide EBT system.

The Federal Agriculture Improvement and Reform Act of 1996 provided funding for a program of assistance for community food projects. These projects are designed to meet the food needs of low-income people; increase the self-reliance of communities in providing for their own food needs; and promote comprehensive responses to local food, farm, and nutrition issues. The Committee urges the Department to use available funds to provide the means to move surplus prepared food from restaurants, hotels, and other such establishments to non-profit agencies that have an established prepared food program that provides needed nutrition to their recipients. This will save countless dollars, prevent waste of available food, and provide quality meals for the needy.

COMMODITY ASSISTANCE PROGRAM

1996 appropriation	[1] $166,000,000
1997 budget estimate	[1] 172,000,000
Provided in the bill	166,000,000
Comparison:	
1996 appropriation	.....
1997 budget estimate	−6,000,000

[1] Includes funding for soup kitchens, the commodity supplemental food program, and TEFAP.

Commodity Supplemental Food Program.—The commodity supplemental food program (CSFP) provides supplemental food to infants and children up to age six, and to pregnant, postpartum, and breast-feeding women who have low incomes, and reside in approved project areas. In addition, this program operates commodity distribution projects directed at low-income elderly persons 60 years of age or older.

The 1996 FAIR Act (P.L. 104–127) reauthorized the commodity supplemental food program through fiscal year 2002. In addition, this law requires CCC to donate 4 million pounds of nonfat dry milk and 9 million pounds of cheese to the program annually, subject to availability.

The Emergency Food Assistance Program (TEFAP).—Title II of Public Law 98–8, enacted March 3, 1983, authorized and appropriated funds for costs of intrastate storage and transportation of CCC-donated commodities. Subsequent authorizations have continued the program at the $50,000,000 level. In fiscal year 1996, $46,281,183 was provided for the purchase and distribution of commodities as authorized by section 104 of the Hunger Prevention Act of 1988.

Funds are administered by the Food and Consumer Service through grants to state agencies which operate commodity distribution programs. Allocation of the funds to states is based on a formula which considers the states' unemployment rates and the number of persons with incomes below the poverty level.

In fiscal year 1995, $29.2 million worth of surplus commodities were distributed to assist needy individuals. Precise levels will depend upon the availability of surplus commodities and requirements regarding displacement. In fiscal year 1996, $31.8 million will be used to help state and local authorities with the storage and distribution costs of providing surplus commodities to needy individuals.

The 1996 FAIR Act (P.L. 104–127) reauthorized administrative funding through 2002 for the purchase of TEFAP commodities.

Soup Kitchens.—In fiscal year 1996, $33,718,817 was provided for the purchase and distribution of commodities to soup kitchens and food banks as authorized by section 110 of the Hunger Prevention Act of 1988.

The 1996 FAIR Act (P.L. 104–127) reauthorized through fiscal year 2002 commodities for soup kitchens. The law further authorized the distribution of soup kitchen commodities to food pantries.

COMMITTEE PROVISIONS

For the commodity supplemental food program, soup kitchens, and the emergency food assistance program the Committee provides an appropriation of $166,000,000, the same as the amount available in fiscal year 1996 and a decrease of $6,000,000 below the budget request. The Committee does not expect the Department to eliminate funding for commodity purchases in the emergency food assistance program.

FOOD DONATIONS PROGRAMS FOR SELECTED GROUPS

1996 appropriation	$215,000,000
1997 budget estimate	[1] 215,000,000
Provided in the bill	205,000,000
Comparison:	
1996 appropriation	−10,000,000
1997 budget estimate	−10,000,000

[1] The FY 1997 budget proposes to transfer $150,000,000 for the elderly feeding program to DHHS.

The Agriculture and Consumer Protection Act of 1973, as amended (7 U.S.C. 612c (note)), provides for a directly funded food distribution program for low-income persons residing on or near Indian reservations who choose not to participate in the food stamp program and to needy individuals in the Pacific Island Territories. This program attempts to alleviate hunger and malnutrition in low-income households by providing nutritious agricultural commodities to eligible persons. This program also funds commodity support for elderly feeding programs under titles III and IV of the Older Americans Act of 1965. Donated foods are used in meals served in senior citizens centers or similar settings. States may elect cash-in-lieu of commodities.

The 1996 Federal Agriculture Improvement and Reform Act (P.L. 104–127) reauthorized through fiscal year 2002 the food distribution program on Indian reservations.

COMMITTEE PROVISIONS

For the food donations programs the Committee provides an appropriation of $205,000,000, a decrease of $10,000,000 below the amount available for fiscal year 1996 and $10,000,000 below the budget request. Included in the amount is $140,000,000 for the nutrition program for the elderly and $65,000,000 for the food distribution program on Indian reservations.

The Committee does not include language proposed by the Administration to directly transfer the funding for the elderly feeding program to the Department of Health and Human Services. The Committee will take this proposal into consideration when it considers reorganizing Committee jurisdictions next year.

CENTER FOR NUTRITION POLICY AND PROMOTION

1996 appropriation	(1)
1997 budget estimate	$4,470,000
Provided in the bill	
Comparison:	
1996 appropriation	
1997 budget estimate	−4,470,000

[1] On a comparable basis, the 1996 appropriation would be $2,499,000.

Pursuant to the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6901), the Center for Nutrition Policy and Promotion was created for the purpose of designing and disseminating nutrition education and information to all American consumers.

COMMITTEE PROVISIONS

The Committee does not provide a separate appropriation for the Center for Nutrition Policy and Promotion. The functions of this office are retained under food program administration.

FOOD PROGRAM ADMINISTRATION

1996 appropriation	[1] $107,769,000
1997 budget estimate	110,982,000
Provided in the bill	104,487,000
Comparison:	
1996 appropriation	−3,282,000
1997 budget estimate	−6,495,000

[1] Does not reflect transfer of $130,000 to Departmental Administration for the Office of Civil Rights.

The food program administration appropriation provides for all of the Federal operating expenses of the Food and Consumer Service, which includes the child nutrition programs; special supplemental nutrition program for women, infants, and children (WIC); the commodity assistance program, including the commodity supplemental food program, the emergency food assistance program, and soup kitchens and food banks; food stamp program, and food donations programs for selected groups.

The major objective of food program administration is to efficiently and effectively carry out the food assistance programs man-

dated by law. This is to be accomplished by the following: (1) giving clear and consistent guidance and supervision to state agencies and other cooperators; (2) assisting the states and other cooperators by providing program, managerial, financial, and other advice and expertise; (3) measuring, reviewing, and analyzing progress toward program objectives; and (4) carrying out regular staff support functions.

COMMITTEE PROVISIONS

For food program administration the Committee provides an appropriation of $104,487,000, a decrease of $3,282,000 below the amount available for fiscal year 1996 and $6,495,000 below the budget request.

The record for the fiscal year 1997 appropriations hearing on Tuesday, March 26, 1996, indicates there are currently 62 ongoing studies and evaluations within the food stamp, child nutrition, WIC programs costing almost $46 million. In addition to these 62 ongoing studies, the agency is planning to start 36 new studies in fiscal year 1997. The Committee has included language under the food stamp and child nutrition accounts prohibiting fiscal year 1997 funds from being used to start any new studies and evaluations and only allowing two new WIC studies. The Committee understands the need for program evaluations, but 98 studies and evaluations is excessive.

The Committee has been extremely concerned with the amount of food stamp benefits that are being distributed erroneously. The Committee has expressed its concerns at every level within the Department and the response is always the same, "We are just as concerned as you are and we're working very hard to address the problem." Every year the budget request for the food stamp program includes an increased level for erroneous benefits. Congress is working very hard to try to balance the budget. This country can no longer afford to annually pay out almost $2.0 billion in food stamp benefits to states and recipients because of case worker and recipient errors. Instead of starting new studies and evaluations, many of which are overlapping in nature, the Committee directs that the agency devote its staff time to working directly with states to reduce error rates in the food stamp program and, thereby, also reduce the amount in erroneous benefits. The Committee expects the budget request for fiscal year 1998 to reflect this priority work.

TITLE V—FOREIGN ASSISTANCE AND RELATED PROGRAMS

FOREIGN AGRICULTURAL SERVICE AND GENERAL SALES MANAGER

	Appropriation	*Transfer from loan accounts*	*Total, FAS*
1996 appropriation	$115,802,000	($8,973,000)	($124,775,000)
1997 budget estimate	132,875,000	(4,266,000)	(137,141,000)
Provided in the bill	124,208,000	(3,797,000)	(128,005,000)
Comparison:			
1996 appropriation	+8,406,000	(−5,176,000)	(+3,230,000)
1997 budget estimate	−8,667,000	(−469,000)	(−9,136,000)

The Foreign Agricultural Service (FAS) was established March 10, 1953, by Secretary's Memorandum No. 1320, Supplement 1. Public Law 83–690, approved August 28, 1954, transferred the agricultural attaches from the Department of State to the Foreign Agricultural Service.

The primary function of this organization is to help American agriculture in maintaining and expanding foreign markets for agriculture products vital to the economic well-being of the nation. It maintains a worldwide agricultural intelligence and reporting service to assist the U.S. agricultural industry in its export operations through a continuous program of analyzing and reporting foreign agricultural production, markets, and policies. It attempts to develop foreign markets for U.S. farm products through administration of special export programs and through helping to secure international trade conditions that are favorable toward American products. FAS is also responsible for coordinating, planning, and directing the Department's programs in international development and technical cooperation in food and agriculture formerly carried out by the Office of International Cooperation and Development.

COMMITTEE PROVISIONS

For the Foreign Agricultural Service the Committee provides an appropriation of $124,208,000 and transfers of $3,797,000 for a total program level of $128,005,000, an increase of $3,230,000 above the amount available for fiscal year 1996 and a decrease of $9,136,000 below the budget request.

In providing the increase above the fiscal year 1996 level, the Committee recommends funding the requested pay increases for FAS, International Cooperation and Development, the General Sales Manager and expansion in the following locations: Beijing, Mexico (two offices), Miami, Guanzhou, Shanghai, Sao Paulo and Jakarta.

The Committee notes that the Department is requesting legislation to require that "funds provided for foreign market development to trade associations, cooperatives and small businesses shall be allocated only after a competitive bidding process . . ." The Committee concurs with the Department that these funds should be award-

ed competitively and instructs the Department to ensure that the larger, well-funded organizations do not have an unfair advantage over smaller organizations in the application process. The Department could, for example, make personnel available, if requested by the smaller organizations, to help them draft and complete necessary paperwork for the applications.

The Committee believes the Department should consider requiring increased cost sharing from participants in the foreign market development/cooperator program and from participants in trade shows to allow more appropriated funds to be used for critical Foreign Agricultural Service activities.

The Department should also ensure that adequate resources are directed to the eradication of unfair sanitary and phytosanitary barriers to American exports. With bilateral and multilateral trade agreements, reducing traditional barriers such as quotas and tariffs, foreign governments are likely to use unscientific and unreasonable import regulations as a way to protect their domestic markets. In particular, the Committee is concerned about barriers to American citrus exports to Mexico and urges the Department to make eradication of these barriers a high priority.

The Committee encourages the Department to consider using export enhancement program funds to assist the export of cottonseed oil and sunflower seed oil where appropriate.

The Committee directs that no funds from this Act be used to provide assistance to or to pay the salaries of personnel who carry out a market promotion program or a market access program pursuant to section 203 of the Agricultural Trade Act of 1987 (7 U.S.C. 5623) that provides assistance to the U.S. Mink Export Development Council or to any mink industry trade association.

Under the general provisions the Committee is putting a limitation of no more than $100,000,000 on the Export Enhancement Program for fiscal year 1997.

PUBLIC LAW 480

PROGRAM AND GRANT ACCOUNTS

PUBLIC LAW 480 TITLE I PROGRAM ACCOUNT

The Federal Credit Reform Act of 1990 established the Program Account. Appropriations to this account are used to cover the lifetime subsidy cost associated with direct loans obligated in 1997 and beyond, as well as for administrative expenses.

Financing sales of agricultural commodities to developing countries and private entities for dollars on credit terms, or for local currencies (including for local currencies on credit terms) for use under section 104; and for furnishing commodities to carry out the Food for Progress Act of 1985, as amended (title I).—Title I of the legislation authorizes financing of sales to developing countries for local currencies and for dollars on credit terms. Sales for dollars or local currency may be made to foreign governments. The legislation provides for repayment terms either in local currencies or U.S. dollars on credit terms of up to 30 years, with a grace period of up to 5 years.

Local currencies under title I sales agreements may be used in carrying out activities under section 104 of the Agricultural Trade Development and Assistance Act of 1954, as amended. Activities in the recipient country for which these local currencies may be used include developing new markets for U.S. agricultural commodities, paying U.S. obligations, and supporting agricultural development and research.

Title I appropriated funds may also be used under the Food for Progress Act of 1985, as amended, to furnish commodities on credit terms or on a grant basis to assist developing countries and countries that are emerging democracies that have a commitment to introduce and expand free enterprise elements in their agricultural economies.

Ocean freight differential costs in connection with commodities sales financed for local currencies or U.S. dollars (title I).—The Commodity Credit Corporation pays ocean freight differential costs on shipments under this title. These costs are the difference between foreign flag and U.S. flag shipping costs.

Commodities supplied in connection with dispositions abroad (title II) (7 U.S.C. 1721–1726).—Commodities are supplied without cost through foreign governments to combat malnutrition and to meet famine and other emergency requirements. Commodities are also supplied for nonemergencies through public and private agencies, including intergovernmental organizations. The Commodity Credit Corporation pays ocean freight on shipments under this title, and may also pay overland transportation costs to a landlocked country, as well as internal distribution costs in emergency situations. The funds appropriated for title II are made available to private voluntary organizations and cooperatives to assist these organizations in meeting administrative and related costs.

Commodities supplied in connection with dispositions abroad (title III).—Commodities are supplied without cost to least developed countries through foreign governments for direct feeding, development of emergency food reserves, or may be sold with the proceeds of such sale used by the recipient country for specific economic development purposes. The Commodity Credit Corporation may pay ocean freight on shipments under this title, and may also pay overland transportation costs to a landlocked country, as well as internal distribution costs.

COMMITTEE PROVISIONS

The following table reflects the loan levels, subsidy levels, and administrative costs for all Public Law 480 programs:

	FY 1996 enacted	FY 1997 request	Committee provisions
Public Law 480 Program Account:			
Title I—Credit sales:			
Program level	($316,342,000)	($232,849,000)	($230,305,000)
Direct loans	(291,342,000)	(218,944,000)	(216,400,000)
Ocean freight differential	25,000,000	13,905,000	13,905,000
Title II—Commodities for disposition abroad:			
Program level	(821,100,000)	(837,000,000)	(837,000,000)
Appropriation	821,100,000	837,000,000	837,000,000
Title III—Commodity grants:			
Program level	(50,000,000)	(40,000,000)	(29,500,000)
Appropriation	50,000,000	40,000,000	29,500,000

	FY 1996 enacted	FY 1997 request	Committee provisions
Loan subsidies	236,162,000	179,082,000	177,000,000
Salaries and expenses:			
General Sales Manager	1,005,000	1,035,000	1,005,000
FSA	745,000	783,000	745,000
Subtotal	1,750,000	1,818,000	1,750,000
Total, Public Law 480:			
Program level	(1,187,442,000)	(1,109,849,000)	(1,096,805,000)
Appropriation	1,134,012,000	1,071,805,000	1,059,155,000

The Committee believes that the United States should maintain a role in providing humanitarian aid to developing nations and to emergency situations overseas. The Committee regrets that Administration requests and the critical budget situation have resulted in continuing reductions in the PL 480 accounts over the past several years. USDA's Economic Research Service projects that food aid supplies will cover less than 40 percent of the need in 60 countries this year.

Therefore, the Committee expects the Administration to make every effort to keep ocean freight expenditures and administrative costs as low as possible in order to maximize the benefit of scarce food aid resources and to use those resources to address the most serious humanitarian needs.

CCC EXPORT LOANS PROGRAM ACCOUNT

	Guaranteed loan subsidy	*Administrative expenses*
1996 appropriation	$374,347,000	$3,381,000
1997 budget estimate	[1] 390,000,000	3,854,000
Provided in the bill	390,000,000	3,381,000
Comparison:		
1996 appropriation	+15,653,000	.....
1997 budget estimate	.....	−473,000

[1] In 1997, the subsidy required will be financed by funding derived from the 1996 subsidy reestimate.

Under the export credit programs, guarantees are provided by CCC for the repayment of commercial credit extended to finance U.S. agricultural export sales. The GSM–102 program covers export credit with repayment terms of up to three years. The GSM–103 program provides intermediate-term credit with repayment terms of three to ten years. The Agricultural Trade Act of 1978, as amended, requires that not less than $5.5 billion be made available annually from 1996 through 2002 for GSM–102 and GSM–103

The Federal Credit Reform Act of 1990 established the Program Account. Appropriations to this account will be used to cover the lifetime subsidy costs associated with the loan guarantees committed in 1997 and beyond, as well as for administrative expenses.

Funding for the loan subsidy costs of CCC export credit is provided through a permanent, indefinite appropriation and not by annual appropriation.

TITLE VI—RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

	Appropriation	*User fee accounts*	*Total, FDA, S&E*
1996 appropriation	$819,971,000	($97,723,000)	($917,694,000)
1997 budget estimate [1]	823,771,000	(100,931,000)	(924,702,000)
Provided in the bill	819,971,000	(100,931,000)	(920,902,000)
Comparison:			
1996 appropriation		(+3,208,000)	(+3,208,000)
1997 budget estimate	−3,800,000		(−3,800,000)

[1] The budget request proposed legislative changes that would have allowed the FDA to collect $38,740,000 in currently unauthorized user fees.

The programs of the Food and Drug Administration (FDA) are designed to achieve a single overall objective: consumer protection. FDA's mission is to ensure that: (1) food is safe, pure, and wholesome; (2) human and animal drugs, biological products, and medical devices are safe and effective; and (3) radiological products and use procedures do not result in unnecessary exposure to radiation.

To accomplish its mission, FDA: (1) sets food and product standards; (2) evaluates the safety and efficacy of new drugs and medical devices before they are marketed; (3) conducts and sponsors research studies to detect health hazards and violations of laws or regulations, to improve the agency's base of scientific knowledge in toxicology and other disciplines, and to promote development of orphan products; (4) informs business firms and consumers about FDA-related topics; (5) works with state and local agencies to develop programs that will supplement or complement those of FDA; (6) maintains surveillance over foods, drugs, medical devices and electronic products to ensure that they are safe, effective, and honestly labeled; and (7) takes legal action where necessary to remove violative products from the marketplace and to prosecute firms or individuals that violate the law.

Through its regulation of food, FDA protects and promotes the health of nearly every American by monitoring the food industry to safeguard against contamination by dangerous bacteria and molds and other natural and man-made toxins, and by regulating the safe use of veterinary drugs and feed additives to protect consumers against hazardous drug residues or by-products that may remain in meat. FDA also assures that consumers are not victimized by adulteration; promotes informative labeling to assist consumers in choosing foods; and examines imported foods to see that they meet the same standards as domestic products. FDA also provides lead-

ership and assistance to the states and local authorities in conducting their responsibilities.

COMMITTEE PROVISIONS

For the Food and Drug Administration the Committee provides a program level of $920,902,000, an increase of $3,208,000 above the amount available for fiscal year 1996 and $3,800,000 below the budget request. The recommendation includes only an increase for the Prescription Drug User Fee Act of $2,805,000 and estimated increases for the Mammography Quality Clinic Act of $403,000. These increases are a result of increased user fee collections. The Committee does not concur with the request to provide authorization to establish new user fees for the medical device program and food inspection user fees on imported products.

The Committee would point out that funds appropriated must be used for the purpose for which appropriated, as required by section 1301 of title 31 of the United States Code. The Committee generally approves the agency's budget justification or it redirects the budget and accordingly expects the agency to spend its appropriations as directed. There is concern that the agency too easily transfers funds from one program to another without Committee notification. For fiscal year 1997, the Committee provides the following program accounts:

	FY 1996	FY 1997
Foods	$221,563,000	$221,563,000
Human drugs	271,841,000	273,945,000
Biologics	132,582,000	133,283,000
Animal drugs & feeds	42,185,000	42,185,000
Device and radiological products	169,679,000	170,858,000
National Center for Toxicological Research	38,069,000	38,069,000
Program management	41,775,000	41,000,000
Total	917,694,000	920,903,000

Reprogramming is the utilization of funds for purposes other than those contemplated at the time of appropriation enactment. Reprogramming is not a request for new funds but rather the reallocation of resources already available.

The Committee has an interest in approving reprogrammings which, although they may not change either the total amount available in an account or any of the purposes for which the appropriation is legally available, represent a departure from budget plans presented to the Committee in the budget justifications.

The Committee directs the FDA to provide written notification to the chairmen of the House and Senate Committees on Appropriations prior to the reprogramming of funds in excess of $1,000,000 to or from programs specified in the committee report, except in cases of an imminent threat to the public safety. In instances of an imminent threat to the public safety, the agency will notify the Congress subsequently.

The Committee has redirected funds from program management to assist with the medical device approval process. The Food and Drug Administration currently is not meeting its statutory deadlines for approvals of some food additive petitions, drugs, and medi-

cal devices. The Committee expects the agency to meet its petition and approval requirements as set forth in the law.

The Committee has included language that extends the moratorium on the regulation of saccharin.

The Committee provides $100,000, the same amount as last year, for a cooperative research program related to molluscan shellfish and further expects the agency to continue its education program on the consumption of raw shellfish.

The Committee provides the same level of funding for the Clinical Pharmacology Training Program as in fiscal year 1996.

The Committee recognizes breast cancer is the most common type of cancer among American women and that breast self-examination is an essential step in early detection. The Sensor Pad has been approved by the FDA to aid breast lump detection, with the requirement that a prescription for use be obtained. This Committee is very concerned that this restriction limits availability of this essential tool to low-income women who cannot afford to see a physician in non-emergency situations. Recognizing that approximately 184,300 new cases will diagnosed, and more than 44,000 women in the U.S. will die this year from breast cancer, the Committee directs the FDA to reexamine the need for "prescription only" status for this breast lump detection tool and report its findings to the Congress in 60 days.

The Committee is aware that FDA proposed in 1995 a regulation requiring pharmacists to dispense along with new prescriptions a patient leaflet describing warnings, side effects, and other information about the drug—even though the private sector has made great progress in recent years in providing patients with information about their drugs. The Committee believes that, in general, the private sector should be given time to provide this information. Although the agency may finalize its regulation, the Committee has provided that no funds may be used to implement that regulation. However, the Committee's language does provide that FDA may implement a final rule now for a very limited number of products, i.e., any specific drug that poses a serious and significant public health risk. The committee is assured by FDA that patient leaflets required under that provision will be limited to only a very small number of drugs that cannot be used appropriately without specific written information provided directly to the patient.

BUILDINGS AND FACILITIES

1996 appropriation	$12,150,000
1997 budget estimate	8,350,000
Provided in the bill	21,350,000
Comparison:	
1996 appropriation	−3,800,000
1997 budget estimate	

The Buildings and Facilities account was established for repair and improvement of existing facilities, as well as for construction of new facilities when needed.

COMMITTEE PROVISIONS

For Buildings and Facilities of the Food and Drug Administration the Committee provides $21,350,000, an increase of $9,200,000

above the amount available for fiscal year 1996 and $13,000,000 above the budget request. The increase above the budget request is to continue the modernization of the National Center for Toxicological Research.

RENTAL PAYMENTS (FDA)

1996 appropriation	$46,294,000
1997 budget estimate	46,294,000
Provided in the bill	46,294,000
Comparison:	
1996 appropriation	
1997 budget estimate	

Annual appropriations are made to agencies of the Federal government so that they can pay the General Services Administration fees for rental of space and for related services.

COMMITTEE PROVISIONS

For rental payments of the Food and Drug Administration the Committee provides an appropriation of $46,294,000, the same as the amount available for fiscal year 1996 and same as the budget request.

DEPARTMENT OF THE TREASURY

FINANCIAL MANAGEMENT SERVICE

PAYMENTS TO THE FARM CREDIT SYSTEM FINANCIAL ASSISTANCE CORPORATION

1996 appropriation	$15,453,000
1997 budget estimate	10,290,000
Provided in the bill	10,290,000
Comparison:	
1996 appropriation	
1997 budget estimate	−5,163,000

The Agricultural Credit Act of 1987 (Public Law 100-233) authorized such sums as necessary to be appropriated to the Secretary of the Treasury for Payment to the Farm Credit System Financial Assistance Corporation. These payments reimburse the Corporation for interest expenses on U.S. guaranteed debt issued by the Corporation. Assistance Corporation debt proceeds will be used to provide assistance to financially troubled System institutions. Beginning in fiscal year 1989, Treasury annually reimburses 100 percent of the Assistance Corporation interest expense incurred until January 1994. Between January 1994 and the ensuing five years, Treasury will reimburse up to 50 percent of the Assistance Corporation's interest expense, with System banks paying the balance. Thereafter all Assistance Corporation interest expense will be paid by System banks.

COMMITTEE PROVISIONS

For interest expenses incurred by the Farm Credit System Financial Assistance Corporation the Committee provides an appropriation of $10,290,000, a decrease of $5,163,000 below the amount available for fiscal year 1996 and the same amount as the budget request.

INDEPENDENT AGENCIES

COMMODITY FUTURES TRADING COMMISSION

1996 appropriation	$53,601,000
1997 budget estimate	56,601,000
Provided in the bill	55,101,000
Comparison:	
1996 appropriation	+1,500,000
1997 budget estimate	−1,500,000

The Commodity Futures Trading Commission (CFTC) administers the Commodity Exchange Act of 1936, as amended. The purpose of the Commission is to further the economic utility of futures and option markets by encouraging their efficiency, assuring their integrity, and protecting participants against abusive trade practices, fraud, and deceit. The objective is to enable the markets to better serve their designated function in providing a price discovery mechanism and as a means of offsetting price risk. In properly serving these functions, the futures markets contribute toward better planning, more efficient distribution and consumption, and more economical marketing.

COMMITTEE PROVISIONS

For the Commodity Futures Trading Commission the Committee provides an appropriation of $55,101,000, an increase of $1,500,000 above the amount available for fiscal year 1996 and a decrease of $1,500,000 below the budget request.

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

1996 appropriation	.....
1997 budget estimate	$37,478,000
Provided in the bill	37,478,000
Comparison:	
1996 appropriation	+37,478,000
1997 budget estimate	.....

The Farm Credit Administration (FCA) originally created by Executive Order No. 6084 on May 27, 1933, was transferred to the Department of Agriculture on July 1, 1939, by Reorganization Plan No. 1. From December 4, 1953 to January 23, 1986, the Administration was an independent agency under the direction of a Federal Farm Credit Board (12 U.S.C. 636). The Farm Credit Amendments Act of 1985 (P.L. 99–205) clarified the FCA's role as an arm's-length financial regulator, granting it the same intermediate enforcement powers as other Federal financial regulatory agencies. The Act also replaced the Federal Farm Credit Board of 13 Presidentially appointed part-time Board members with the FCA Board, comprised of a Chairman and two other Board members, all serving in a full-time capacity. Not more than two members of the Board shall be members of the same political party.

The FCA is responsible for regulating, supervising, and examining the institutions of the Farm Credit System (System). The FCA and the System institutions operate under the authority of the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.). The institutions of the System are the Farm Credit banks, Federal land bank asso-

ciations, Federal intermediate credit banks, production credit associations, Federal land credit associations, agricultural credit associations, and banks for cooperatives. The combined lending activities in the System institutions provided short- and long-term credit to the nation's farmers, ranchers, and producers and harvesters of aquatic products, and their cooperatives. System institutions are owned by their member borrowers. The operation of the System is funded through the sale of systemwide consolidated bonds and discount notes in the public money markets, and the institutions are fully liable for the payment of these securities. The operating expenses of the FCA are paid by the System institutions and by the Federal Agricultural Mortgage Corporation through assessments, which are deposited in a special fund in the Treasury which is available for the use of the FCA.

COMMITTEE PROVISIONS

For a limitation on administrative expenses of the Farm Credit Administration the Committee provides $37,478,000, the same amount as the budget request.

TITLE VII—GENERAL PROVISIONS

Sections 701 through 717 of the General Provisions contained in the accompanying bill for fiscal year 1997 are fundamentally the same as those included in last year's appropriations bill.

Section 718. Provides that not more than 5 percent of Class A stock of the Rural Telephone Bank may be retired in fiscal year 1997. The provision also prohibits the maintenance of any account or subaccount which has not been specifically authorized by law.

Section 719. Provides that none of the funds in this Act may be used to provide food stamp benefits to households whose benefits are calculated using a standard deduction greater than the standard deduction in effect for fiscal year 1995.

Section 720. Provides that none of the funds in this Act may be used to provide market promotion/market access program assistance to the U.S. Mink Export Development Council or any mink industry trade association.

Section 721. Provides that none of the funds in this Act shall be used to enroll more than 100,000 acres in the wetlands reserve program in fiscal year 1997.

Section 722. Provides that of the funds made available by this Act, not more than $1,000,000 shall be used to cover expenses of activities related to advisory committees, panels, commissions, and task forces except for panels used to comply with negotiated rule makings.

Section 723. Provides that none of the funds in this Act shall be used to carry out an export enhancement program in excess of $100,000,000.

Section 724. Provides that none of the funds in this Act shall be used to carry out a farmland protection program in excess of $2,000,000.

Section 725. Provides that none of the funds in this Act shall be used to carry out a wildlife habitat incentives program.

Section 726. Provides that none of the funds in this Act shall be used to carry out a conservation farm option program in excess of $2,000,000.

Section 727. Provides that none of the funds in this Act shall be used to transmit questions or responses to questions related to information requested for the appropriations hearing process to any non-Department of Agriculture employee.

Section 728. Provides bill language on planting requirements states that no production flexibility payments should go to farmers who do not engage in agricultural production. This provision is not intended to apply to individuals who are prevented from planting due to weather conditions. Agricultural production for the purposes of this provision includes crop and livestock production.

Section 729. Provides that none of the funds in this Act shall be used to extend any existing or expiring contract in the conservation reserve program.

Section 730. Provides that none of the funds in this Act may be used to maintain the price of raw cane sugar at more than 117.5 percent of the statutory loan rate.

Section 731. Provides that none of the funds in this Act may be used to establish the safe meat and poultry inspection panel.

Section 732. Provides for the patent extension of nonsteroidal anti-inflammatory drugs.

Section 733. Provides bill language that allows for costs of incidental expense for volunteers serving under the authority of 7 U.S.C. 2272 to be paid out of appropriations.

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(l)(4), rule XI of the House of Representatives, the Committee offers the following statement in support of its opinion that this bill, as proposed, will have no overall inflationary impact over the broad spectrum of the nation's economy.

New obligational authority has been reduced below the 1996 budget request. Restoration and other increases made by the Committee for certain essential purposes, as discussed earlier in this report, have been more than offset by reductions elsewhere.

The restoration of funds for rural development programs should result in a substantial benefit in our economy by providing additional employment in the construction industry—a noninflationary benefit.

The restoration and addition of funds for the various research, extension, and conservation activities of USDA should help to protect our nation's land and water resources and encourage food and fiber production to meet domestic and overseas needs, both of which are anti-inflationary in effect.

TRANSFER OF UNEXPENDED BALANCES

Pursuant to clause 1(b), rule X of the House of Representatives, the following statement is submitted describing the transfer of unexpended balances provided in the accompanying bill. Transfers of unexpended balances are assigned to the jurisdiction of the Committee on Appropriations by clause 1(b)(2) of rule X.

1. Office of the Secretary.—The bill allows the transfer of unobligated balances of representation funds in the Foreign Agricultural Service to the Office of the Secretary.

2. Agriculture Buildings and Facilities and Rental Payments.—The bill allows transfers to or from the rental payments account based on changing space requirements.

3. Hazardous Waste Management.—The bill allows the funds appropriated to the Department for hazardous waste management to be transferred to agencies of the Department as required.

4. Departmental Administration.—The bill allows reimbursement for expenses related to certain hearings.

5. Office of the Assistant Secretary for Congressional Relations.—The bill allows the funds appropriated to the Office of the Assistant Secretary to be transferred to agencies.

6. Office of the Inspector General.—Authority is provided to transfer funds to the Office of the Inspector General from the Department of Justice Assets Forfeiture Fund or the Department of Treasury Forfeiture Fund.

7. Animal and Plant Health Inspection Service.—Authority is included to enable the Secretary of Agriculture to transfer from other appropriations or funds of the Department such sums as may be necessary to combat emergency outbreaks of certain diseases of animals, plants, and poultry.

8. Agricultural Marketing Service.—The bill limits the transfer of section 32 funds to purposes specified in the bill.

9. Farm Service Agency.—The bill provides that funds provided to other accounts in the agency may be merged with the salaries and expenses account of the Farm Service Agency.

10. Dairy Indemnity Program.—The bill authorizes the transfer of funds to the Commodity Credit Corporation.

11. Agricultural Credit Insurance Fund.—The bill provides that funds from the account shall be transferred to the Farm Service Agency salaries and expenses account.

12. Rural Housing Insurance Fund Program Account; Rural Economic Development Loan Program Account; and Rural Electrification and Telecommunications Loan Program Account.—The bill provides that administrative funds may be transferred to various salaries and expenses accounts.

13. Rural Housing Assistance Program; Rural Business-Cooperative Assistance Program; and Rural Utilities Assistance Program.—The bill allows funds to be transferred between authorized programs within the account.

14. Child Nutrition Programs.—The bill includes authority to transfer section 32 funds to these programs.

15. Foreign Agricultural Service.—The bill allows for the transfer of funds from the Commodity Credit Corporation Export Loan Program Account and Public Law 480 Program Account.

16. Public Law 480.—The bill allows for the transfer of up to 15 percent of the funds between titles I, II, and III.

17. Commodity Credit Corporation Export Loans Program.—The bill provides for transfer of funds to the Foreign Agricultural Service and to the Farm Service Agency for overhead expenses associated with credit reform.

18. Rental Payments (FDA).—The bill allows transfer to or from the rental payments account based on changing space requirements.

CHANGES IN THE APPLICATION OF EXISTING LAW

Pursuant to clause 3, rule XXI of the House of Representatives, the following statements are submitted describing the effect or provisions in the accompanying bill which directly or indirectly change the application of existing law. In most instances, these provisions have been included in prior appropriations bills, often at the request of or with the knowledge and consent of the responsible legislative committees.

Language is included in various parts of the bill to continue ongoing activities of those Federal agencies which require annual au-

thorization or additional legislation which to date has not been enacted.

Language is included in the bill in several accounts that earmarks funds for empowerment zones and enterprise communities as authorized by title XIII of the Omnibus Budget Reconciliation Act of 1993.

The bill includes a number of provisions which place limitations on the use of funds in the bill or change existing limitations and which might, under some circumstances, be construed as changing the application of existing law:

1. *Office of the Secretary*.—Language is included to limit the amount of funds for official reception and representation expenses, as determined by the Secretary. Language is also included to limit personnel detailed to any Under Secretary or Assistant Secretary office to not more than 30 days.

2. *Agriculture Buildings and Facilities and Rental Payments*.—Language is included which allows the transfer of limited amounts to and from this account.

3. *Departmental Administration.*—Language is included to reimburse the agency for travel expenses incident to the holding of hearings.

4. *Inspector General.*—Language is included to allow the Inspector General to use funds transferred through forfeiture proceedings for authorized law enforcement activities.

5. *National Agricultural Statistics Service.*—Language is included to provide the Secretary the authority to conduct the Census of Agriculture.

6. *Agricultural Research Service*.—The bill includes language that prohibits funds from being used to carry out research related to the production, processing or marketing of tobacco or tobacco products.

7. *Cooperative State Research, Education, and Extension Service*.—The bill includes language that prohibits funds from being used to carry out research related to the production, processing or marketing of tobacco or tobacco products.

8. *Animal and Plant Health Inspection Service*.—A provision carried in the bill since fiscal year 1973 regarding state matching funds has been continued to assure more effective operation of the brucellosis control program through state cost sharing, with resulting savings to the Federal budget.

Language is included to allow APHIS to recoup expenses incurred from providing training to non-APHIS personnel.

9. *Grain Inspection, Packers and Stockyards Administration, Inspection and Weighing Services*.—The bill includes authority to exceed the limitation on inspection and weighing services by 10 percent with notification to the Appropriations Committees. This allows for flexibility if export activities require additional supervision and oversight, or other uncontrollable factors occur.

10. *Agricultural Marketing Service*.—The bill includes language that allows the Secretary to charge user fees for AMS activity related to preparation of standards.

11. *Agricultural Marketing Service, Limitation on Administrative Expenses*.—The bill includes language to allow AMS to exceed the limitation on administrative expenses by 10 percent with notifica-

tion to the Appropriations Committees. This allows flexibility in case crop size is understated and/or other uncontrollable events occur.

12. *Section 32 Funds*.—The bill includes authority, which has been in the bill since fiscal year 1976, to transfer section 32 funds to the child nutrition programs. This is required to increase funds available for cash payments to states for these programs and to purchase and distribute agricultural commodities pursuant to section 6 of the National School Lunch Act. Under the paragraph in the bill headed "Funds for Strengthening Markets, Income, and Supply (section 32)", language is included to authorize these transfers.

13. *Commodity Credit Corporation Fund, Reimbursement for Net Realized Losses*.—Language is included to provide for the reimbursement appropriation.

14. *Office of Risk Management.*—Language is included to limit the amount of funds for official reception and representation expenses.

15. *Natural Resources Conservation Service—Conservation Operations*.—This language, which has been included in the bill since 1938, prohibits construction of buildings on land not owned by the government, although construction on land owned by states and counties is authorized by basic law. This paragraph also includes language carried in the bill since 1950, which prohibits the use of funds for demonstration projects authorized by the Act of April 27, 1935.

16. *Watershed and Flood Prevention Operations.*—Language, which was also included in the Emergency Jobs Bill and all bills since 1984, provides that funds may be used for rehabilitation of existing works.

17. *Rural Housing Service—Rental Assistance Program*.—Language is included which provides that agreements entered into during fiscal year 1997 be funded for a five-year period.

18. *Rural Housing Assistance Program and Rural Housing Insurance Fund Program Account.*—Language is included to prohibit section 515 rental housing funds from being used for new construction.

19. *Rural Electrification and Telecommunications Loan Program Account.*—Language is included to allow borrowers' interest rates for electric loans to exceed seven percent.

20. *Distance Learning and Medical Link.*—Language is included to provide for loans.

21. *Child Nutrition Programs.*—Language is included to prohibit funds from being used for studies and evaluations.

22. *Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)*.—Language is included to limit to two the number of new studies and evaluations that can be started in fiscal year 1997.

23. *Food Stamp Program.*—Language is included to prohibit funds from being used for studies and evaluations.

24. *Foreign Agricultural Service*.—Language carried since 1979 enables this organizational unit to utilize funds received by an advance or by reimbursement to carry out its activities involving international development and technical cooperation.

The bill includes language that prohibits funds from being used to promote the sale or export of tobacco or tobacco products. Language is included to limit the amount of funds for official reception and representation expenses. Language is also included to allocate foreign market development funds to trade associations, cooperative and small businesses on a competitive basis.

25. *Food and Drug Administration*.—Language included since 1986 prohibits any user fee authorized by 31 U.S.C. 9701. Language is also included to extend the moratorium on saccharin to May 1, 2002. Language is included to prohibit the use of funds to implement any rule finalizing the proposed rule entitled, The Prescription Drug Product Labeling; Medication Guide Requirements, except in cases of serious and significant public health risk.

26. *Rental Payments (FDA)*.—Language included since 1985 allows transfer of limited amounts to and from this account.

27. *Commodity Futures Trading Commission*.—Language is included to allow CFTC to recoup expenses incurred from providing training to non-CFTC personnel.

28. *General Provisions*.—

Section 704: This provision repeats language carried since 1972 which permits the accumulation of growth capital not to exceed $2,000,000, and which provides that no funds appropriated to an agency shall be transferred to the Working Capital Fund without the approval of the agency administrator.

Section 705: This provision, carried since 1976, is again included which provides that certain appropriations in this Act shall remain available until expended where the programs or projects involved are continuing in nature under the provisions of authorizing legislation, but for which such legislation does not specifically provide for extended availability. This authority tends to result in savings by preventing the wasteful practice often found in government of rushing to commit funds at the end of the fiscal year without due regard to the value of the purpose for which the funds are used. Such extended availability is also essential in view of the long lead time frequently required to negotiate agreements or contracts which normally extend over a period of more than one year. Under these conditions such authority is commonly provided in Appropriations Acts where omitted from basic law. These provisions have been carried through the years in this Act to facilitate efficient and effective program execution and to assure maximum savings. They involve the following items: Animal and Plant Health Inspection Service, the contingency fund to meet emergency conditions, fruit fly program, the reserve fund for integrated systems acquisition project, the boll weevil program, and up to 10 percent of the screwworm program; Food Safety and Inspection Service, field automation and information management project; Cooperative State Research, Education, and Extension Service, funds for the Native American institutions endowment fund and competitive research grants; Foreign Agricultural Service, middle-income country training program; Farm Service Agency, salaries and expenses to county committees; National Agricultural Statistics Service, Census of Agriculture; and funds appropriated for rental payments.

Section 708: This provision, included since fiscal year 1981, limits the overhead that can be charged on cooperative agreements to a maximum of 10 percent. This provision is necessary because many universities attempted to apply the same overhead rates to cooperative agreements as was being applied to grants and contracts, without giving consideration to the cooperator's contributions as an offset to the overhead charges.

Section 710: This provision, carried since 1983, provides that none of the funds in this Act shall be available to reimburse the General Services Administration for rental payment in excess of the amounts specified in the Act.

Section 711: This provision, added in 1987, provides that none of the funds in this Act may be used to restrict the authority of CCC to lease space. This provision allows CCC to continue to lease space at a lower cost than space leased by GSA.

Section 712: This provision, added in 1990, provides that none of the funds in this Act may be made available to pay indirect costs on competitive research grants awarded by the Cooperative State Research, Education, and Extension Service in excess of 14 percent of total direct costs, except for grants available under the Small Business Innovation and Development Act.

Section 713: This provision clarifies that loan levels provided in the Act are to be considered estimates and not limitations. The Federal Credit Reform Act of 1990 provides that the appropriated subsidy is the controlling factor for the amount of loans made and that as lifetime costs and interest rates change, the amount of loan authority will fluctuate.

Section 714: This provision allows funds made available in fiscal year 1997 for the Rural Development Loan Fund Program Account; Rural Telephone Bank Program Account; the Rural Electrification and Telecommunications Loans Program Account; and the Rural Economic Development Loans Program Account to remain available until expended. The Credit Reform Act requires that the lifetime costs of loans be appropriated. Current law requires that funds unobligated after five years expire. The life of some loans extends well beyond the five-year period and this provision allows funds appropriated to remain available until the loans are closed out.

Section 715: This provision provides that sums necessary for fiscal year 1997 pay raises shall be absorbed within the levels appropriated in this Act.

Section 716: This provision, added in fiscal year 1994, provides for compliance with the Buy American Act.

Section 717: This provision provides that the Agricultural Marketing Service and the Animal and Plant Health Inspection Service may use cooperative agreements.

Section 718: Provides that not more than 5 percent of Class A stock of the Rural Telephone Bank may be retired in fiscal year 1997. The provision also prohibits the maintenance of any account or subaccount which has not been specifically authorized by law.

Section 719: Provides that none of the funds in this Act may be used to provide food stamp benefits to households whose benefits are calculated using a standard deduction greater than the standard deduction in effect for fiscal year 1995.

Section 720: Provides that none of the funds in this Act may be used to provide market promotion/market access program assistance to the U.S. Mink Export Development Council or any mink industry trade association.

Section 721: Provides that none of the funds in this Act shall be used to enroll more than 130,000 acres in the wetlands reserve program in fiscal year 1997.

Section 723: Provides that none of the funds in this Act shall be used to carry out an export enhancement program in excess of $100,000,000.

Section 724: Provides that none of the funds in this Act shall be used to carry out a farmland protection program in excess of $2,000,000.

Section 725: Provides that none of the funds in this Act shall be used to carry out a wildlife habitat incentives program.

Section 726: Provides that none of the funds in this Act shall be used to carry out a conservation farm option program in excess of $2,000,000.

Section 728: Provides that none of the funds in this Act may be used to make payments pursuant to a production flexibility contract if it is made known to the Department that the land covered by such contract is not being used for agricultural purposes.

Section 729: Provides that none of the funds in this Act shall be used to extend any existing or expiring contract in the conservation reserve program.

Section 730: Provides that none of the funds in this Act may be used to maintain the price of raw cane sugar at more than 117.5 percent of the statutory loan rate.

Section 731: Provides that none of the funds in this Act may be used to establish the safe meat and poultry inspection panel.

Section 732: Provides for the patent extension of nonsteroidal anti-inflammatory drugs.

COMPLIANCE WITH RULE XIII, CLAUSE 3

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 3 OF THE SACCHARIN STUDY AND LABELING ACT (21 U.S.C. 348 note)

* * * * * * *

TITLE 21, UNITED STATES CODE 348 nt.

* * * * * * *

During the period ending [May 1, 1997] *May 1, 2002,* the Secretary—

(1) may not amend or revoke the interim food additive regulation of the Food and Drug Administration of the Department of Health and Human Services applicable to saccharin and published on March 15, 1977 (section 180.37 of part 180, subchapter B, chapter 1, title 21, Code of Federal Regulations (42 Fed. Reg. 14638)), or

(2) may, except as provided in section 4 (enacting section 343a of this title, amending sections 321 and 343 of this title, and enacting provisions set out as notes under section 343 of this title) and the amendments made by such section, not take any other action under the Federal Food, Drug, and Cosmetic Act (this chapter) to prohibit or restrict the sale or distribution of saccharin, any food permitted by such interim food additive regulation to contain saccharin, or any drug or cosmetic containing saccharin, solely on the basis of the carcinogenic or other toxic effect of saccharin as determined by any study made available to the Secretary before the date of the enactment of this Act (Nov. 23, 1977) which involved human studies or animal testing, or both.

APPROPRIATIONS NOT AUTHORIZED BY LAW

Pursuant to clause 3 of rule XXI of the House of Representatives, the following table lists the appropriations in the accompanying bill which are not authorized by law:

Section 515, Multi-Family Housing.

The Committee notes that most of the programs listed are in various stages of reauthorization and it is anticipated that these programs will be authorized for fiscal year 1997.

COMPARISON WITH BUDGET RESOLUTION

Section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344), as amended, requires that the report accompanying a bill providing new budget authority contains a statement detailing how the authority compares with the reports submitted under section 602 of the Act for the most recently agreed to concurrent resolution on the budget for the fiscal year. This information follows:

SUBCOMMITTEE DATA

[In millions of dollars]

	602(b) allocation		This bill	
	Budget authority	Outlays	Budget authority	Outlays
Comparison with budget resolution:				
Discretionary	12,329	12,878	12,801	13,349
Mandatory	42,300	40,813	39,883	38,968

SUBCOMMITTEE DATA—Continued

[In millions of dollars]

	602(b) allocation		This bill	
	Budget authority	Outlays	Budget authority	Outlays
Total	54,629	53,691	52,684	52,317

Note.—The Section 602(b) subdivision for this bill was approved by the Committee on May 23, 1996, based on the House-passed Budget Resolution discretionary funding levels. After that subdivision was approved, the Committee began proceeding informally based on a tentative revision to the approved subdivision. This revision assumes that the conference report on the Budget Resolution will include a split between House- and Senate-passed Budget Resolution discretionary funding levels. For the purpose of reporting this bill, the Committee assumes that the Budget Resolution conference agreement will be passed by both bodies and that the Committee will revise this bill's Section 602(b) subdivision prior to floor consideration so that this bill will conform to Congressional Budget and Impoundment Control Act requirements.

The bill provides no new spending authority as described in section 401(c)(2) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344), as amended.

Five-Year Projection of Outlays

In compliance with section 308(a)(1)(C) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344), as amended, the following table contains five-year projections associated with the budget authority provided in the accompanying bill:

[In millions of dollars]

Budget authority	52,684
Outlays:	
1997	45,132
1998	3,653
1999	542
2000	251
2001 and beyond	427

The bill provides no new revenues or tax expenditures, and will have no effect on budget authority, budget outlays, spending authority, revenues, tax expenditures, direct loan obligations, or primary loan guarantee commitments available under existing law for fiscal year 1997 and beyond.

Financial Assistance to State and Local Governments

In accordance with section 308(a)(1)(D) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344), as amended, the financial assistance to state and local governments is as follows:

[In millions of dollars]

New budget authority	$16,334
Fiscal year 1997 outlays resulting therefrom	13,782

Program, Project, and Activity

During fiscal year 1997, for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177), the following information provides the definition of the term "program, project, and activity" for departments and agencies under the jurisdiction of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Subcommittee. The term "program, project, and activity" shall include the most specific level of

budget items identified in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of 1997, the House and Senate Committee reports, and the conference report and accompanying joint explanatory statement of the managers of the committee of conference.

If a Sequestration Order is necessary, in implementing the required Presidential Order, departments and agencies shall apply any percentage reduction for fiscal year 1997 pursuant to the provisions of Public Law 99–177 to all items specified in the explanatory notes submitted to the Committees on Appropriations of the House and Senate in support of the fiscal year 1997 budget estimates, as amended, for such departments and agencies, as modified by congressional action, and in addition:

For the Agricultural Research Service the definition shall include specific research locations as identified in the explanatory notes and lines of research specifically identified in the reports of the House and Senate Appropriations Committees.

For the Natural Resources Conservation Service the definition shall include individual flood prevention projects as identified in the explanatory notes and individual operational watershed projects as summarized in the notes.

For the Farm Service Agency the definition shall include individual state, district, and county offices.

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 2(l)(2)(b) of rule XI of the House of Representatives, the results of each roll call vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLLCALL NO. 1

Date: June 6, 1996.
Measure: FY 1997 Agriculture Appropriations Bill.
Motion by: Mr. Obey.
Description of Motion: To preclude funds to implement the Northeast Dairy Compact.
Results: Rejected 18 to 29.

Members Voting Yea	*Members Voting Nay*
Mr. Bevill	Mr. Bonilla
Mr. Bunn	Mr. Dickey
Mr. Chapman	Mr. Forbes
Mr. Coleman	Mr. Frelinghuysen
Mr. Dicks	Mr. Hefner
Mr. Dixon	Mr. Hobson
Mr. Durbin	Mr. Hoyer
Mr. Fazio	Mr. Istook
Ms. Kaptur	Mr. Kingston
Mrs. Lowey	Mr. Knollenberg
Mr. Murtha	Mr. Kolbe
Mr. Obey	Mr. Lewis
Ms. Pelosi	Mr. Lightfoot
Mr. Sabo	Mr. Livingston
Mr. Skaggs	Mr. McDade
Mr. Thornton	Mr. Miller
Mr. Visclosky	Mr. Myers
Mr. Yates	Mr. Nethercutt
	Mr. Packard
	Mr. Parker
	Mr. Regula
	Mr. Riggs
	Mr. Rogers
	Mr. Skeen
	Mrs. Vucanovich
	Mr. Walsh
	Mr. Wicker
	Mr. Wolf
	Mr. Young

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 2(l)(2)(b) of rule XI of the House of Representatives, the results of each roll call vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLLCALL NO. 2

Date: June 6, 1997.
Measure: FY 1997 Agriculture Appropriations Bill.
Motion by: Mr. Durbin.
Description of Motion: To restrict funds from use on Extension Service and Crop Insurance for tobacco.
Results: Rejected 19 to 29 and 1 Present.

Members Voting Yea	*Members Voting Nay*
Mr. Bunn	Mr. Bevill
Mr. Coleman	Mr. Bonilla
Mr. Durbin	Mr. Chapman
Mr. Frelinghuysen	Mr. DeLay
Mr. Hobson	Mr. Dixon
Mr. Kolbe	Mr. Fazio
Mrs. Lowey	Mr. Forbes
Mr. McDade	Mr. Hefner
Mr. Miller	Mr. Hoyer
Mr. Obey	Mr. Istook
Mr. Packard	Ms. Kaptur
Ms. Pelosi	Mr. Kingston
Mr. Porter	Mr. Knollenberg
Mr. Riggs	Mr. Lewis
Mr. Serrano	Mr. Lightfoot
Mr. Visclosky	Mr. Murtha
Mr. Wolf	Mr. Myers
Mr. Yates	Mr. Nethercutt
Mr. Young	Mr. Parker
	Mr. Regula
	Mr. Rogers
	Mr. Sabo
	Mr. Skaggs
	Mr. Skeen
	Mr. Taylor
	Mr. Thorton
	Mrs. Vucanovich
	Mr. Walsh
	Mr. Wicker

MEMBERS VOTING PRESENT

Mr. Livingston

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 2(l)(2)(b) of rule XI of the House of Representatives, the results of each roll call vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLLCALL NO. 3

Date: June 6, 1996.
Measure: FY 1997 Agriculture Appropriations Bill.
Motion by: Mr. Obey.
Description of Motion: To increase funding for the Rural Utilities Assistance Program.
Results: Rejected 17 to 29.

Members Voting Yea	*Members Voting Nay*
Mr. Bevill	Mr. Bunn
Mr. Chapman	Mr. DeLay
Mr. Coleman	Mr. Forbes
Mr. Dixon	Mr. Frelinghuysen
Mr. Durbin	Mr. Hobson
Mr. Fazio	Mr. Istook
Mr. Hefner	Mr. Kingston
Ms. Kaptur	Mr. Knollenberg
Mrs. Lowey	Mr. Kolbe
Mr. Obey	Mr. Lewis
Ms. Pelosi	Mr. Lightfoot
Mr. Sabo	Mr. Livingston
Mr. Serrano	Mr. McDade
Mr. Skaggs	Mr. Miller
Mr. Thornton	Mr. Myers
Mr. Visclosky	Mr. Nethercutt
Mr. Yates	Mr. Packard
	Mr. Parker
	Mr. Porter
	Mr. Regula
	Mr. Riggs
	Mr. Rogers
	Mr. Skeen
	Mr. Taylor
	Mrs. Vucanovich
	Mr. Walsh
	Mr. Wicker
	Mr. Wolf
	Mr. Young

TAX EXPENDITURES

In accordance with section 308(a)(1)(C) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344), as amended, the following information was provided to the Committee by the Congressional Budget Office:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1996 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1997

Agency and item (1)	Appropriated, 1996 (enacted to date) (2)	Budget estimates, 1997 (3)	Recommended in bill (4)	Bill compared with appropriated, 1996 (5)	Bill compared with budget estimates, 1997 (6)
TITLE I - AGRICULTURAL PROGRAMS					
Production, Processing, and Marketing					
Office of the Secretary	10,227,000	10,336,000	2,836,000	-7,391,000	-7,500,000
Executive Operations:					
Chief Economist	3,948,000	4,292,000	4,231,000	+283,000	-61,000
National Appeals Division	11,846,000	13,363,000	11,718,000	-128,000	-1,645,000
Office of Budget and Program Analysis	5,899,000	5,986,000	5,986,000	+87,000	.....
Office of Small and Disadvantaged Business Utilization	.....	804,000	.....	.....	-804,000
Total, Executive Operations	21,693,000	24,445,000	21,935,000	+242,000	-2,510,000
Chief Financial Officer	4,133,000	4,437,000	4,283,000	+150,000	-154,000
Office of the Assistant Secretary for Administration	596,000	613,000	613,000	+17,000	.....
Agriculture buildings and facilities (USDA)	135,774,000	149,635,000	125,548,000	-10,226,000	-24,087,000
Payments to GSA	(89,971,000)	(103,754,000)	(103,754,000)	(+13,783,000)	.....
Building operations and maintenance	(20,216,000)	(20,294,000)	(16,794,000)	(-3,422,000)	(-3,500,000)
Repairs, renovations, and construction	(25,587,000)	(25,587,000)	(5,000,000)	(-20,587,000)	(-20,587,000)
Advisory committees (USDA)	650,000	856,000	.....	-650,000	-856,000
Hazardous waste management	15,700,000	15,700,000	15,700,000	.....	.....
Departmental administration	27,986,000	29,137,000	28,304,000	+318,000	-833,000
Office of the Assistant Secretary for Congressional Relations	3,797,000	3,842,000	3,728,000	-69,000	-114,000
Office of Communications	8,198,000	8,317,000	8,138,000	-60,000	-179,000

Office of the Inspector General	63,639,000	64,523,000	63,028,000	-611,000	-1,495,000
Office of the General Counsel	27,860,000	29,249,000	27,749,000	-111,000	-1,500,000
Office of the Under Secretary for Research, Education and Economics	520,000	540,000	540,000	+20,000	.....
Economic Research Service	53,131,000	54,947,000	54,176,000	+1,045,000	-771,000
National Agricultural Statistics Service	81,107,000	102,624,000	100,221,000	+19,114,000	-2,403,000
Agricultural Research Service	710,000,000	728,853,000	702,831,000	-7,169,000	-26,022,000
Buildings and facilities	30,200,000	80,100,000	59,600,000	+29,400,000	-20,500,000
Total, Agricultural Research Service	740,200,000	808,953,000	762,431,000	+22,231,000	-46,522,000
Cooperative State Research, Education, and Extension Service:					
Research and education activities	421,929,000	418,572,000	411,849,000	-10,080,000	-6,723,000
Native Americans Institutions Endowment Fund	(4,600,000)	(4,600,000)	(4,600,000)	.....	.....
Buildings and facilities	57,838,000	.....	30,449,000	-27,389,000	+30,449,000
Extension Activities	427,750,000	423,488,000	409,670,000	-18,080,000	-13,818,000
Total, Cooperative State Research, Education, and Extension Service	907,517,000	842,060,000	851,968,000	-55,549,000	+9,908,000
Office of the Assistant Secretary for Marketing and Regulatory Programs	605,000	618,000	618,000	+13,000	.....
Animal and Plant Health Inspection Service:					
Salaries and expenses	431,921,000	439,033,000	435,428,000	+3,507,000	-3,605,000
AQI user fees 1/	(100,254,000)	(100,000,000)	(98,000,000)	(-2,254,000)	(-2,000,000)
Buildings and facilities	8,757,000	3,200,000	3,200,000	-5,557,000	.....
Total, Animal and Plant Health Inspection Service	440,678,000	442,233,000	438,628,000	-2,050,000	-3,605,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1996 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1997—Continued

Agency and item	Appropriated, 1996 (enacted to date)	Budget estimates, 1997	Recommended in bill	Bill compared with appropriated, 1996	Bill compared with budget estimates, 1997
(1)	(2)	(3)	(4)	(5)	(6)
Agricultural Marketing Service:					
Marketing Services	46,517,000	48,311,000	37,592,000	-8,925,000	-10,719,000
New user fees	(3,887,000)	.....	(3,887,000)	.....	(+3,887,000)
(Limitation on administrative expenses, from fees collected)	(58,461,000)	(59,012,000)	(59,012,000)	(+551,000)	.....
Funds for strengthening markets, income, and supply (transfer from section 32)	10,451,000	10,576,000	10,576,000	+125,000	.....
Payments to states and possessions	1,200,000	1,200,000	1,200,000	.....	.....
Total, Agricultural Marketing Service	58,168,000	60,087,000	49,368,000	-8,800,000	-10,719,000
Grain Inspection, Packers and Stockyards Administration	23,058,000	24,595,000	22,728,000	-330,000	-1,867,000
Inspection and Weighing Services (limitation on administrative expenses, from fees collected)	(42,784,000)	(43,207,000)	(43,207,000)	(+423,000)	.....
Office of the Under Secretary for Food Safety	440,000	576,000	446,000	+6,000	-130,000
Food Safety and Inspection Service	544,906,000	574,000,000	574,000,000	+29,094,000	.....
Lab accreditation fees 2/	(1,000,000)	(1,000,000)	(1,000,000)	.....	.....
Total, Production, Processing, and Marketing	3,170,583,000	3,252,323,000	3,156,986,000	-13,597,000	-95,337,000
Farm Assistance Programs					
Office of the Under Secretary for Farm and Foreign Agricultural Services	549,000	572,000	572,000	+23,000	.....

Farm Service Agency:					
Salaries and expenses	795,000,000	820,495,000	746,440,000	-48,560,000	-74,055,000
(Transfer from export loans)	(589,000)	(623,000)	(589,000)	.....	(-34,000)
(Transfer from P.L. 480)	(745,000)	(783,000)	(745,000)	.....	(-38,000)
(Transfer from ACIF)	(208,446,000)	(209,485,000)	(208,446,000)	.....	(-1,039,000)
Total, salaries and expenses	(1,004,780,000)	(1,031,386,000)	(956,220,000)	(-48,560,000)	(-75,166,000)
State mediation grants	2,000,000	3,000,000	.....	-2,000,000	-3,000,000
Dairy indemnity program	100,000	100,000	100,000	.....	.....
Outreach for socially disadvantaged farmers and ranchers	1,000,000	3,000,000	1,000,000	.....	-2,000,000
Total, Farm Service Agency	798,100,000	826,595,000	747,540,000	-50,560,000	-79,055,000
Agricultural Credit Insurance Fund Program Account:					
Loan authorizations:					
Farm ownership loans:					
Direct	(60,000,000)	(50,000,000)	(50,000,000)	(-10,000,000)	.....
Guaranteed	(550,000,000)	(650,000,000)	(550,000,000)	.....	(-100,000,000)
Subtotal	(610,000,000)	(700,000,000)	(600,000,000)	(-10,000,000)	(-100,000,000)
Operating loans:					
Direct	(550,000,000)	(445,071,000)	(445,071,000)	(-104,929,000)	.....
Guaranteed unsubsidized	(1,700,000,000)	(1,750,000,000)	(1,700,000,000)	.....	(-50,000,000)
Guaranteed subsidized	(200,000,000)	(250,000,000)	(200,000,000)	.....	(-50,000,000)
Subtotal	(2,450,000,000)	(2,445,071,000)	(2,345,071,000)	(-104,929,000)	(-100,000,000)
Indian tribe land acquisition loans	(750,000)	(1,000,000)	(1,000,000)	(+250,000)	.....
Emergency disaster loans	(100,000,000)	.....	(25,000,000)	(-75,000,000)	(+25,000,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1996 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1997—Continued

Agency and item	Appropriated, 1996 (enacted to date)	Budget estimates, 1997	Recommended in bill	Bill compared with appropriated, 1996	Bill compared with budget estimates, 1997
(1)	(2)	(3)	(4)	(5)	(6)
Credit sales of acquired property	.....	(50,000,000)	(25,000,000)	(+25,000,000)	(-25,000,000)
Total, Loan authorizations	(3,160,750,000)	(3,196,071,000)	(2,996,071,000)	(-164,679,000)	(-200,000,000)
Loan subsidies:					
Farm ownership:					
Direct	14,034,000	5,920,000	5,920,000	-8,114,000	.....
Guaranteed	20,019,000	26,065,000	22,055,000	+2,036,000	-4,010,000
Subtotal	34,053,000	31,985,000	27,975,000	-6,078,000	-4,010,000
Farm operating:					
Direct	75,185,000	59,150,000	59,150,000	-16,035,000	.....
Guaranteed unsubsidized	18,360,000	19,775,000	19,210,000	+850,000	-565,000
Guaranteed subsidized	17,960,000	23,100,000	18,480,000	+520,000	-4,620,000
Subtotal	111,505,000	102,025,000	96,840,000	-14,665,000	-5,185,000
Indian tribe land acquisition	206,000	54,000	54,000	-152,000	.....
Emergency disaster	32,080,000	.....	6,365,000	-25,715,000	+6,365,000
Credit sales of acquired property	.....	5,060,000	2,530,000	+2,530,000	-2,530,000
Total, Loan subsidies	177,844,000	139,124,000	133,764,000	-44,080,000	-5,360,000
ACIF expenses:					
Salaries and expenses	208,935,000	209,485,000	208,446,000	-489,000	-1,039,000

Administrative expenses	12,606,000	12,606,000	12,600,000	-6,000	-6,000
Total, ACIF expenses	221,541,000	222,091,000	221,046,000	-495,000	-1,045,000
Total, Agricultural Credit Insurance Fund	399,385,000	361,215,000	354,810,000	-44,575,000	-6,405,000
(Loan authorization)	(3,160,750,000)	(3,196,071,000)	(2,996,071,000)	(-164,679,000)	(-200,000,000)
Office of Risk Management	.....	.....	62,198,000	+62,198,000	+62,198,000
Total, Farm Assistance Programs	1,198,034,000	1,188,382,000	1,165,120,000	-32,914,000	-23,262,000
Corporations					
Federal Crop Insurance Corporation:					
Federal crop insurance corporation fund	1,263,708,000	1,591,000,000	1,591,000,000	+327,292,000	.....
Commodity Credit Corporation Fund:					
Reimbursement for net realized losses	10,400,000,000	1,500,000,000	1,500,000,000	-8,900,000,000	.....
Hazardous waste (limitation on administrative expenses)	(5,000,000)	(15,750,000)	(5,000,000)	.....	(-10,750,000)
Total, Corporations	11,663,708,000	3,091,000,000	3,091,000,000	-8,572,708,000	.....
Total, title I, Agricultural Programs	16,032,325,000	7,531,705,000	7,413,106,000	-8,619,219,000	-118,599,000
(By transfer)	(209,780,000)	(210,891,000)	(209,780,000)	.....	(-1,111,000)
(Loan authorization)	(3,160,750,000)	(3,196,071,000)	(2,996,071,000)	(-164,679,000)	(-200,000,000)
(Limitation on administrative expenses)	(106,245,000)	(117,969,000)	(107,219,000)	(+974,000)	(-10,750,000)
TITLE II - CONSERVATION PROGRAMS					
Office of the Under Secretary for Natural Resources and Environment	677,000	693,000	693,000	+16,000	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1996 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1997—Continued

Agency and item	Appropriated, 1996 (enacted to date)	Budget estimates, 1997	Recommended in bill	Bill compared with appropriated, 1996	Bill compared with budget estimates, 1997
(1)	(2)	(3)	(4)	(5)	(6)
Natural Resources Conservation Service:					
Conservation operations	629,986,000	662,910,000	619,392,000	-10,594,000	-43,518,000
Watershed surveys and planning	14,000,000	19,188,000	10,762,000	-3,238,000	-8,426,000
Watershed and flood prevention operations	100,000,000	116,036,000	101,036,000	+1,036,000	-15,000,000
Emergency appropriations (P.L. 104-134)	80,514,000	.....	.....	-80,514,000	.....
Resource conservation and development	29,000,000	29,377,000	29,377,000	+377,000	.....
Forestry incentives program	6,325,000	6,325,000	6,325,000	.....	.....
Colorado River Basin salinity control program	2,681,000	.....	.....	-2,681,000	.....
Wetlands reserve program	77,000,000	188,000,000	.....	-77,000,000	-188,000,000
National Natural Resources Conservation Service Foundation	.....	500,000	.....	.....	-500,000
Total, Natural Resources Conservation Service	939,506,000	1,022,336,000	766,892,000	-172,614,000	-255,444,000
Farm Service Agency:					
Agricultural conservation program	75,000,000	.....	.....	-75,000,000	.....
Water quality incentives program	(11,000,000)	(15,000,000)	.....	(-11,000,000)	(-15,000,000)
Conservation reserve program	1,781,785,000	1,924,850,000	.....	-1,781,785,000	-1,924,850,000
Emergency appropriations (P.L. 104-134)	30,000,000	.....	.....	-30,000,000	.....
Total, Farm Service Agency	1,886,785,000	1,924,850,000	.....	-1,886,785,000	-1,924,850,000
Total, title II, Conservation Programs	2,826,968,000	2,947,879,000	767,585,000	-2,059,383,000	-2,180,294,000

TITLE III - RURAL ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAMS					
Office of the Under Secretary for Rural Development	568,000	588,000	588,000	+20,000	.....
Rural Housing Service:					
Rural Housing Insurance Fund Program Account:					
Loan authorizations:					
Low-income housing (sec. 502)	(1,000,000,000)	(1,320,000,000)	(1,000,000,000)	.....	(-320,000,000)
Unsubsidized guaranteed	(1,700,000,000)	(2,300,000,000)	(2,300,000,000)	(+600,000,000)	.....
Housing repair (sec. 504)	(35,000,000)	(35,000,000)	(35,000,000)	.....	.....
Farm labor (sec. 514)	(15,000,000)	(16,482,000)	(15,000,000)	.....	(-1,482,000)
Rental housing (sec. 515)	(150,000,000)	(58,654,000)	(58,654,000)	(-91,346,000)	.....
Site loans (sec. 524)	(600,000)	(600,000)	(600,000)	.....	.....
Self-help housing land development fund	(603,000)	(600,000)	(600,000)	(-3,000)	.....
Credit sales of acquired property	.....	(75,000,000)	(50,000,000)	(+50,000,000)	(-25,000,000)
Emergency appropriations (P.L. 104-134)	(38,960,000)	.....	.....	(-38,960,000)	.....
Total, Loan authorizations	(2,940,163,000)	(3,806,336,000)	(3,459,854,000)	(+519,691,000)	(-346,482,000)
Loan subsidies:					
Single family (sec. 502):					
Direct	145,833,000	109,560,000	83,000,000	-62,833,000	-26,560,000
Unsubsidized guaranteed	2,890,000	6,210,000	6,210,000	+3,320,000	.....
Housing repair (sec. 504)	14,193,000	11,081,000	11,081,000	-3,112,000	.....
Farm labor (sec. 514)	8,629,000	7,565,000	6,885,000	-1,744,000	-680,000
Rental housing (sec. 515):					
Direct	82,035,000	28,987,000	28,987,000	-53,048,000	.....
Unsubsidized guaranteed	(1,000,000)	.....	(1,000,000)	.....	(+1,000,000)
Self-help housing land development fund	31,000	17,000	17,000	-14,000	.....
Credit sales of acquired property	.....	6,098,000	4,050,000	+4,050,000	-2,048,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1996 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1997—Continued

Agency and item	Appropriated, 1996 (enacted to date)	Budget estimates, 1997	Recommended in bill	Bill compared with appropriated, 1996	Bill compared with budget estimates, 1997
(1)	(2)	(3)	(4)	(5)	(6)
Emergency appropriations (P.L. 104-134)	6,500,000	.....	.....	-6,500,000	.....
Total, Loan subsidies	260,111,000	169,518,000	140,230,000	-119,881,000	-29,288,000
RHIF administrative expenses	385,889,000	366,205,000	366,205,000	-19,684,000	.....
Rental assistance program:					
(Sec. 521)	535,000,000	487,970,000	487,970,000	-47,030,000	.....
(Sec. 502(c)(5)(D))	5,900,000	5,900,000	5,900,000	.....	.....
Total, Rental assistance program	540,900,000	493,870,000	493,870,000	-47,030,000	.....
Total, Rural Housing Insurance Fund	1,186,900,000	1,029,593,000	1,000,305,000	-186,595,000	-29,288,000
(Loan authorization)	(2,940,163,000)	(3,806,336,000)	(3,459,854,000)	(+519,691,000)	(-346,482,000)
Community Facility Loans Program Account:					
Loan authorizations:					
Direct	(200,000,000)	.....	.....	(-200,000,000)	.....
Guaranteed	(75,000,000)	.....	.....	(-75,000,000)	.....
Total, Loan authorizations	(275,000,000)	.....	.....	(-275,000,000)	.....

Loan subsidies:					
Direct	34,880,000	.....	.....	-34,880,000	.....
Guaranteed	3,555,000	.....	.....	-3,555,000	.....
Total, Loan subsidies	38,435,000	.....	.....	-38,435,000	.....
Administrative expenses	8,836,000	.....	.....	-8,836,000	.....
Very low-income housing repair grants	24,900,000	24,900,000	.....	-24,900,000	-24,900,000
Emergency appropriations (P.L. 104-134)	1,100,000	.....	.....	-1,100,000	.....
Rural housing for domestic farm labor	10,000,000	10,000,000	.....	-10,000,000	-10,000,000
Mutual and self-help housing grants	12,650,000	26,000,000	26,000,000	+13,350,000	.....
Rural community fire protection grants	2,000,000	.....	.....	-2,000,000	.....
Compensation for construction defects	495,000	.....	.....	-495,000	.....
Rural housing preservation grants	11,000,000	11,000,000	.....	-11,000,000	-11,000,000
Rural housing assistance program 3/	.....	136,435,000	73,190,000	+73,190,000	-63,245,000
Subtotal, grants and payments	62,145,000	208,335,000	99,190,000	+37,045,000	-109,145,000
RHS expenses:					
Administrative expenses	46,583,000	89,660,000	53,889,000	+7,306,000	-35,771,000
(Transfer from RHIF)	(377,074,000)	(366,205,000)	(366,205,000)	(-10,869,000)	.....
(Transfer from ACIF)	(171,000)	.....	.....	(-171,000)	.....
(Transfer from CFLP)	(8,731,000)	.....	.....	(-8,731,000)	.....
Total, RHS expenses	(432,559,000)	(455,865,000)	(420,094,000)	(-12,465,000)	(-35,771,000)
Total, Rural Housing Service	1,342,899,000	1,327,588,000	1,153,384,000	-189,515,000	-174,204,000
(Loan authorization)	(3,215,163,000)	(3,806,336,000)	(3,459,854,000)	(+244,691,000)	(-346,482,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1996 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1997—Continued

Agency and item	Appropriated, 1996 (enacted to date)	Budget estimates, 1997	Recommended in bill	Bill compared with appropriated, 1996	Bill compared with budget estimates, 1997
(1)	(2)	(3)	(4)	(5)	(6)
Rural Business-Cooperative Service:					
Rural Business and Industry Loans Program Account:					
Loan authorization: Guaranteed	(500,000,000)	.....	.....	(-500,000,000)	.....
Loan subsidy: Guaranteed	6,437,000	.....	.....	-6,437,000	.....
Administrative expenses	14,868,000	.....	.....	-14,868,000	.....
Rural Development Loan Fund Program Account:					
(Loan authorization)	(37,544,000)	(80,000,000)	(40,000,000)	(+2,456,000)	(-40,000,000)
Loan subsidy	22,395,000	36,928,000	18,400,000	-3,995,000	-18,528,000
Administrative expenses	1,476,000	.....	.....	-1,476,000	.....
Rural Economic Development Loans Program Account:					
Direct loans (limitation on obligations)	(12,865,000)	(14,000,000)	(12,865,000)	.....	(-1,135,000)
Direct subsidy	3,729,000	3,095,000	2,830,000	-899,000	-265,000
Administrative expenses	654,000	699,000	654,000	.....	-45,000
Alternative Agricultural Research and Commercialization Revolving Fund	6,500,000	6,975,000	6,000,000	-500,000	-975,000
Rural business enterprise grants	45,000,000	.....	.....	-45,000,000	.....
Appropriate technology transfer for rural areas	2,300,000	1,300,000	.....	-2,300,000	-1,300,000
Rural business-cooperative assistance 3/	.....	53,750,000	51,400,000	+51,400,000	-2,350,000
RBCS expenses:					
Salaries and expenses	9,013,000	27,068,000	25,680,000	+16,667,000	-1,388,000
(Transfer from RBILP)	(14,747,000)	.....	.....	(-14,747,000)	.....

(Transfer from RDLFP)	(1,476,000)	.....	.....	(-1,476,000)	.....
(Transfer from REDLP)	(654,000)	(699,000)	(654,000)	.....	(-45,000)
Total, RBCS expenses	(25,890,000)	(27,767,000)	(26,334,000)	(+444,000)	(-1,433,000)
Total, Rural Business-Cooperative Service	112,372,000	129,815,000	104,964,000	-7,408,000	-24,851,000
(By transfer)	(16,877,000)	(699,000)	(654,000)	(-16,223,000)	(-45,000)
(Loan authorization)	(537,544,000)	(80,000,000)	(40,000,000)	(-497,544,000)	(-40,000,000)
Rural Utilities Service:					
Rural Electrification and Telecommunications Loans Program Account:					
Loan authorizations:					
Direct loans:					
Electric 5%	(90,000,000)	(125,000,000)	(125,000,000)	(+35,000,000)	.....
Telephone 5%	(70,000,000)	(75,000,000)	(75,000,000)	(+5,000,000)	.....
Subtotal	(160,000,000)	(200,000,000)	(200,000,000)	(+40,000,000)	.....
Treasury rate: Telephone	(300,000,000)	(300,000,000)	(300,000,000)	.....	.....
Muni-rate: Electric	(525,000,000)	(600,000,000)	(525,000,000)	.....	(-75,000,000)
FFB loans:					
Electric, regular	(300,000,000)	(400,000,000)	(300,000,000)	.....	(-100,000,000)
Telephone	(120,000,000)	(120,000,000)	(120,000,000)	.....	.....
Subtotal	(420,000,000)	(520,000,000)	(420,000,000)	.....	(-100,000,000)
Total, Loan authorizations	(1,405,000,000)	(1,620,000,000)	(1,445,000,000)	(+40,000,000)	(-175,000,000)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1996 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1997—Continued

Agency and item	Appropriated, 1996 (enacted to date)	Budget estimates, 1997	Recommended in bill	Bill compared with appropriated, 1996	Bill compared with budget estimates, 1997
(1)	(2)	(3)	(4)	(5)	(6)
Loan subsidies:					
Direct loans:					
Electric 5%	21,168,000	3,625,000	3,625,000	-17,543,000	.....
Telephone 5%	13,958,000	1,193,000	1,193,000	-12,765,000	.....
Subtotal	35,126,000	4,818,000	4,818,000	-30,308,000	.....
Treasury rate: Telephone	60,000	60,000	60,000	.....	.....
Muni-rate, electric	56,858,000	32,280,000	28,245,000	-28,613,000	-4,035,000
FFB loans: Electric, regular	2,520,000	3,720,000	2,790,000	+270,000	-930,000
Total, Loan subsidies	94,564,000	40,878,000	35,913,000	-58,651,000	-4,965,000
RETLP administrative expenses	29,982,000	33,070,000	29,982,000	.....	-3,088,000
Total, Rural Electrification and Telecommunications Loans Program Account	124,546,000	73,948,000	65,895,000	-58,651,000	-8,053,000
(Loan authorization)	(1,405,000,000)	(1,620,000,000)	(1,445,000,000)	(+40,000,000)	(-175,000,000)
Rural Telephone Bank Program Account:					
Direct loans (limitation on obligations)	(175,000,000)	(175,000,000)	(175,000,000)	.....	.....
Direct loan subsidy	5,023,000	2,328,000	2,328,000	-2,695,000	.....
RTB administrative expenses	3,541,000	3,500,000	3,500,000	-41,000	.....
Distance learning and medical link grants and loans	7,500,000	20,261,000	7,500,000	.....	-12,761,000

Solid waste management grants, rural water and waste disposal grants, and water and waste disposal facility loans (admin. expenses)	12,740,000	.....	.....	-12,740,000	.....
Rural utilities assistance program 3/	487,868,000	661,560,000	496,868,000	+9,000,000	-164,692,000
Emergency appropriations (P.L. 104-134)	11,000,000	.....	.....	-11,000,000	.....
RUS expenses:					
Salaries and expenses	18,449,000	33,873,000	33,195,000	+14,746,000	-678,000
Electric and telephone loans (by transfer)	(29,982,000)	(33,070,000)	(29,982,000)	.....	(-3,088,000)
Rural telephone bank (by transfer)	(3,541,000)	(3,500,000)	(3,500,000)	(-41,000)	.....
Agricultural Credit Insurance Fund Program Account Account (by transfer)	(318,000)	.....	.....	(-318,000)	.....
Rural partnership (by transfer)	(12,623,000)	.....	.....	(-12,623,000)	.....
Total, RUS expenses	(64,913,000)	(70,443,000)	(66,677,000)	(+1,764,000)	(-3,766,000)
Total, Rural Utilities Service	670,667,000	795,470,000	609,286,000	-61,381,000	-186,184,000
(By transfer)	(46,464,000)	(36,570,000)	(33,482,000)	(-12,982,000)	(-3,088,000)
(Loan authorization)	(1,405,000,000)	(1,620,000,000)	(1,445,000,000)	(+40,000,000)	(-175,000,000)
(Limitation on obligations)	(175,000,000)	(175,000,000)	(175,000,000)	.....	.....
Total, title III, Rural Economic and Community Development Programs	2,126,506,000	2,253,461,000	1,868,222,000	-258,284,000	-385,239,000
(By transfer)	(449,317,000)	(403,474,000)	(400,341,000)	(-48,976,000)	(-3,133,000)
(Loan authorization)	(5,157,707,000)	(5,506,336,000)	(4,944,854,000)	(-212,853,000)	(-561,482,000)
(Limitation on obligations)	(187,865,000)	(189,000,000)	(187,865,000)	.....	(-1,135,000)
TITLE IV - DOMESTIC FOOD PROGRAMS					
Office of the Under Secretary for Food, Nutrition and Consumer Services	440,000	554,000	454,000	+14,000	-100,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1996 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1997—Continued

Agency and item	Appropriated, 1996 (enacted to date)	Budget estimates, 1997	Recommended in bill	Bill compared with appropriated, 1996	Bill compared with budget estimates, 1997
(1)	(2)	(3)	(4)	(5)	(6)
Food and Consumer Service:					
Child nutrition programs	2,348,166,000	3,251,215,000	3,218,844,000	+870,678,000	-32,371,000
Discretionary spending	.....	4,000,000	.....	.....	-4,000,000
Transfer from section 32	5,597,858,000	5,413,453,000	5,433,753,000	-164,105,000	+20,300,000
Total, Child nutrition programs	7,946,024,000	8,668,668,000	8,652,597,000	+706,573,000	-16,071,000
Special supplemental nutrition program for women, infants, and children (WIC)	3,729,807,000	3,780,000,000	3,729,807,000	.....	-50,193,000
Reserve	.....	100,000,000	.....	.....	-100,000,000
(By transfer)	(4,000,000)	.....	.....	(-4,000,000)	.....
Food stamp program:					
Expenses	25,954,828,000	26,353,555,000	26,341,029,000	+386,201,000	-12,526,000
Reserve	500,000,000	2,461,200,000	100,000,000	-400,000,000	-2,361,200,000
Nutrition assistance for Puerto Rico	1,143,000,000	1,174,000,000	1,174,000,000	+31,000,000	.....
Total, Food stamp program	27,597,828,000	29,988,755,000	27,615,029,000	+17,201,000	-2,373,726,000
Commodity assistance program	166,000,000	172,000,000	166,000,000	.....	-6,000,000
Food donations programs for selected groups:					
Needy family program	65,000,000	65,000,000	65,000,000	.....	.....
Elderly feeding program	150,000,000	150,000,000	140,000,000	-10,000,000	-10,000,000
Total, Food donations programs	215,000,000	215,000,000	205,000,000	-10,000,000	-10,000,000

Food program administration	107,769,000	110,982,000	104,487,000	-3,282,000	-6,495,000
The Center for Nutrition Policy and Promotion	.....	4,470,000	.....	.....	-4,470,000
Total, Food and Consumer Service	39,762,428,000	43,039,875,000	40,472,920,000	+710,492,000	-2,566,955,000
Total, title IV, Domestic Food Programs	39,762,868,000	43,040,429,000	40,473,374,000	+710,506,000	-2,567,055,000
TITLE V - FOREIGN ASSISTANCE AND RELATED PROGRAMS					
Foreign Agricultural Service:					
Direct appropriation	115,802,000	132,875,000	124,208,000	+8,406,000	-8,667,000
(Transfer from Commodity Credit Corporation)	(5,176,000)	.....	.....	(-5,176,000)	.....
(Transfer from export loans)	(2,792,000)	(3,231,000)	(2,792,000)	.....	(-439,000)
(Transfer from P.L. 480)	(1,005,000)	(1,035,000)	(1,005,000)	.....	(-30,000)
Total, Program level	(124,775,000)	(137,141,000)	(128,005,000)	(+3,230,000)	(-9,136,000)
Public Law 480 Program Account:					
Title I - Credit sales:					
Program level	(316,342,000)	(232,849,000)	(230,305,000)	(-86,037,000)	(-2,544,000)
Direct loans	(291,342,000)	(218,944,000)	(216,400,000)	(-74,942,000)	(-2,544,000)
Ocean freight differential	25,000,000	13,905,000	13,905,000	-11,095,000	.....
Title II - Commodities for disposition abroad:					
Program level	(821,100,000)	(837,000,000)	(837,000,000)	(+15,900,000)	.....
Appropriation	821,100,000	837,000,000	837,000,000	+15,900,000	.....
Title III - Commodity grants:					
Program level	(50,000,000)	(40,000,000)	(29,500,000)	(-20,500,000)	(-10,500,000)
Appropriation	50,000,000	40,000,000	29,500,000	-20,500,000	-10,500,000
Loan subsidies	236,162,000	179,082,000	177,000,000	-59,162,000	-2,082,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1996 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1997—Continued

Agency and item	Appropriated, 1996 (enacted to date)	Budget estimates, 1997	Recommended in bill	Bill compared with appropriated, 1996	Bill compared with budget estimates, 1997
(1)	(2)	(3)	(4)	(5)	(6)
Salaries and expenses:					
General Sales Manager	1,005,000	1,035,000	1,005,000	.....	-30,000
Farm Service Agency	745,000	783,000	745,000	.....	-38,000
Subtotal	1,750,000	1,818,000	1,750,000	.....	-68,000
Total, Public Law 480:					
Program level	(1,187,442,000)	(1,109,849,000)	(1,096,805,000)	(-90,637,000)	(-13,044,000)
Appropriation	1,134,012,000	1,071,805,000	1,059,155,000	-74,857,000	-12,650,000
CCC Export Loans Program Account:					
Loan guarantees:					
Short-term export credit	(5,200,000,000)	(5,000,000,000)	(5,500,000,000)	(+300,000,000)	(+500,000,000)
Intermediate-term export credit	(500,000,000)	(500,000,000)	.....	(-500,000,000)	(-500,000,000)
Loan subsidy	374,347,000	390,000,000	390,000,000	+15,653,000	.....
Salaries and expenses (Export Loans):					
General Sales Manager	2,792,000	3,231,000	2,792,000	.....	-439,000
ASCS	589,000	623,000	589,000	.....	-34,000
Total, CCC Export Loans Program Account	377,728,000	393,854,000	393,381,000	+15,653,000	-473,000
Total, title V, Foreign assistance and related programs	1,627,542,000	1,598,534,000	1,576,744,000	-50,798,000	-21,790,000
(By transfer)	(8,973,000)	(4,266,000)	(3,797,000)	(-5,176,000)	(-469,000)

TITLE VI - RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION					
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Food and Drug Administration					
Salaries and expenses, direct appropriation	819,971,000	823,771,000	819,971,000	.....	-3,800,000
Prescription drug user fee act	(84,723,000)	(87,528,000)	(87,528,000)	(+2,805,000)	.....
Mammography clinics user fee	(13,000,000)	(13,403,000)	(13,403,000)	(+403,000)	.....
Total, Program level	(917,694,000)	(924,702,000)	(920,902,000)	(+3,208,000)	(-3,800,000)
Buildings and facilities	12,150,000	8,350,000	21,350,000	+9,200,000	+13,000,000
Rental payments	46,294,000	46,294,000	46,294,000	.....	.....
Total, Food and Drug Administration	878,415,000	878,415,000	887,615,000	+9,200,000	+9,200,000
DEPARTMENT OF THE TREASURY					
Financial Management Service: Payments to the Farm Credit System Financial Assistance Corporation	15,453,000	10,290,000	10,290,000	-5,163,000	.....
INDEPENDENT AGENCIES					
Commodity Futures Trading Commission	53,601,000	56,601,000	55,101,000	+1,500,000	-1,500,000
Farm Credit Administration (limitation on administrative expenses)	.....	(37,478,000)	(37,478,000)	(+37,478,000)	.....
Total, title VI, Related Agencies and Food and Drug Administration	947,469,000	945,306,000	953,006,000	+5,537,000	+7,700,000
Scorekeeping adjustments	-235,780,000	127,050,000	-368,000,000	-132,220,000	-495,050,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1996 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1997—Continued

Agency and item	Appropriated, 1996 (enacted to date)	Budget estimates, 1997	Recommended in bill	Bill compared with appropriated, 1996	Bill compared with budget estimates, 1997
(1)	(2)	(3)	(4)	(5)	(6)
Grand total:					
New budget (obligational) authority	63,087,898,000	58,444,364,000	52,684,037,000	-10,403,861,000	-5,760,327,000
(By transfer)	(672,070,000)	(618,631,000)	(613,918,000)	(-58,152,000)	(-4,713,000)
(Loan authorization)	(14,018,457,000)	(14,202,407,000)	(13,440,925,000)	(-577,532,000)	(-761,482,000)
(Limitation on administrative expenses)	(106,245,000)	(155,447,000)	(144,697,000)	(+38,452,000)	(-10,750,000)
(Limitation on obligations)	(187,865,000)	(189,000,000)	(187,865,000)	.....	(-1,135,000)

1/ Such sums as available from AQI user fee account for FY 1996. In addition, $24,857,000 is anticipated from farm bill direct appropriations.

2/ In addition to appropriation.

3/ The Administration proposed funding for this account under the name "Rural performance partnership program".

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