AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

105TH CONGRESS, 1st Session | HOUSE OF REPRESENTATIVES | REPORT 105–80

ONE-YEAR ENROLLMENT OF CONSERVATION RESERVE PROGRAM LANDS

APRIL 29, 1997.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. SMITH of Oregon, from the Committee on Agriculture, submitted the following

REPORT

[To accompany H.R. 1342]

[Including cost estimate of the Congressional Budget Office]

The Committee on Agriculture, to whom was referred the bill (H.R. 1342) to provide for a one-year enrollment in the conservation reserve of land covered by expiring conservation reserve program contracts, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. ONE-YEAR ENROLLMENT OF LAND COVERED BY EXPIRING CONSERVATION RESERVE PROGRAM CONTRACTS.

(a) ELIGIBLE FARM LANDS.—This section applies with respect to a farm containing land covered by a conservation reserve program contract expiring during fiscal year 1997 if—

(1) the farm had a crop acreage base for wheat, oats, or barley at the time the conservation reserve program contract was executed;

(2) the farm is located in an area in which fall-seeded crops are regularly planted, as determined by the Secretary of Agriculture;

(3) the owner of the farm (or the operator with the consent of the owner) submitted, during the enrollment period that ended on March 28, 1997, an eligible bid to enroll all or part of the land covered by the expiring contract in the conservation reserve established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.); and

(4) the land designated in the bid satisfies the eligibility criteria in effect for enrollment of land in the conservation reserve.

(b) ONE-YEAR ENROLLMENT AUTHORIZED.—

(1) AUTHORITY OF OWNER OR OPERATOR.—Except as provided in subsection (g), the owner or operator of a farm described in subsection (a) may enroll in the conservation reserve for a one-year term to begin on October 1, 1997, the land

covered by the expiring conservation reserve program contract and included in the owner's or operator's enrollment bid (as described in subsection (a)(3)) if—

(A) the owner or operator notifies the Secretary in writing, during the special notification period required under paragraph (2), that the owner or operator desires to enroll the land in the conservation reserve for one year under this section; and

(B) the Secretary does not accept, before October 1, 1997, the owner's or operator's enrollment bid (as described in subsection (a)(3)) to enroll the land in a long-term conservation reserve program contract.

(2) SPECIAL NOTIFICATION PERIOD.—Promptly upon the enactment of this Act, the Secretary shall provide a special period for owners and operators of farms described in subsection (a) to permit the owners and operators to provide the notification required under paragraph (1)(A) to enter into one-year conservation reserve program contracts under this section.

(c) RENTAL RATE.—The rental rate for a one-year conservation reserve program contract under subsection (b) shall be equal to the amount of the bid (as described in subsection (a)(3)) that the owner or operator submitted with respect to the land to be covered by the one-year contract.

(d) EFFECT OF ONE-YEAR CONTRACT ON SUBSEQUENT ENROLLMENT.—If an owner or operator who enrolls eligible farm land in a one-year conservation reserve program contract under subsection (b) submits a bid to enroll the same land in the conservation reserve under a long-term conservation reserve program contract that would commence on October 1, 1998, and the Secretary accepts the bid and enters into a long-term conservation reserve program contract with the owner or operator, then the one-year contract shall be considered to be the first year of that long-term conservation reserve program contract.

(e) MAXIMUM ENROLLMENT.—The maximum number of acres in the conservation reserve during fiscal year 1998, including land enrolled by the Secretary under one-year conservation reserve program contracts under subsection (b), may not exceed 30,000,000 acres.

(f) APPLICATION OF CONSERVATION RESERVE LAWS.—Except as specifically provided in this section, the terms and conditions of subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) shall apply with respect to one-year conservation reserve program contracts authorized by this section.

(g) EFFECT OF COMPLETION OF 15TH ENROLLMENT.—If, as of the date of the enactment of this Act, the Secretary has already acted on the bids submitted during the enrollment period that ended on March 28, 1997, to enroll land in the conservation reserve, either by accepting or rejecting the bids, then the authority provided by this section for special one-year conservation reserve program contracts shall not take effect.

SEC. 2. SPECIAL EARLY TERMINATION AUTHORITY FOR CERTAIN CONSERVATION RESERVE PROGRAM CONTRACTS EXPIRING IN 1997.

(a) EARLY TERMINATION AUTHORITY.—A farm owner or operator described in subsection (b) who is a party to a conservation reserve program contract expiring during fiscal year 1997 may terminate the contract at any time after June 30, 1997. Notwithstanding section 1235(e) of the Food Security Act of 1985 (16 U.S.C. 3835(e)), the termination shall take effect immediately upon submission of notice of the termination to the Secretary of Agriculture and shall not result in a reduction in the amount of the rental payment due under the conservation reserve program contract for fiscal year 1997.

(b) ELIGIBLE OWNERS AND OPERATORS.—A farm owner or operator referred to in subsection (a) is a farm owner or operator with respect to whom one of the following circumstances apply:

(1) Neither the owner, operator, nor any other eligible person submitted, during the enrollment period that ended on March 28, 1997, an eligible bid to enroll all or part of the land covered by the expiring conservation reserve program contract in the conservation reserve established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.).

(2) An eligible bid was submitted during the enrollment period to enroll all or part of the land covered by the expiring contract in the conservation reserve, but the Secretary of Agriculture rejected the bid and the owner or operator did not notify the Secretary, in the manner provided in section 1(b), that the owner or operator desired a one-year contract under section 1.

(c) CONSERVATION RESERVE PROGRAM CONTRACT DEFINED.—In this section, the term "conservation reserve program contract" means a contract entered into under

subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) for enrollment of farm acreage in the conservation reserve established under such subchapter.

BRIEF EXPLANATION

H.R. 1342, as amended, allows farmers who plant fall-seeded crops and have Conservation Reserve Program (CRP) contracts expiring in 1997 to enroll the land subject to the expiring contract in a one-year CRP contract, and allows farmers with expiring contracts, who will not be entering into new CRP contracts, to begin cultivating the acreage in preparation for all-seeding that is subject to the expiring CRP contract after June 30, 1997, without penalty.

To be eligible for this one-year CRP contract, the farm on which the CRP acreage is located must have had wheat, oats, or barley crop acreage base attributed to it when it was enrolled in the long-term CRP contract and be located in an area that regularly grows fall-seeded crops, and the owner or operator must have submitted a bid to enroll the acres in the expiring long-term CRP contract into a new long-term CRP contract. Additionally, farmers who are awarded a new long-term CRP contract before the one-year CRP contract becomes effective are not eligible for a one-year contract, and the one-year contract will not extend the duration of any such long-term CRP contract entered into by a farmer in subsequent CRP signups or enrollments. Also, if the Secretary completes enrollment for the bids submitted during the enrollment period that ended March 28, 1997 (the 15th signup), before this bill is enacted, then the one-year contract authority is ineffective.

The rental rate for the one-year contract will be the rate bid by the farmer in USDA's 15th CRP enrollment period, which cannot be higher than the maximum county rental rate established by the Secretary of Agriculture.

PURPOSE AND NEED

The CRP was reauthorized by the Federal Agriculture Improvement and Reform ("FAIR") Act of 1996 (P.L. 104–127), which was enacted April 4, 1996. Because the signup for USDA's 15th CRP enrollment period did not end until March 28, 1997, there is a potential for thousands of landowners and farm operators who normally seed fall crops—winter wheat, oats and barley—and who have submitted a bid for a new long-term CRP contract will not know whether they have a contract until after the time when they need to make planting decisions and begin preparing fields to plant a 1997 fall-seeded crop. H.R. 1342 was introduced to provide a one-time, legislative remedy for this problem which, left uncorrected, could effectively deprive farmers of income from such acreage for one year.–

Farmers with a major part of their operations currently in CRP need significant time for securing seed, fertilizer, and pesticides to plant crops on this land formerly devoted to the CRP contract use, and farmers also need to talk with their lenders to ensure credit will be available to obtain those crop inputs for land formerly devoted to a CRP cover crop. Additionally, in arid areas of the country, soil moisture is being consumed by the required CRP cover crop. The required CRP cover crop should probably have been de-

stroyed some time ago in several of these areas to save moisture for a fall-seeded crop planting.–

A technical correction is necessary to deal with the timing of USDA's 15th CRP enrollment to allow winter crop producers to know now if they have a CRP contract. If the Secretary awards producers a new, long-term contract, the one-year contract this legislation provides will expire. Should the landowner not receive a new long-term contract, then the one-year contract will expire on September 30, 1998, and the landowner will be able to rebid such acres in subsequent long-term CRP enrollments.

SECTION-BY-SECTION ANALYSIS

Section 1. One-year enrollment of land covered by expiring conservation reserve program contracts

Subsection (a) describes land eligible for a one-year contract: the land must be on a farm that is either partially or fully enrolled in a CRP contract that expires at the end of fiscal year 1997; the farm must have had a crop acreage base for wheat, oats, or barley on it when it was originally enrolled in the long-term CRP; the farm must be located in an area in which the Secretary determines fall-seeded crops are regularly planted; the owner or operator of the land must have submitted a bid to enroll all or part of the land subject to the expiring contract in the U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) 15th CRP signup (which ended March 28, 1997); and the land subject to the bid must meet the eligibility criteria for the 15th CRP signup.–

Subsection (b) authorizes, except as provided in subsection (g), the owner (or operator, with the owner's permission) to enroll the land subject to the bid in CRP for one year, by notifying the Secretary of the owner or operator's intent to do so during a notification period established by the Secretary promptly after the date of enactment. If the Secretary has already accepted an owner or operator's bid to enroll in a 15th CRP long-term contract, then the owner or operator will not be eligible for a one-year contract.

Subsection (c) establishes the rental rate for the one-year contract to be the rate which the owner or operator bid for enrollment in the 15th signup. In order to be an eligible bid, the rental rate cannot be higher than the maximum county rental rate established by the Secretary.

Subsection (d) provides that a one-year contract entered into under this section will become the first year of any long-term CRP contract entered into by an owner or operator in a subsequent signup. This will ensure that a one-year contract will not allow anyone to have an additional year under a long-term contract.

Subsection (e) limits total enrollments in fiscal year 1998, including acreage enrolled in one-year contracts, to no more than 30,000,000 acres. This provision ensures that expenditures during fiscal year 1998 will not exceed the spending baseline estimate of the Congressional Budget Office.

Subsection (f) provides that, except for the length of the contract, the CRP provisions of the Food Security Act of 1985, as amended, are applicable to the one-year contracts under this section.

Subsection (g) provides that, as of the date of enactment, if the Secretary has already accepted or rejected the bids submitted during the enrollment period that ended March 28, 1997, then section 1 shall not take effect.

Section 2. Special early termination authority for certain Conservation Reserve Program contracts expiring in 1997

Subsection (a) provides that an owner or operator (as described in subsection (b)) may terminate a CRP contract that expires during fiscal year 1997 anytime after June 30, 1997, without any reduction in the rental payment for fiscal year 1997.

Subsection (b) limits this early termination authority to owners and operators who: (1) did not submit a bid during USDA's 15th signup; or (2) submitted a bid during the 15th signup that was not accepted by the Secretary and did not notify the Secretary under section 1(b) that such owner or operator desired a one-year CRP contract. This limits the early termination authority to owners or operators who will not be entering into either a one-year or long-term CRP contract.

Subsection (c) specifies that "conservation reserve program contract" means a contract entered into under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.).

COMMITTEE CONSIDERATION

A. General consideration

The Committee on Agriculture met, pursuant to notice on April 17, 1997 with a quorum present, to consider H.R. 1342.

Chairman Smith called the meeting to order and gave a brief statement regarding the Amendment in the Nature of a Substitute to H.R. 1342. Chairman Smith recognized Mr. Stenholm, Ranking Minority Member and other Members for opening remarks.

Thereafter, Chairman Smith offered the Amendment in the Nature of a Substitute to H.R. 1342 and without objection the substitute amendment was laid before the Committee and considered as original text for purposes of amendment and the reading of such amendment was waived without objection. Counsel then explained the substitute amendment.

Mr. Dooley was recognized and expressed concern about language in the Substitute Amendment that he believed would make farmland, other than conservation reserve program (CRP) acreage enrolled in prior CRP signups, eligible for enrollment in a one-year contract. After a lengthy discussion, it was agreed to change the language to fit the intent of the legislation, which was to limit farmland eligible for a one-year contract to no more than that land on the farm enrolled in a prior long-term CRP contract.

Mr. Minge was then recognized to offer and explain an amendment that would make land enrolled in a land conservation program of the State of Minnesota known as "Reinvest in Minnesota" eligible for enrollment in the conservation reserve upon the expiration of the Reinvest in Minnesota contract. Discussion occurred, and without objection, Mr. Minge withdrew his amendment after agreeing to report language regarding the eligibility of former Rein-

vest in Minnesota Lands in the conservation reserve (See part B, the "Additional Consideration" portion of this report for such report language).

Mr. Peterson was recognized to offer and explain an amendment which would offer a one-year extension of Conservation Reserve Program contracts. Discussion occurred, and without objection Mr. Peterson withdrew his amendment.

Mr. Peterson was further recognized to offer and explain another amendment regarding special early termination authority for Conservation Reserve Program contracts expiring in 1997. Discussion occurred, and by a voice vote the amendment was adopted (See the section-by-section analysis of section 2 for an explanation of such amendment).

Mr. Bishop was recognized to offer and explain an amendment in conjunction with report language concerning the repeal of existing statutory language which designates the Conservation Reserve Program as a supply management tool. Discussion occurred, and without objection, Mr. Bishop withdrew his amendment after agreeing to his report language being included (See part B, the "Additional Consideration" portion of this report for a discussion of such report language).

Mr. Combest was then recognized to offer and explain report language regarding a position of the Committee urging the initiation of a second long-term Conservation Reserve Program sign-up by USDA (the first being the 15th CRP signup) before the end of calendar year 1997. Discussion occurred and by unanimous consent the report language was adopted (See part B, of the "Additional Consideration" portion of this report for a discussion of such report language).

Chairman Smith offered the technical amendment regarding land covered by expiring contracts as a result of earlier discussion by Mr. Dooley noted herein above (See paragraph four of this part A portion of the report). The amendment, which was adopted by a voice vote, clarified the Committee's intent relating to this language.

Chairman Smith, without objection, called for a vote on the adoption of the Amendment in the Nature of a Substitute to H.R. 1342. By a voice vote the Amendment in the Nature of a Substitute to H.R. 1342, as amended, was adopted.

Mr. Combest then moved that the bill, H.R. 1342, as amended, be reported favorably to the House, By a voice vote, H.R. 1342, as amended, was ordered favorably to the House.

Mr. Combest also moved that the Committee authorize the Chairman to offer such motions as may be necessary to go to conference with the Senate on the bill H.R. 1342 or similar Senate bills. By a voice vote the motion was agreed to.

Without objection, staff was given permission make such technical, clarifying, or conforming changes as are appropriate without changing the substance of the legislation.

The Chairman then thanked the Members and adjourned the meeting subject to the call of the chair.

B. Additional consideration

The Committee is concerned that, if not properly implemented, this legislation could create an inequitable situation between two groups of contract holders. One group of contract holders will receive one year contracts under the terms of this legislation. The second group could consist of owners and operators who do not receive this one year contract or did not have their bids accepted in the 15th signup.

The Committee expects that USDA will conduct another CRP enrollment before the end of calendar year 1997. Conducting this second long-term CRP enrollment would provide an opportunity for the second group of contract holders to rebid their land for the CRP while it is still planted in grass (or appropriate cover) and before owners and operators must begin preparing the ground for Spring planting.

With respect to USDA's final regulations implementing the 1996 FAIR Act changes to CRP, the Committee has several concerns. First, there is an expectation that the number of acres of filter strips, riparian buffers, field windbreaks and grass waterways enrolled in CRP will increase under the new criteria and emphasis put forward by USDA. The Committee is concerned that despite the emphasis on enrolling acreage in these environmentally sensitive areas, USDA has not yet provided its field personnel with adequate guidance to be conveyed to owners or operators as to what conditions or limitations may be imposed on tillage or other farming practices applicable to farmland adjacent to or bordered by these types of enrollments.

Specifically, it will be important for landowners who have an interest in enrolling these types of acres to have assurances that they will be able to continue to normally farm any cropland adjacent to or bordered by the CRP acreage. In addition, it is important for landowners to be able to carry out spot control of noxious weeds through mowing and spraying in order to comply with applicable state laws and federal regulations. If USDA or other federal agencies decide to deny or limit access to farmland adjacent to or bordered by this acreage, the Committee expects to see a decrease in participation by landowners. Therefore, in the interest of ensuring the success of the CRP, it is expected that USDA will shortly issue common-sense guidance to reassure landowners who have already submitted bids or may be contemplating future participation in the CRP as to guidelines applicable to owners and operators with respect to their land adjacent to CRP acreage, especially those devoted to filter strips, riparian buffers, grass waterways, etc.

Second, the Committee is concerned about the impact of USDA's final CRP regulations with respect to the eligibility of acreage enrolled in the old Water Bank Program and lands enrolled in the State of Minnesota's "Reinvest in Minnesota" (RIM) program. With respect to acreage in the old Water Bank Program, the Committee is concerned about the existing regulations limiting the eligibility of expired Water Bank Program acres to be enrolled in the CRP and expects the Secretary to revisit the issue with owners and operators offering bids prior to the announcement of successful bids for the 15th signup.

With respect to RIM lands, the Committee notes that this State program parallels, on a state level, many of the environmental goals of the CRP. The Committee expects the Secretary, in developing eligibility criteria for the CRP, to ensure that state programs such as RIM, are fully coordinated with the federal CRP administered by the Secretary in order for the land enrolled in state programs to receive appropriate consideration for enrollment in the CRP. The Committee expects the Secretary to take whatever steps are necessary to ensure that these lands are not disadvantaged by their participation in such state programs, and that they be eligible for enrollment in the CRP in future signup periods or during the continuous signup period if applicable to the land in question.

The Committee recognizes the ambiguous nature of section 1236 of the Food Security Act of 1985 as a result of the amendments made by the Federal Agriculture Improvement and Reform Act of 1996. The Committee expects USDA, should they choose to implement this ambiguous provision, to do so in such a manner as to minimize any unintended consequences. Among the unintended consequences that concern the Committee is specifically any disincentive for certain farmers to participate in the CRP especially those whose participation will result in high environmental benefits. In addition, USDA should use the least intrusive means in implementing section 1236, such as farm reconstitutions or other less intrusive procedures.

REPORTING THE BILL—ROLLCALL VOTES

In compliance with clause 2(l)(2) of rule XI of the House of Representatives, H.R. 1342 was reported by voice vote with a majority quorum present. There was no request for a recorded vote.

BUDGET ACT COMPLIANCE (SECTIONS 308, 403, AND 424)

The provisions of clause 2(l)(3)(B) of rule XI of the Rules of the House of Representatives and section 308(a)(1) of the Congressional Budget Act of 1974 (relating to estimates of new budget authority, new spending authority, new credit authority, or increased or decreased revenues or tax expenditures) are not considered applicable. The estimate and comparison required to be prepared by the Director of the Congressional Budget Office under clause 2(l)(3)(C) of rule XI of the Rules of the House of Representatives and sections 403 and 424 of the Congressional Budget Act of 1974 submitted to the Committee prior to the filing of this report are as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 29, 1997.

Hon. ROBERT F. (BOB) SMITH,
Chairman, Committee on Agriculture,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: As you requested, the Congressional Budget Office has prepared the enclosed cost estimate for an amended version of H.R. 1342, a bill to provide for a one-year enrollment in the conservation reserve of land covered by expiring conservation reserve program contracts.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Dave Hull.

Sincerely,

JUNE E. O'NEILL, *Director.*

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

H.R. 1342—A bill to provide for a one-year enrollment in the conservation reserve of land covered by expiring conservation reserve program contracts

Summary: H.R. 1342 would allow most land owners who (1) currently participate in the Conservation Reserve Program (CRP), and (2) have submitted bids to continue in the program, to extend for one-year their CRP contacts that expire during fiscal year 1997. To keep the size of the CRP from exceeding expected levels, the bill would limit the program to no more than 30 million acres in 1998. This version of the bill includes a new subsection (g) to section 1 that would preclude the one-year extension if the Secretary of Agriculture has completed enrollment action on submitted bids prior to enactment of the bill.

The budgetary impact of H.R. 1342 depends on how soon the bill is enacted. CBO estimates that if the bill is enacted by about May 30, 1997, the enrollment cap would likely be effective, and as a result, the bill would reduce spending in fiscal year 1998 but would have no net impact over the 1998–2002 period. On the other hand, if the bill is enacted later, the ongoing enrollment for the program would likely be completed, resulting in no impact on direct spending in any fiscal year.

Because H.R. 1342 could affect direct spending in 1998, pay-as-you-go procedures would apply. H.R. 1342 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995 (UMRA) and would not impose costs on state, local, or tribal governments.

Estimated cost to the Federal Government: The CRP is a long-term land retirement program intended to provide environmental benefits through idling highly erodible or environmentally fragile land. The U.S. Department of Agriculture (USDA) pays landowners an annual rent plus part of the costs of establishing beneficial cover crops (referred to as cost-share assistance) in return for planting such crops and retiring the land from farming. In the first major sign-up since the CRP was reauthorized in the 1996 farm bill (the Federal Agriculture Improvement and Reform Act of 1996, Public Law 104–127), USDA recently invited landowners to submit bids for contracts to enter their erodible or environmentally fragile land into the CRP starting in fiscal year 1998. About 18 million acres of land with expiring contracts from the existing CRP and about 8 million acres of land not previously covered by contracts have been offered in this sign-up.

USDA is currently reviewing the bids and ranking them according to an environmental benefit index developed for this purpose. The Secretary of Agriculture has state his intention to notify landowners by late May of 1997 of the department's decision to accept

or reject their bids. Both USDA and CBO expect that the accepted bids will put the size of the CRP at about 30 million acres in 1998.

CBO expects that enacting H.R. 1342 before USDA notifies producers of its acceptance of their bids would lead the department to accept less acreage not formerly covered by CRP contracts, and to replace that land with acreage under expiring contracts. On the other hand, enacting this bill after USDA notifies producers of its acceptance of their bids would make the special one-year CRP authority ineffective.

For the purposes of this estimate, we assume the Secretary would take action on bids he is currently reviewing on or about May 30, 1997. The budgetary effects of H.R. 1342, which depend on whether the bill is enacted by that date, are discussed below.

Assuming enactment by May 30, 1997

CBO estimates that enacting this legislation before completion of the current enrollment (that is, before USDA notifies applicants of accepted bids) would decrease outlays from direct spending in fiscal year 1998 by about $75 million. Prompt enactment of H.R. 1342 would result in up-front savings because replacing potential new sign-ups with extensions of current contracts would eliminate the need for the USDA to make cost-share payments on 4 million acres that would otherwise be newly enrolled in the program. However, CBO estimates that the USDA, after postponing the enrollment of new acres, would likely include them in the program the following year. That action would increase direct spending for the cost-share payments in subsequent years, resulting in no net impact over five years.

Assuming enactment after May 30, 1997

The new subsection 1(g) included in this amended version of H.R. 1342 makes it clear that, if the Secretary of Agriculture has completed enrollment action on bids submitted during the enrollment period that ended March 28, 1997, then the special one-year CRP authority in section 1 will not take effect. In that case, CBO estimates that enactment of the bill would have no budgetary impact in any fiscal year.

The following table summarizes the estimated budgetary impact of H.R. 1342 under the two alternative assumptions about the bill's enactment date.

	By fiscal years, in millions of dollars—					
	1997	1998	1999	2000	2001	2002
CHANGES IN DIRECT SPENDING						
Assuming Enactment by May 30, 1997:						
Estimated budget authority	0	−75	33	27	15	0
Estimated outlays	0	−75	33	27	15	0
Assuming Enactment after May 30, 1997:						
Estimated budget authority	0	0	0	0	0	0
Estimated outlays	0	0	0	0	0	0

Pay-as-you-go considerations: Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1998. Enacting H.R. 1342 could affect direct spending be-

cause of the possible impact on cost-share payments for establishing acceptable cover crops on newly enrolled CRP acreage. CBO estimates that direct spending in fiscal year 1998 would be $75 million lower than under current law if the bill is enacted by May 30, 1997. (Those savings, however, would be offset in subsequent years, for no net impact over the 1998–2002 period.) If the bill is enacted later, CBO estimates that direct spending would not be affected in fiscal year 1998, or any other year.

Estimated intergovernmental and private-sector impact: H.R. 1342 contains no intergovernmental or private-sector mandates as defined in UMRA, and would impose no costs on state, local or private governments.

Previous CBO estimate: On April 25, 1997, CBO completed an estimate of the impact of H.R. 1342, as ordered reported by the House Committee on Agriculture on April 17, 1997. In that estimate, we determined that, if the legislation were to be enacted after the current CRP enrollment process is completed, the acreage cap for 1998 would be ineffective, and direct spending for 1999 would increase by about $200 million. The current (amended) version of H.R. 1342 would render the authority for the special one-year CRP extension ineffective if the bill is enacted after USDA acts on bids from the current enrollment. This change would remove the possibility that direct costs would increase.

Estimate prepared by: Dave Hull.

Estimate approved by: Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 2(l)(4) of rule XI of the Rules of the House of Representatives, the Committee finds the Constitutional authority for this legislation in Article I, clause 8, section 18, that grants Congress the power to make all laws necessary and proper for carrying out the powers vested by Congress in the Government of the United States or in any department or officer thereof.

OVERSIGHT STATEMENT

No summary of oversight findings and recommendations made by the Committee on Government Reform and Oversight, as provided for in clause 2(l)(3)(D) of rule XI and clause 4(c)(2) of rule X of the Rules of the House of Representatives, was available to the Committee with reference to the subject matter specifically addressed by H.R. 1342.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 2(l)(3)(A) of rule XI, and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the Committee on Agriculture's oversight findings and recommendations are reflected in the body of this report.

COMMITTEE COST ESTIMATE

Pursuant to clause 7(a) of rule XIII of the Rules of the House of Representatives, the Committee report incorporates the cost estimate and estimated intergovernmental and private sector impact of

H.R. 1342, as amended, prepared by the Director of the Congressional Budget Office April 29, 1997 pursuant to sections 403 and 424 of the Congressional Budget Act of 1974. This new estimate from the Congressional Budget Office is based on a Committee technical amendment to section 1 adding a new subsection (g), that corrects a potential increase in direct spending for fiscal year 1999 identified in the Congressional Budget Office's original estimate.

ADVISORY COMMITTEE STATEMENT

No advisory committee within the meaning of section 5(b) of the Federal Advisory Committee Act was created by this legislation.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act (Public Law 104–1).

○