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NOMINATION HEARING FOR WILLIAM T. HAWKS AND ERIC M. BOST

HEARING

BEFORE THE

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY UNITED STATES SENATE

ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

MAY 16, 2001

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NOMINATION HEARING: WILLIAM T. HAWKS AND ERIC BOST

WEDNESDAY, MAY 16, 2001

U.S. SENATE,
COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY,
Washington, DC.

The committee met, pursuant to notice, at 9:03 a.m., in room SR–328A, Russell Senate Office Building, Hon. Richard G. Lugar,

[Chairman of the Committee], presiding.

Present or submitting a statement: Senators Lugar, Cochran, Thomas, Hutchinson, Harkin, Conrad, and Stabenow.

STATEMENT OF HON. RICHARD G. LUGAR, A U.S. SENATOR FROM INDIANA, CHAIRMAN, COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

The CHAIRMAN. This meeting of the Senate Agriculture Committee is called to order.

This morning, it is our privilege to consider the nominations of Mr. William Hawks for Under Secretary of Marketing and Regulatory Programs at the United States Department of Agriculture, and Mr. Eric Bost, for Under Secretary of Food, Nutrition, and Consumer Services at USDA.

Our committee continues its commitment to consider nominations of the administration in a timely manner, and we look forward to hearing from these qualified individuals before us today, hearing their testimony and raising questions of them.

We will then turn to hear testimony regarding the state of agricultural credit in the United States, one of the chapters of the Farm bill that we are considering. The committee will explore whether changes in the 1996 Farm bill and elsewhere have improved the financial health of this sector and whether additional changes are necessary in the upcoming Farm bill.

Credit, as we would all agree, is the life blood of farming, providing the necessary capital for land purchases, farming operations, and for emergency loans when disaster strikes. In surrounding towns and communities, credit serves as the primary vehicle for investments in job-producing businesses. Rural communities rely heavily on adequate sources of credit in order to survive and prosper.

Today our committee reviews its commitment of ensuring that creditworthy farmers and others living in rural America have abundant and competitive sources of credit available.

Today's total farm debt in the United States stands at around $182 billion. Commercial banks remain the largest agricultural

lender with 41 percent of the market share, having overtaken the Farm Credit System in 1987. Nevertheless, the Farm Credit System remains a healthy competitor, holding a consistent 26 percent of the Nation's total farm debt. With its guaranteed, direct, and emergency loan programs, the role of the United States Department of Agriculture is critical, especially for those farmers on the margins financially.

We will hear testimony from all three of these groups to determine whether there are trends or danger signs that we should be aware of that could harm agricultural lending, and if so, what preventive steps can be taken to ensure that rural lending remains vibrant and financially sound.

Our first panel will consist of two witnesses from the Department of Agriculture, and I will introduce them when we come to that portion of our hearing, but for now, we welcome immediately our guests and our distinguished nominees.

First of all, before I call upon them, I will ask Senator Thomas if he has an opening comment or statement about the nominees or our credit hearing this morning.

STATEMENT OF HON. CRAIG THOMAS, A U.S. SENATOR FROM WYOMING

Senator THOMAS. Thank you, Mr. Chairman.

I am anxious to hear from the nominees, and I am glad to be here. I am going to have a leave a little later, but just a comment or two on the credit hearing.

I think it is very important to have that hearing. The Farm Credit System seems to be pretty healthy right now in terms of repayments and all those things, and I wonder how much that is dependent on the kinds of payments that were made during the last year in Federal money in order to keep that happening. In other words, how would the Farm Credit System be doing if we were not paying out these payments again or had a different kind of farm program? I think that is an interesting question.

Then, I am always interested in what people believe the role of farm credit is vis-a-vis the private sector. Are they out there to do it for less? Are they out there to be competitive? Are they out there to serve people who do not otherwise have an opportunity in the private sector?

So these are some broad questions, Mr. Chairman, that I am anxious to hear about.

Thank you.

The CHAIRMAN. Thank you very much, Senator Thomas. We appreciate your attendance, and likewise, any questions that you wish to raise in writing, the witnesses will be asked to consider.

Senator THOMAS. Thank you, Mr. Chairman.

The CHAIRMAN. At this point, would you both please stand and raise your right hand?

Do you swear or affirm that the testimony you are about to provide is the truth, the whole truth, and nothing but the truth, so help you, God?

Mr. HAWKS. Yes.

Mr. BOST. Yes.

The CHAIRMAN. Thank you for that affirmation.

It is a privilege to have both of you before the committee. First of all let me ask whether members of your family or others who are important to you have accompanied you.

Mr. Hawks.

Mr. HAWKS. Yes, Senator, I certainly do. I have my wife, Diane; my daughter, Jennifer; and our son, T.A., with me today.

The CHAIRMAN. We welcome each of you to this important moment.

Mr. Bost, do you have anyone with you today?

Mr. BOST. Yes, Mr. Chairman. My wife Rose Mary is with me today.

The CHAIRMAN. It is very good to have you here today; we appreciate your coming.

First of all, I am going to ask each of you to offer testimony that may be helpful in our understanding of who you are and your objectives; then, following your testimony, I will raise questions as will other Senators as they appear.

Mr. Hawks.

STATEMENT OF WILLIAM T. HAWKS, OF HERNANDO, MISSISSIPPI, TO BE UNDER SECRETARY FOR MARKETING AND REGULATORY PROGRAMS, U.S. DEPARTMENT OF AGRICULTURE

Mr. HAWKS. Thank you, Chairman Lugar, members of the committee.

I am honored to be here today as the nominee for Under Secretary of Agriculture for Marketing and Regulatory Programs. I would like to thank President George W. Bush for nominating me for this position of public service.

I would also like to thank Senator Thad Cochran and Majority Leader Trent Lott for supporting my nomination. I would like to extend special appreciation to my wife, Diane, for all of her assistance throughout this nomination process.

I was born on a dairy and row crop farm in northern Mississippi. I worked my way through college, receiving a master's degree in agricultural economics from Mississippi State University. I returned home in 1970 to serve in the Army Reserve and to start my family farm. In the past, I have spent many long hours milking dairy cows, growing cotton, corn, wheat, soybeans, and vegetables. During adverse times, I did custom harvesting to supplement my farm income. So you can see that I have experienced both the good and the bad in farming.

While operating our farm, I took the time to participate in farm committees. I served for a number of years as chairman of the local FSA committee, as a commissioner on the Soil and Water Conservation District. It was through my involvement in these committees that I learned the very important workings of USDA agencies.

I was actively engaged in numerous farm organizations and commodity organizations, and if confirmed, I will utilize the skills that I have learned in these organizations to uphold the high standards of USDA.

Most recently, I have served the people of Mississippi in the Mississippi State Senate. While in the Mississippi Senate, I served on both the Agriculture Committee and the Environmental Commit-

tee. If confirmed, my knowledge of the legislative process will be beneficial as USDA deals with and interacts with the Congress and other interested parties.

The United States Department of Agriculture serves as an advocate for rural America, and especially to production agriculture. If confirmed, I pledge to work with members of this committee and their staff, as well as leaders in the agriculture community. I am confident that my educational and professional experiences have prepared me for this position at USDA.

Mr. Chairman, with that, I look forward to answering any questions that you or members of this committee may have.

The CHAIRMAN. Thank you very much, Mr. Hawks.

[The prepared statement of Mr. Hawks can be found in the appendix on page 24.]

The CHAIRMAN. Mr. Bost.

TESTIMONY OF ERIC M. BOST, OF AUSTIN, TEXAS, TO BE UNDER SECRETARY FOR FOOD, NUTRITION, AND CONSUMER SERVICES, U.S. DEPARTMENT OF AGRICULTURE

Mr. BOST. Thank you. Good morning, Mr. Chairman and members of the committee.

I am Eric M. Bost. I am honored to appear before the committee today as President Bush's nominee for the position of Under Secretary for Food, Nutrition, and Consumer Services in the United States Department of Agriculture. I thank the President and Secretary Veneman for their support and trust in nominating me for this position.

I would also like to take a minute to thank my wife for her unwavering support in this process.

I also wish to thank you, Mr. Chairman, for the unwavering leadership that you and this committee have given to our food and nutrition assistance programs over the years. I look forward to working with a committee that has always been committed to helping America's children, families, and the elderly.

I have provided written testimony for the committee's consideration, and I will try to keep my remarks brief.

Mr. Chairman, I believe that I am ready to take on this important and challenging position. I am clear on the responsibility I would assume. The 15 programs administered by Food, Nutrition, and Consumer Services touch one in every five Americans. They are essential in fighting hunger and improving nutrition for children and low-income Americans. This is a very humbling opportunity, but one for which I have prepared.

For more than 20 years, my career has been devoted to the management of human services agencies and the people served by those agencies. In August 1997, then Governor George W. Bush appointed me Commissioner of the Texas Department of Human Services, one of the Nation's largest human services agencies, overseeing the administration of State and Federal programs, including food stamps, special nutrition programs for more than 2 million needy, aged, and disabled Texans each month.

My Texas experience includes implementation of a significant food stamp outreach and nutrition program; enhanced Federal funds for three years in a row because of our high accuracy rate

in determining food stamp benefits; recognition of our Texas EBT system by the General Accounting Office as a national leader in detecting fraud in the food stamp program by using EBT transaction data; implementation of the second generation of the EBT system using a pioneer multi-vendor approach.

From the very beginning, my goal was to make the Texas Department of Human Services the premier human services agency in the country. I am very proud of the staff. If confirmed, I plan to set the same goal for Food, Nutrition, and Consumer Services.

Mr. Chairman, I believe that an agency like FNCS needs to focus on customer service in all areas, including improving access to services, fostering community involvement, developing innovative ways to provide services, ensuring accuracy in providing services, and improving services through automation. It is my intent, if confirmed, to work hard on establishing and strengthening these efforts.

In closing, I want to say that I rely on the dedication and professionalism of my employees for effective service deliver. I understand that the employees of the agency are among the best in the Federal Government, and I look forward to the support of their expertise and assistance. I also look forward to working with this committee and all Members of Congress in achieving what is best for those we serve.

I commit to you today that if confirmed, I will be an administrator who will be available to you and your staff; will answer your questions thoroughly and straightforwardly, even when the answer is difficult; and will ensure that you will be informed in a manner which allows you to make the best possible decisions for the citizens of our great country.

Mr. Chairman, that concludes my testimony. I will be happy to answer any questions that you or other members of the committee may have.

[The prepared statement of Mr. Bost can be found in the appendix on page 27.]

The CHAIRMAN. Thank you very much, Mr. Bost.

Let me make two comments for the record. First, the full statements that both of you have prepared will be made a part of the record in full, in addition to your oral testimony this morning; and second, that the FBI has made available to me its reports, and I have read them carefully. I simply note that because it is the responsibility of the chairman and ranking member to receive those reports and take them into consideration as we conduct the hearings.

We have been joined by three more distinguished Senators. Let me first call upon the Senator from Mississippi, because I suspect he will have a comment; a very nice comment has already been made about him.

Senator Cochran.

STATEMENT OF HON. THAD COCHRAN, A U.S. SENATOR FROM MISSISSIPPI

Senator COCHRAN. Thank you, Mr. Chairman.

I am pleased to be here this morning to welcome my good friend and fellow Mississippian, Bill Hawks, and Mr. Bost as well. I think

we are very fortunate to have the Secretary of Agriculture and the administration selecting such outstanding people to serve in this administration, particularly at the Department of Agriculture. I think the operation and administration of that department is going to be in very good hands indeed.

I have known Bill Hawks, for example, for a long time. He has been a leader in our State not only in agriculture, where he served on the State Farm Service Agency Committee, and at the local level in positions of responsibility, but also in our State government as a very well-respected member of our State Senate. He was a leader there, and he is looked to for leadership in our State on a wide range of issues and subjects. He is very well-respected. He was an outstanding student at Mississippi State University where he earned bachelor's and master's degrees. He has taken an active role in the political life of our State and our Nation. He has been a leader of farm groups in Presidential election campaigns. He is someone who is very civic-minded and gives a lot of his time and effort to helping make our State a better place to live and the country as well.

I think we are fortunate to have Bill Hawks serving in this position. I am confident that he will be well-received by our committee because of his experience and his good judgment and his past performance in everything he has ever undertaken.

On top of all that, he is a farmer, and he really knows what he is going to be doing. He knows something about the subject from first-hand experience. He and his wife, Diane, who is an active partner in the farming operation, have several thousand acres of land that they farm in DeSoto County, Mississippi, just south of Memphis, and they have been very successful. Even when times are tough, Bill figures out a way to manage—kind of like our chairman. You all can talk to each other and help explain it to everybody else, I guess.

[Laughter.]

It is a pleasure for me, Mr. Chairman, to welcome Bill, and I wish him well in this new undertaking.

The CHAIRMAN. Indeed, I have visited with Mr. Hawks, and his holdings are several multiples of my own; but nevertheless, we shared some experiences together.

Thank you very much, Senator Cochran.

Senator Conrad.

Senator CONRAD. Thank you, Mr. Chairman.

We want to welcome the nominees here today.

I just have one question for Mr. Hawks—have you supported Senator Cochran?

[Laughter.]

Mr. HAWKS. Senator, I think that should be intuitively obvious. I know a leader when I see one.

[Laughter.]

Senator CONRAD. Well, that does raise some serious questions.

[Laughter.]

Senator CONRAD. We are pleased to have both of you here.

The CHAIRMAN. Senator Hutchinson, do you have an opening comment?

Senator HUTCHINSON. No, Mr. Chairman. I have looked at both of our nominees' backgrounds. They are very impressive individuals. I am delighted, even though neither of them is from Arkansas, Texas and Mississippi get close, and DeSoto County gets real close. So we are delighted to welcome them today.

The CHAIRMAN. Very well.

Let me commence the questioning, and we will question both witnesses in this particular round, whichever is your preference, or both.

Mr. Hawks, let me ask first of all a question we ask of each of our nominees. Do you agree that you will appear before any duly constituted committee of Congress if asked to appear?

Mr. HAWKS. Yes, sir, I will.

The CHAIRMAN. I thank you for that affirmative response.

As has been pointed out, you have a very successful record as a farmer and businessman and public servant in Mississippi. Can you describe to the committee the steps that you have taken or intend to take to ensure that there will be no conflicts of interest or appearances of impropriety?

Mr. HAWKS. Yes, I would be delighted to, Mr. Chairman.

We have, in conjunction with the attorneys and the accountants—as you well know, it can be a little complex—but if confirmed, we will be divesting ourselves of all interest in the farming operation. We farm with three corporations; it is owned currently by myself, my wife, and my two grown children here. All of those will be going to our grown children; I just hope they can keep the farm alive, and I am confident that they will. I will be drawing a cash rent that is commensurate with other cash rents in the area, to be certain that there is no conflict associated with my service in this administration.

The CHAIRMAN. I appreciate that public response. This is a part of the record that has been submitted. As all of us know, the financial forms and obligations are tremendous for our nominees. I appreciate your explaining that in detail. For anybody in farming, it is a wrenching experience. The word "divest" means, as you say, giving this farm to your children. I appreciate your response.

Mr. HAWKS. Thank you.

The CHAIRMAN. Let me say that this committee has spent a lot of time crafting legislation to provide livestock mandatory price reporting. Most of us on this committee, including the chairman, strongly supported that legislation.

The Department of Agriculture's Agricultural Marketing Services has been in the process for some time of implementing this and refining the law, and the program began on April 2. As is often the case with a new program, there are criticisms and difficulties.

Are you aware of the program, and can you make a comment as to how we can get on track in a steady way here?

Mr. HAWKS. Yes, Mr. Chairman. I have had the opportunity, because this is obviously of major interest to all of production agriculture, particularly the Midwest and Western States, and I certainly appreciate that. The Congress saw fit to implement mandatory price reporting, and it is my goal as Under Secretary for Marketing and Regulatory Programs to see that it works. I would like to go a little bit further on that and say that it is my understand-

ing that this report is attempting to deliver 91 reports a day, some 40 more reports than have ever been reported under the voluntary system.

I will make a commitment to you and members of this committee today that it is my intent to fix the mandatory price reporting system.

The CHAIRMAN. Well, this is good news, and as you can anticipate, we will be calling upon you for reports on your progress, because this is of great urgency to our livestock people.

Mr. HAWKS. In fixing this process, I would like to have interaction with members of this committee as we go forward.

The CHAIRMAN. That would be very helpful.

One of the responsibilities that you will inherit right away is the problems of the Animal and Plant Health and Inspection Services, APHIS. That has been a prominent agency given these violent and difficult diseases that have afflicted livestock throughout the world and which we are trying to stave off here, namely, foot and mouth disease.

Have you studied the APHIS situation, and are you confident that all is being done that can be done, and have you have worked with the Secretary and understood her strategy?

Mr. HAWKS. Yes, Senator, I have. I have had the opportunity to look at that also. As you are probably familiar, the Secretary brought in a leading veterinarian early on in this new administration to help with that. Dr. Brightmeyer from California came in to lead that effort early on, and he is back in California and is still on a consulting basis with APHIS in that process.

It is my belief that, of course, the Secretary is committed, and I understand the budget has an increase for the number of inspectors at ports around the country, I believe some 350 additional inspectors, to exclude the foot and mouth disease and BSE.

I think that efforts are being made, but I also think that there are some plans being made in the event we should have that unfortunate event to enter this country. There is being looked at the compensation package, the response package. So there is a lot of effort going into that, but my first effort and APHIS' first effort will be to keep it out of this country.

The CHAIRMAN. Thank you.

Mr. Bost, let me ask you the question I asked originally of Mr. Hawks. Do you agree that you will appear before any duly constituted committee of Congress if asked to appear?

Mr. BOST. Yes, sir.

The CHAIRMAN. I thank you for that affirmative response.

One of the major responsibilities of the committee will be the reauthorization of the food stamp program. Can you give us any early indications from your experience in Texas in particular, where you have had comprehensive program administration, of what recommendations you may make, or any other comments as you have studied that in preparation for this hearing?

Mr. BOST. Thank you, Mr. Chairman, for asking that question. This is a very, very important program affecting the lives of about 1.2 million people in Texas, and nationally, about 17 million people.

Our approach in Texas and my approach in Texas has been to receive input from advocates, from providers, and also from con-

sumers in terms of what we can do to make this program much more efficient, improve access, and improve service delivery.

In my discussions with the Secretary, essentially, those are things that we hope to carry forward. At this point, the administration has not taken a position in terms of developing the process. I know that we are working on the process, but no final decision has been made in terms of what that process will look like. But believe me, it is my position, and I believe it is the Secretary's, that we will be very inclusive in terms of getting input to strengthen and improve this program, which is a very important program.

The CHAIRMAN. I will have additional questions for you and Mr. Hawks on the second round, but I want to engage the rest of my colleagues now in this process.

Senator Cochran.

Senator COCHRAN. Mr. Chairman, thank you.

I was going to ask about the BSE and the foot and mouth disease problem, and get your reaction to the steps and whether they are being taken aggressively in this administration, and if you can assure the committee that everything will be done that can be done to help protect this very important industry in our country.

Mr. HAWKS. Yes, Senator, I fully intend to do that. I do not know if you have had the opportunity to read the papers this morning, but there was some German equipment turned back at the port in Texas because it was not clean. So every effort is being made, and I intend to maintain that vigilance.

Senator COCHRAN. Part of the marketing responsibility is to try to identify ways to increase our exports and sales and grow the markets that we have in other countries. What do your plans include? What are your ideas about some of the steps that you plan to take to increase our opportunities to sell more of what we produce in overseas markets?

Mr. HAWKS. Senator, my particular areas are, of course, with APHIS, and Marketing and Regulatory, and GPSA. I think that where my particular agencies are concerned—I have some broad opinions about other areas, but I will address just those that will be relevant to mine—are sanitary and phytosanitary issues, where we will have APHIS people involved to try to mitigate any concerns and complaints that we have from our trading partners. I think that the marketing arm that I will have direct responsibility for will have the opportunity to help create and work with producers in identifying niche markets, if you will. I think we have some particular ways that we can address those concerns in my area, and the Secretary and this administration are committed to opening those markets up.

Senator COCHRAN. Mr. Bost, I assume you have responsibilities in this new job for feeding programs generally, lunch programs, breakfast programs, in the schools—does that come under your jurisdiction as well?

Mr. BOST. Yes, Senator.

Senator COCHRAN. I think those are important programs. We had a pilot breakfast program in the schools, and I do not know whether you have had an opportunity in Texas to have had any experience with that program, but do you know what your recommenda-

tions might be with respect to how we can improve and strengthen those programs to be sure they are meeting their goals?

Mr. BOST. Yes, Senator. We have very similar programs in Texas, and the feedback that I am getting from our sponsors is that for the most part, it is working very well. The issue that they constantly talk with me about in Texas is the bureaucratic requirements that we impose on them to actually implement the program. If confirmed, that is one of the things that I would want to look at and further explore in terms of how can we ensure not only that we are holding our entities accountable, but concurrently, making it as easy as possible to ensure that the services are being provided.

I think that is where the issues are, and that would be one thing that I would look at if I am confirmed in this position.

Senator COCHRAN. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Cochran.

Senator Thomas.

Senator THOMAS. Thank you, Mr. Chairman.

Let me just comment a bit on the chairman's first questions on packers and stockyards. I hope that you will also take a look at the concentration and ownership of livestock and how it impacts it.

On APHIS, we are also interested in predator control and wildlife management. I have a sticker on the back of my car that says "Eat Lamb—50,000 Coyotes Can't be Wrong."

More specifically—and I know this is not easy—as you enter your job, what would be your highest priority?

Mr. HAWKS. Right now, I think anyone looking at this area would say that foot and mouth disease, BSE, would be the No. 1 priority. We must maintain our vigilance there, we must keep that out. I will be candid with you—it has been very overwhelming to go into a situation like this and try to look at the whole area at one time. We have a lot of issues there—foot and mouth disease, price reporting, the concentration issue that I know you are very concerned about—but I would have to say the foot and mouth disease and BSE would be the No. 1 priority, Senator.

Senator THOMAS. I have to leave to go to another hearing, Mr. Chairman. Thank you so much.

I appreciate having these two gentlemen here.

The CHAIRMAN. Thank you very much.

Senator Hutchinson.

Senator HUTCHINSON. Thank you, Mr. Chairman. I will be brief.

Mr. Hawks, you mentioned niche markets. Do you have any specific ideas on how we can promote those?

Mr. HAWKS. Of course, as you know, the organic rules were created in the 1990 Farm bill, and it took quite a while to get those rules finally promulgated. I think that that is an example of a way that we can find niche markets—anything that I see that we can do, or if any of you have ideas about ways that we can enhance the value of the products of our producers—but that is just one example, the organics, working with them.

The farmers' markets—I understand we have a farmers' market at USDA. The AMS is involved with the initial concept and design of farmers' markets throughout the country.

So there are opportunities there.

Senator HUTCHINSON. Mr. Bost, in your comments, you mentioned—I think this was on the school lunch and breakfast programs that Senator Cochran was asking about—that you had heard complaints about bureaucratic requirements and the need to provide bureaucratic relief. Do you have specific ideas—or, particularly on the complaints that you have heard, of what nature are they, and how do you go about trying to cut some of that red tape that is unnecessary to provide the accountability that we all want?

Mr. BOST. Mr. Chairman and Senator, almost all of the feedback that I have gotten in terms of criticism of our program is in regard to the overwhelming level of paperwork that is required. If confirmed, what I would hope to do would be to look at the requirements that we are asking for and see if it is possible for us to look at streamlining our requests, along with ensuring a high level of accountability.

Like I said, all of our sponsors think that the pilot programs—and I believe the chairman actually passed a law that has a pilot that will start in Texas this summer, and we have also seen a significant increase in the number of sponsors interested in participating in that pilot—but almost all of the comments that we receive are that the paperwork requirements are just overwhelming in terms of what we are asking for. I believe that that is where I would start my review in terms of looking to see what we can do or, more importantly, what we can do differently.

Let me provide to you a real specific example of what we did in another program in Texas. About a year to 18 months ago, our application process, or the actual application form to receive food stamps, Temporary Assistance to Needy Families, and Medicaid was essentially on one form, but it was as long as 18 pages. I brought in a group of clients, consumers, advocacy organizations, and our staff to look at it and essentially say there has got to be a better way. Right now, front and back, that form is down to about five pages. We are getting the same information, it is easier, it is much more customer-friendly.

I would be interested in looking at a process that would afford us the opportunity to do that.

Senator HUTCHINSON. Is any of that kind of reporting being done electronically, or is it all still paper and forms?

Mr. BOST. I believe it is a combination of both. Here again is another option for us to look at, becoming much more automated.

Senator HUTCHINSON. Well, I endorse those efforts. I hope that you will. That is usually the complaint that we hear about not only the Department of Agriculture but across the Federal Government, that there is too much paperwork involved. I hope that you will make that a priority and try to provide some relief there. I think that is a good goal.

To both of you, I would like to pose this question: Do you anticipate any specific changes that you are going to make, that you have already thought about, areas where you feel that you are going to initiate some different policies?

Mr. Hawks.

Mr. HAWKS. Senator, it is a little difficult to evaluate—I have been here in a consulting capacity for about 10 days—but I would

be very candid with you and say that in my past experiences, there is always an opportunity, after thoroughly evaluating things, to see ways to streamline them, and like Mr. Bost, anything that we can do to eliminate some of the bureaucratic red tape, I will certainly be looking toward that.

Senator HUTCHINSON. Mr. Bost.

Mr. BOST. Senator, I do not know if I would say anything at this point specifically that I would want to change, but I am always in the position of looking at how we can improve our efficiency in terms of how we do things. At this point, I have not been here long enough to make a determination of how some things are done. I am not interested in changing it just for the sake of changing it; I am only interested in looking at making some recommendations or possibly changing some things that we can do better, if they can be improved.

So at this point, it is too premature and too presumptuous, I believe, at this juncture for me to say anything, because I do not know enough.

Senator HUTCHINSON. Those are probably prudent answers.

Thank you. We wish you the best.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Hutchinson.

We have been joined by the distinguished ranking member, Senator Harkin, but I will give him a breathing space of a few minutes while I commence questions, and then I will ask Senator Harkin for his opening statement, either on the nominees or the credit situation and questions thereof, and then we will complete this portion of our hearing and proceed on to the credit hearing.

Mr. Hawks, let me ask you about one additional program for which you have responsibility. We have had an investigation and then, a fairly large and well-attended hearing about eight USDA fruit and vegetable inspectors who were arrested for bribery at the Hunt's Point Terminal produce market in the Bronx, New York. We have had before the committee a good number of people explaining what happened there and what is supposed to happen.

Have you had a chance to look into that predicament, and do you have any comment about it?

Mr. HAWKS. Mr. Chairman, I do have a comment about that. Having looked briefly at what transpired there—and I would say that it was a very unfortunate situation—I do understand that there have been some prosecutions and some convictions as they relate to that incident. I also know that we are improving the facilities there to train inspectors.

But one thing that I would like to say to this committee is that I will uphold the highest level of honesty and integrity in this entire department, administration, where I have any influence whatsoever. That is my intent.

The CHAIRMAN. I appreciate that intent and likewise your keeping track of this. It seems to be an ongoing investigation that will probably consume some of your early time.

Mr. Bost, annually, we have oversight hearings on food stamp administration, and I would say that over the course of the year, if I can draw any conclusions from that, the waste, fraud, and

abuse question has been addressed, but likewise, improvements have been made, and sometimes substantial improvements.

In the State of Texas, you have had an Electronic Benefits Transfer system which has been recommended for food stamp programs in all of our States, and likewise, a decreasing number of violations of any sort, and your quality control seems to have been excellent, and Texas has been cited for that.

On both of these situations, can you make a comment as to the difficulty for a State as large as Texas to adopt the Electronic Benefits Transfer system. How did you get the error rate under control and come to an exemplary solution, and what will these mean for the other 49 States as you come into a responsibility for this?

Mr. BOST. Mr. Chairman, first of all, let me say that the staff in the Texas Department of Human Services has done an outstanding job in terms of implementing both of those programs. There has been a real commitment on their part to ensure that we are the premier human services agency in the country in terms of the implementation of those specific programs.

In our EBT program, we were among the first in the country to start in 1995. We are now into our second generation—I just signed a contract this past February—and we took a little bit of a different approach where, instead of using one vendor, we took a multi-vendor approach. It works 99.99 percent of the time. During the course of the last 18 months, it has only been down three times, and each of those three times, it was down because of problems with the telephone companies, not with the system itself.

I think that our success with that program has been primarily for two reasons—one, the partnership that we had with Transactive; and two, the infrastructure. We spent a great deal of time making sure that the infrastructure would support what we want to accomplish.

In terms of our accuracy rate, it was one of the things that I first established as a goal for the department when I became commissioner in 1997. We had a high error rate hovering around 12 percent. This last year, our error rate was down to about 4.14 percent. We received enhanced funding in the amount of $28.6 million, the most earned by any State in the history of the food stamp program.

If I have to look for how we were able to accomplish that, there are several reasons. No. 1, I think there is a real commitment on the part of the staff. No. 2, I invested a lot of time and energy in ensuring that we trained our staff. No. 3, I built in a quality assurance review system to ensure that staff were following the guidelines that we had established. I also established call centers. We have call centers around the State whereby clients are able to call and report changes and do not necessarily have to come in to the offices. The clients love that, because it is easy to pick up a telephone and call, as opposed to in some places, getting on a bus and transferring with children three or four times and actually coming into an office.

In addition to that, I had an automated system that was a part of that process that I also believe has contributed to our success.

I believe that all of those reasons have contributed to our success and also contribute to our ability to detect fraud and abuse early on in our system. The General Accounting Office essentially cited

our program as being one of the leaders in the country, and that is one thing that I am real proud of, because it has been my experience in 20 years that they do not necessarily have too many positive things to say about most systems; so when they came out and said this, it was something that made us all feel very, very good about what we were able to accomplish.

The CHAIRMAN. Well, it made the committee feel good, too. There is nothing more devastating in the food stamp program, ultimately, than reports such as we have had in hearings that people have used food stamps as currency in neighborhoods, often for other purposes.

The Electronic Benefits Transfer Program was designed so there is an audit trail, and the floating around of this paper as a substitute currency declines. This leads us to wonder from time to time why there is a reticence or difficulty in adopting electronic benefits transfer in other places. The other dilemma, of course, is that even a very low error rate brings a number of critics of the program. There are a number of American taxpayers who ask why is there an error rate—are people receiving food stamps beyond what they should get, or are people in fact being cheated of benefits because they are poor and are not knowledgeable about the situation.

On both counts, there is enormous scrutiny, because the program has been going on for a long time, as you know. You cannot administer the program before you are confirmed, but I just want to underline how important this is in terms of the integrity of the program, because this committee has strong support of that safety net for Americans, and we want to make sure its integrity remains.

Mr. BOST. Mr. Chairman, I would agree with you, and I would add two additional points. We too have received some criticism in Texas regarding how well the program works, and one of the criticisms that I received was that we must not be doing something in terms of access or that we were not giving people enough benefits. The way the error rate is computed, it is an error if you give them too much, but it is also an error if you do not give them enough. So for us to have one of the lowest in the country while serving almost 1.2 million people monthly, I think is a major accomplishment on our part.

The other issue that was also very, very important to me was this issue that there are people who are eligible for food stamps who are not receiving them. Well, last year, I kicked off probably one of the most comprehensive outreach campaigns in the entire State. I sent staff out throughout the State, and we made over 80,000 in-person contacts with homeless shelters, with food banks, the post office, the barbershop—everyplace where people live and work or are not working—also, I sent out information to all the daily newspapers, saying that if you think you are eligible for food stamps, here is an office you can go to or here is a number that you can call. I tried to make sure there was that balance in terms of maintaining a high level of integrity in our program, but also ensuring that if you thought you were eligible to receive benefits, you would come into our office to apply for them, or if there were a large group of people somewhere, like a homeless shelter—because I heard that, too—I would actually send a staff person there to take your application on the spot.

So my goal was to ensure that we struck that balance in terms of increasing access but also maintaining the integrity of the program; and also, a third component which is very, very important to me personally is building in some sense of personal responsibility that people have to go out and get a job, to work and be able to provide for yourself if you are not eligible or if you do not meet the requirements to participate in the program.

The CHAIRMAN. Well, I thank you for that additional response on the advocacy issue, which would have been another question, what about the outreach.

Mr. BOST. I am sorry, Senator.

The CHAIRMAN. I am delighted that you have responded.

Finally, as a part of our hearings, I discovered, as did other members, that we could use the data from school lunch applications with State governments to qualify a number of children for Medicaid, for the SCHIP program. That data was not being shared; it was sort of a stovepipe situation, which has some understandable privacy issues. Nevertheless we passed legislation to make that sharing possible and to make many more low-income children eligible for the SCHIP program.

Are you aware of that, and did you adopt it in Texas, and if not, do you have any comment about this issue?

Mr. BOST. Mr. Chairman, I think that that was an excellent idea in terms of increasing access for children to receive those medical services in addition to improving their nutritional lives. The only—"criticism" is probably too strong a word—caution, I guess—the only caution that I have heard about the implementation of this has been about the sharing of confidential data. Other than that, everyone that I have talked to around the country has been very, very supportive of it and has found it to be very useful and very helpful in terms of ensuring that children are enrolled.

The CHAIRMAN. I appreciate that concern. These privacy concerns are not trivial; they are important. It just appeared to us in a common sense way that for children of low income who had already gotten somehow the forms filled out for the school lunch program, this data might be shared for their health care. I am hopeful that this common sense will prevail over the need for a bureaucratic separation and entirely new forms and what-have-you—and obviously, you are, too, so we are hopeful of moving ahead.

Mr. BOST. Yes, absolutely. I share your concern.

The CHAIRMAN. Thank you.

Senator Harkin.

Senator HARKIN. Thank you, Mr. Chairman.

I would just ask that my statement be made a part of the record.

The CHAIRMAN. It will be included in full.

Senator HARKIN. I want to concur in the statements that the chairman just made. I support his views entirely on those matters.

I want to welcome Mr. Bost and Mr. Hawks to the committee. I have just a couple of issues that I would like to cover with the two of you, very briefly.

Mr. Bost, a major theme of welfare reform has been to encourage low-income families to work to reduce their need for cash assistance—that is all of the welfare-to-work program. Yet today, extensive verification requirements and requirements of frequent re-

applications make it much harder for working families to obtain food stamps than for families on cash assistance.

In the last couple of years, the Department has taken several important initiatives to reduce the administrative burdens of low-wage working families who need food stamps to help their families eat.

Again, as Under Secretary, I would ask if you would explore further measures that can be taken. I do not think we are at the best level yet of reducing these burdens, and I hope that you will take a further look at what we can do to reduce those administrative burdens.

Mr. BOST. Absolutely, Senator. I would be more than happy to do that if confirmed.

Senator HARKIN. Second, on the school breakfast program, we are still lagging in getting schools and students into this program. That has been a keen interest of mine and of a number of others on this committee as to how we can expand the school breakfast program. As you know, we have some pilot programs ongoing right now to expand that program, and I wonder if you have any thoughts on what steps you might take to support expansion of the school breakfast program to more schools and more students, and would that be an area that you would be very proactive in?

Mr. BOST. Senator, absolutely. Going back to the comment I made earlier, I think before you arrived, one of the overwhelming comments that I have received in my role as commissioner in Texas from current sponsors and entities that would be interested in becoming sponsors in terms of implementing this program has been the overwhelming burden of the paperwork requirements. That has been a deterrent to some entities in terms of being able to enroll and to process the information.

If confirmed, my commitment would be to look at that to see what we can do to make it easier and more user-friendly and to add a level of flexibility to our programs that is now missing, but also, concurrently, to ensure that if we do that, we maintain a high level of integrity in the program. So my commitment to you is that absolutely, I would be more than happy to look into this.

Senator HARKIN. Thank you.

Last, on the WIC program, I was heartened that Secretary Veneman assured the Appropriations Committee that the Department would be monitoring spending in the WIC program to ensure that there is no reduction in the number of eligible women, infants, and children served. Again, I hope that you will continue to give us your thoughts and suggestions on how we can expand the WIC program to serve those in need, and I hope that will be a priority of yours in your new position.

Mr. BOST. Absolutely, Senator.

Senator HARKIN. Finally, Senators Dole and McGovern have proposed what I call an international school lunch program. It has received a lot of publicity, it has been widely supported, and I think it is a great concept. I think others on the committee have been supporting it on a bipartisan basis. I think we are going to be feeling our way forward as to exactly how we implement the legislation or how we can get the legislation through and how we can move ahead in this area. But I think it could be a wonderful thing for

the United States to take the lead in getting other producing nations involved in providing the commodities for Third World countries. I think this could act as a great magnet to get kids out of work places, reducing the incidence of child labor around the world and getting these kids into school.

When you think about it, while we spend a very small part of our disposable income on food in this country—less than 10 percent, something like that. In some Third World countries, 50 to 60 percent and more of their disposable income goes for food. So while giving a free breakfast or a free lunch to a student in this country might not save the family a great deal of money because we spend so little of our disposable income on food, one nutritious meal for a child in a Third World country not only helps that child in terms of the child's own nutrition and health and education, but it saves the family a lot of money. So again, I think it can be a great economic incentive for families to get their kids into school, also, because a lot of the kids bring home money from working in child labor. If we could replace some of that income with food, then, I think there would be less reticence on the part of families to let the kids out of the workplaces and get them into school.

I tell you all that because I do not know what role you will play in that, and I do not know what role the Department of Agriculture is going to play in it; but I hope that you will take a look at it and become aware of the legislation that is pending and give us your best thoughts and suggestions as Under Secretary as to how we might use the Department of Agriculture to help stimulate this and get it moving around the world.

I hope you will take a good look at it and give us your best thoughts on that.

Mr. BOST. Absolutely, Senator. I would be more than happy to do that.

Senator HARKIN. Thank you.

Mr. Hawks, last year, the General Accounting Office called for more effective USDA enforcement of the Packers and Stockyards Act. That included better teamwork of lawyers and economists, plus assigning more lawyers to handle the investigation. The Appropriations Committee last year put in more money specifically for stronger Packers and Stockyards Act enforcement. That was in last year's appropriations bill.

My question is will you make sure that USDA steps up and increases their Packers and Stockyards Act enforcement?

Mr. HAWKS. Yes, Senator. If confirmed, it is my intent to ensure that we enforce every law, every regulation that is in existence with all haste.

Senator HARKIN. There is a great deal of concern out my way, at least, and I think maybe in other parts of the country, about concentration, and the lack of markets for our farmers. Also, we are not getting enough information out on mandatory price reporting. We passed the legislation on that, but for some reason, we are still not getting the information out to farmers. I do not know if that law is being enforced adequately enough.

These are the reasons why we really have to focus on this. We put the money in, and I just hope that you will step up the enforcement even more than it was a year ago.

Mr. HAWKS. Senator, I have the same concerns that you have about those issues. Being a farmer myself, I understand the need for adequate price discovery, and I also understand the need for transparency in the reporting process. But I had said before you came in that it is my intent to fix the mandatory price reporting program.

Senator HARKIN. Good for you. I look forward to working with you.

Thank you, Mr. Chairman.

The CHAIRMAN. We are on the same wavelength. I peppered Mr. Hawks with the same questions—but he has affirmed it again; he has not changed his mind.

Mr. HAWKS. You got it on the record twice.

The CHAIRMAN. Senator Stabenow.

Senator STABENOW. Thank you, Mr. Chairman, and good morning. I appreciate your holding the hearing, and welcome to our two nominees this morning.

I would like to first ask Mr. Bost—it is more a comment than anything else. I want to talk with you for a moment about the importance in Michigan—I represent the wonderful agriculture community in Michigan. There has been a real partnership as it relates to our farmers, our commodities, through the purchase of many of our fruits and vegetables for school lunch, and we are looking forward to continuing to partner with the school breakfast program as well. I think it has been one of the most positive ways that has brought the agricultural community together with the nutritional needs of children. I would hope that you would continue to aggressively pursue that partnership.

Mr. BOST. Absolutely.

Senator STABENOW. We benefited recently in Michigan from apples and cherries being purchased for school lunch, and this year, our asparagus growers are very interested in the same thing, so I will put a plug in for them.

But I think that the Bonus Purchase Program is very important to continue and to expand upon because of the obvious benefits both to children and to our farmers.

I do not know if you have any thoughts on that or if you have taken a look at it. I know that FSA is directly involved in that area, but anything that we can do that brings more of our fresh fruits and vegetables and other products together with the needs of families through the commodity programs and the other areas in which you touch—as you said, you touch one out of five people in the country; that is a pretty awesome responsibility, and I think there is a very important part of this that benefits both our farmers and the people who are in need of nutritious food.

Mr. BOST. Thank you, Senator.

I am not familiar with all of the aspects of that program; I have heard about some of them. But if confirmed, my commitment is to, of course, look at continuing to strengthen those partnerships and collaborations. We are interested in doing all that we can do to improve the nutritional lives of our children in this country, and of course, fruits and vegetables are very, very important to that.

Senator STABENOW. Thank you.

Mr. Hawks, again regarding something that is critical in Michigan, I just want to bring to your attention something that I brought to the attention of the Secretary, and hopefully she has talked with you or you will be talking about a real challenge in Michigan, an animal disease that is devastating Michigan, which is bovine TB. It is in our deer herds, and it is an extremely serious issue and is, as you may be aware, being transferred to our cattle. I would hope that you could work with us to eradicate this disease. Obviously, it is a long-term issue, but there are both short-term as well as long-term issues on research, and working with Michigan State University, there has been a very aggressive level at the State level regarding the issue of bovine TB.

This is an extremely serious issue for our State, and I would like to know if you are aware of it at this point and if you have any thoughts as to how we might work together on it.

Mr. HAWKS. Yes, Senator. I am looking forward to working with you on that issue. I have been apprised of it, and I would like to share with you some of my past experiences with eradication programs.

In my earlier years as a farmer and a cattleman, I had some herds that were infected with brucellosis. They were crossbred animals that I had gotten out of Texas that infected my herd—yes, Texas—and I was having to corral those cattle in August. For those of you who know anything about corralling Brahma cattle in August, it is not good in Mississippi. I will share with you the fact that on the day we were out there getting them up, I told the guys who worked for me: "Life is too short to do this. We are going to get out of the cattle business."

I understand the need for eliminating all diseases in cattle, and I do look forward to working with you.

Senator STABENOW. I look forward to working with you. We do not want our folks getting out of the business, though.

[Laughter.]

Mr. HAWKS. I do not want your people out of business, either.

Senator STABENOW. I would certainly invite you to come to Michigan at some point and meet with folks. We have had entire dairy herds that have had to be put down as a result of this. It is a real challenge for us in Michigan and one that we need to partner with you on.

Mr. HAWKS. Thank you, and I look forward to working with you.

Senator STABENOW. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Conrad.

Senator CONRAD. Thank you, Mr. Chairman.

I would like to ask Mr. Hawks, have there been any steps proposed that you are aware of to deal with hoof and mouth, or foot and mouth as some call it now, that have been rejected?

Mr. HAWKS. Any——

Senator CONRAD. Are there any steps that have been proposed, aggressive steps, to prevent hoof and mouth, or foot and mouth, from spreading to this country? Are there any proposals that to your knowledge have so far been rejected?

Mr. HAWKS. Senator, not to my knowledge. Any specifics, I would be delighted to visit with you on that if confirmed. But I am not

personally aware of any steps that have been rejected. Do you mean rejected by APHIS and the science community?

Senator CONRAD. Rejected by the administrators at USDA, those in charge at USDA—any proposals that have been made by staff or by credible outside groups to more aggressively deal with foot and mouth, or hoof and mouth, that have been rejected.

Mr. HAWKS. Not to my knowledge. I am not saying there have not been, but I have not had the opportunity to nor have I had access to all the inner workings there. As you are probably familiar, in a consulting capacity, I am only there to gather information, so I have not had the opportunity to see that.

Senator CONRAD. Have you participated in meetings on the question of steps to be taken to deal with a potential spread?

Mr. HAWKS. Not exactly. I visited one—we had one session where a working group was in, and the two presenters made their presentations, but when they broke into the smaller groups, I was not there. It may have been in that environment, but there is nothing that I am personally aware of.

Senator CONRAD. The reason I raise the question is that I have been told that there have been proposals made, either at a staff level or by credible outside groups, as to additional steps to be taken and that some of those have been rejected. I would like to know if that is accurate, what the proposals have been, and maybe you could provide to the committee a list of the proposals that have been made to deal with hoof and mouth, or foot and mouth—I grew up knowing it was "hoof and mouth" and now it has somehow morphed into "foot and mouth"—I would like to know the proposals that have been made by staff and by outside groups and what the disposition of all those proposals have been and the reasons for it. That is, what have the recommendations been, and what has been the disposition of those proposals and the rationale. If there are some that have been overturned, there may be a good reason for it, but I would like to know that.

I say this because I think we have an enormous responsibility here. I think every member of this committee feels it. The danger is so acute—in reading an analysis of how easily this can spread, and when you think about how open our market is and you think of all the going back and forth there is between our country and Europe—I am told that this can be in the intestinal tract of a person and be there for several days and be transmitted in that way. It does not affect the person or the animal necessarily, but it can be transmitted just in that way. People who have been on farms—when I have been in Europe, I have, at least for part of the time, been on farms—it is very, very easy for this to be transmitted, and the consequences are so staggering if this were to come to our country and spread—as I know you appreciate, and I know every member of this committee appreciates.

I would very much like it if you could provide that.

Mr. HAWKS. Yes, Senator, I would be happy to get the information that is there, and if you have any specifics that you would like to share with me at a later time to help me in my investigation of that, I would certainly appreciate that.

Senator CONRAD. All right.

Mr. HAWKS. Thank you.

Senator CONRAD. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Conrad.

Senator Harkin.

Senator HARKIN. Thank you, Mr. Chairman.

I am sorry, Mr. Hawks. I had one other area that I wanted to cover with you.

We have some critically important Federal animal disease facilities in Ames, Iowa—the National Animal Disease Center, the Center for Veterinary Biologics, and the National Veterinary Services Laboratory—in fact, Secretary Veneman just visited the National Animal Disease Center last Friday. Apropos of what Senator Conrad was just saying, this country has become keenly aware of what could happen here and the costs and problems that can occur because of animal diseases.

I do not know how many billions of dollars Great Britain has lost now, but it is in the billions, and Europe also—enormous sums of money. It can also affect human health as well, in terms of BSE—not foot and mouth, but BSE.

These facilities without a doubt need upgrading. They are out-of-date. Many of the buildings are over 50 years old, and quite frankly, the facilities themselves may actually present a great risk in terms of the kinds of things they are dealing with there and how out-of-date they are.

A highly respected international peer review group that was created by USDA to look at the draft report on what should be done indicated that the need to move forward was—and I use the word that they use—urgent, should be considered an emergency, that the inadequacy of some of the facilities is astounding, that there is a severe vulnerability—a severe vulnerability.

This facility deals with some of the most toxic pathogens, some of the most virulent pathogens known to humankind, and yet they are not really that secure. Current studies are restricted that the status quo is not an option. This is all out of that report.

This peer review group indicated that the improvements would facilitate United States animal exports which could presently be at some risk because of the poor quality of the existing facilities.

Will you carefully review this situation and be prepared to support the action and funding necessary to upgrade these badly outdated facilities?

Mr. HAWKS. Yes, Senator. I am aware of the situation there at Ames and understand that that is a joint ARS and APHIS facility out there, and I look forward to working with you and members of this committee as we move forward with that. I am looking forward to going out there and having the opportunity to visit those facilities.

Senator HARKIN. You have not been there yet?

Mr. HAWKS. No, sir, I have not.

Senator HARKIN. Well, I urge you to go out and take a look at those facilities. I think you will see with your own eyes that there is a campus facility out there. The Federal Government has this land, and it can be—I do not know what the proper word is—a good perimeter can be put around it. It can be made very secure. As you know, they did incinerate and dispose of the carcasses—well, they actually disposed of all the sheep that came out of New

England that were brought there for disposal. I went out to view that myself, and I am not an expert in these areas, but it does not take too much of a trained eye to see that this may have been OK 50 or 60 years ago, but it is not for the new century.

Mr. HAWKS. I will assure you that that is a priority issue with APHIS.

Senator HARKIN. I appreciate it. Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Harkin.

For the record, the committee's concern that has been expressed by Senator Conrad and Senator Harkin's last comments about foot and mouth disease is profound, and of course, we called Secretary Veneman over for a briefing—it was not an open hearing, but it was an opportunity for her to bring us up-to-date—and we may want to do that again. But I appreciate that with you aboard, that will be helpful.

As we all know, to this point, the Secretary alone has been confirmed and is there by herself, and we are hopeful that staff can be supplemented by yourselves and by others.

Let me just say that the committee offers an invitation to members with additional questions to offer those, and I hope they will be submitted by the end of the day today so that you can respond as rapidly as possible.

I will work with the distinguished ranking member for an appropriate time for the committee to consider these nominations. It is our intention—and that was the purpose of the hearing and the intrusion on the credit hearing, and we thank those who are going to testify for their indulgence, because this is important business to have the administration filled out with nominees as they come.

So we thank you very much for coming and for your forthcoming responses, and we thank committee members for engaging in this dialog.

The CHAIRMAN. This portion of our hearing is concluded.

[Whereupon, at 10:15 a.m., the nominations hearing was concluded.]

APPENDIX

MAY 16, 2001

Statement of
William T. "Bill" Hawks

Before the Senate Agriculture, Nutrition, and Forestry Committee

Confirmation hearing

May 16, 2001
9:00 a.m.

Chairman Lugar, Ranking Member Harkin, and members of the Committee, I am honored to appear before you today as the nominee for Under Secretary for Marketing and Regulatory Programs at the United States Department of Agriculture. I would like to begin by thanking President George W. Bush for the privilege of being nominated to this position of public service, and I thank Senator Thad Cochran and Senate Majority Leader Trent Lott for supporting my nomination.

I am pleased to be joined today by my wife Diane, and our two children: Jennifer Hawks, and T. A. Hawks. I would like to especially thank my wife Diane for all her assistance throughout this nomination process.

I was born and raised on a dairy and row crop farm in northern Mississippi. I worked my way through college and completed a Masters degree in Agricultural Economics from Mississippi State University.

I returned home in 1970, to serve in the Army Reserve and to start my family farm. In the past, I have spent many long days milking dairy cows, growing cotton, winter wheat, corn, and soybeans. I have had to supplement my farm income during low price periods through leasing my equipment for custom harvesting. So you can see, I have weathered both good times and bad in farming.

While operating our family farm, I took the time to participate in the local USDA farm committees. For a number of years, I served as Chairman of the DeSoto County Farm Service Agency (FSA) Committee and as a local Soil and Water Conservation District commissioner. Through my involvement with these committees, I learned the very complex workings of USDA agencies.

I was actively engaged in representing Mississippi agriculture through my participation in commodity organizations. I have held leadership positions with both the National Corn Growers and the American Soybean Association. If confirmed, I will utilize my experiences

with these organizations to uphold the high standards of the United States Department of Agriculture.

Most recently, I have served the people of Mississippi as a State Senator. While in the Mississippi Senate, I served on both the Agriculture Committee and the Environmental Committee. If confirmed, my knowledge of the legislative process will be very beneficial as the United States Department of Agriculture communicates with the Congress and other interested parties.

The United States Department of Agriculture serves as an Advocate for rural America and especially to production agriculture. If confirmed, I pledge to work with members of this Committee and their staff, as well as leaders in the agricultural industry. I am confident that my educational and professional experiences have prepared me for this undersecretary position at the United States Department of Agriculture.

Thank you, Mr. Chairman, and I look forward to any questions that you may have for me.

STATEMENT OF ERIC M. BOST
UNDER SECRETARY DESIGNATE
FOOD, NUTRITION, AND CONSUMER SERVICES
U.S. DEPARTMENT OF AGRICULTURE
BEFORE THE
COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY
U.S. SENATE
MAY 16, 2001

Good morning, Mr. Chairman and Members of the Committee. I am Eric M. Bost. I am honored to appear before the Committee today as President Bush's nominee for the position of Under Secretary for Food, Nutrition, and Consumer Services in the U.S. Department of Agriculture. I thank the President and Secretary Ann Veneman for their support and trust.

I also wish to thank you, Mr. Chairman, for the unwavering leadership you and this Committee have given to our food and nutrition assistance programs over the years. I look forward to working with a Committee that has always been committed to assisting America's children, families, and elderly. This Committee has a historic and strong relationship to the programs that I hope to administer.

Mr. Chairman, I am ready to take on this important and challenging position. I am clear on the responsibility I would assume. The nutrition assistance programs are essential to fighting hunger and improving nutrition for children and low-income people. The fifteen programs administered by Food, Nutrition, and Consumer Services touch one in every five Americans. This is a humbling opportunity, but one for which I have prepared.

For more than 20 years, I have devoted my career to the management of human service agencies and residential facilities across the country, working in Arizona, Pennsylvania, Washington, Utah, Florida, North Carolina, and the District of Columbia.

I received my bachelor's degree in psychology from the University of North Carolina and hold a master's degree in special education from the University of South Florida.

In August 1997, then-Governor George Bush appointed me Commissioner of the Texas Department of Human Services (DHS), one of the nation's largest human services agencies. With an organization of more than 15,000 employees and an annual budget of $3.5 billion, I oversee the administration of state and federal programs for more than 2 million needy, aged, or disabled Texans each month. Services we provide include temporary cash assistance, food stamps, special nutrition programs, managed care programs and nursing home and community-based care for aged and disabled persons. My agency also regulates long-term care facilities and administers programs for refugees and victims of family violence and natural disasters.

From the beginning, my goals were to make the Texas Department of Human Services the premier human services agency in the country. If confirmed, I plan to set the same goal for Food, Nutrition, and Consumer Services (FNCS). It is my belief, that in order to be a premier human services agency, we must always be evolving, changing, and striving to be the best in order to provide essential services while upholding the public's trust to program integrity, compassion, and sound stewardship of the taxpayers' funds.

Mr. Chairman, I believe that an agency like FNCS needs to focus on customer services in all areas, including improving access to services, fostering community involvement, developing innovative ways to provide services, ensuring accuracy in providing services, and improving services through automation. For example, in Texas we implemented a significant food stamp outreach effort while also improving accuracy in the Food Stamp Program. At the same time, we conducted two customer service surveys to determine what improvements were needed; one by an external contractor which was statewide and involved over 7200 contacts, and another by a contractor who did a "mystery shopper" survey with over 300 contacts. What we found is that you can be accurate, accessible, and customer friendly. It is my intent, if confirmed, to work hard on establishing and strengthening customer services.

To that end, the issue of improving access to services will be a top priority for me and Secretary Veneman. I pledge to listen to our customers, service providers, state and local partners, staff, and advocacy groups nationwide to determine ways to better serve our clients. Every person eligible to participate in a program administered by FNCS should have full and easy access.

With respect to program integrity, Mr. Chairman, I am very proud of my record at the Texas DHS. The Texas DHS has broken all records by earning enhanced federal funding for the third year in a row because of its low food stamp payment error rate—I prefer to think of it as a high accuracy rate. If confirmed as Under Secretary, I will continue to pursue excellence at the national level in quality control and will work to assure that proper benefits get to those in need. Achieving high accuracy (low error) rates for all states will be a high priority for me. I would add that accuracy is not only about preventing ineligible persons from participating, it is also about ensuring that every eligible person who attempts to access the Food Stamp Program

receives the benefits for which they are entitled. The emphasis on accuracy in what is called the "negative" error rate (or not providing benefits to applicants who are eligible or providing less than what is entitled) in Texas has resulted in a 1.67% negative error rate in 1999 and a .95% error rate in 2000.

I believe that improving service through automation is critical in today's world. In Texas, we have been at the forefront of innovative automation. The first phase of the Texas Integrated Eligibility Redesign System (TIERS) was implemented in February of this year. TIERS replaced the Texas DHS' aging automation system with a state-of-the-art eligibility determination system that streamlined clients' access to services and enhance fraud prevention efforts. Its potential is to integrate programs and services across agency lines—making for a seamless system of services. Because it is not so important what organization provides the service, but that programs are there to meet the needs of our citizens.

Another innovation, of which I am very proud, is our electronic benefits transfer (EBT) system. As some of you are aware, the state recently was recognized by the General Accounting Office (GAO) in a 2000 report as a national leader in detecting fraud in the Food Stamp Program by using EBT transaction data. Two months ago, the agency transitioned into our second generation of delivering food stamp benefits electronically. EBT-2 is the first system in the nation to use a multivendor approach. This pioneering system offers greater flexibility, cost efficiency, and reliability and once again provides a platform for expanding to other programs, offering customer friendly access through one issuance system to those who need multiple services.

In closing, I want to say how I have always relied on the dedication and professionalism of my employees for effective service delivery. I understand that the employees at FNCS are among the best in the federal government service, and I look forward to their expertise and assistance. I also look forward to working with this Committee and all the Members of Congress in achieving what is best for those we serve. I commit to you today that, if confirmed, I will be an administrator who will be available to you and your staff; will answer your questions honestly and straightforwardly, even when the answer is difficult; and will work to ensure that the programs we manage are done so in the best interest of our country and our citizens.

Mr. Chairman, that concludes my testimony, I will be happy to answer any questions.

DOCUMENTS SUBMITTED FOR THE RECORD

MAY 16, 2001

May 14, 2001

Honorable Richard G. Lugar
Chairman
Committee on Agriculture, Nutrition,
and Forestry
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

On April 13, 2001, a copy of my SF 278, Executive Branch Public Financial Disclosure Report, required in connection with my nomination to serve as Under Secretary of Agriculture for Marketing and Regulatory Programs was submitted to the U.S. Office of Government Ethics. That report contained all required financial information for calendar year 2000 and for the current calendar year through April 13, 2001.

The Ethics in Government Act of 1978, as amended, also requires that I update certain of the information reported on the SF 278, i.e., that required by section 102(a)(1)(A) of the Act, respecting income (other than my federal salary and dividends, interest, rents, and capital gains) and honoraria, to a date which occurs not more than five days before the date of the hearing to be held by your Committee to consider my nomination. The hearing to be held on my nomination is scheduled for Wednesday, May 16, 2001. The purpose of this letter is to report that from the date on which I filed my Financial Disclosure Report through today, I have accrued a total of $2,962 from Hawks Farming and $5,256 as a consultant to USDA.

I trust that this letter satisfies the additional applicable reporting requirements contained in the Ethics in Government Act.

Sincerely,

William T. Hawks
Nominee for Under Secretary of Agriculture
for Marketing and Regulatory Programs

cc: Hon. Amy Comstock, Director, US Office of Government Ethics
John Surina, USDA Designated Agency Ethics Officer

QUESTIONNAIRE FOR UNITED STATES DEPARTMENT OF AGRICULTURE NOMINEES
BIOGRAPHICAL INFORMATION (PUBLIC)

1. Full name, (include any former names used),and City and State where you currently reside.

William Thomas Hawks (Bill Hawks), Hernando, Mississippi

2. Date and place of birth.

11/22/1944, near Oxford, Mississippi

3. Marital Status (include maiden name of wife or husband's name). List spouse's occupation, employer's name and business address(es).

I am married to Diane Allen Hawks, who works with me on the family farm, Hawks Farming, P. O. Box 446, Hernando, MS 38632.

4. Education: List each college and graduate or professional school you have attended, including dates of attendance, degrees received, and dates degrees were granted.

B. S., Agricultural Economics, Mississippi State University 1968 and M. S., Agricultural Economics, Mississippi State University 1970. Attendance was from 1963-1970.

5. Employment Record: List (by year) all business or professional corporations, companies, firms, or other enterprises, partnerships, institutions and organizations, nonprofit or otherwise, including farms, with which you were connected as an officer, director, partner, proprietor, or employee since graduation from college; include a title and brief job description.

DeSoto East, Inc., Hernando, MS a residential development Company, President (1988-present) and director
Hawks Farming, Hernando, MS, a farming general partnership
Alphaba Farm No. 1, Inc., Hernando, MS, a farm corporation, President (1986-present) and director
Alphaba Farm No. 2, Inc., Hernando, MS, a farm corporation, President (1997-present) and director
Alphaba Farm No. 3, Inc., Hernando, MS, a farm corporation, President (1998-present) and director
Federal Land Bank Association, Senatobia, MS, agricultural lending institution, officer and director (1990-95)

DeSoto County Cooperative, Hernando, MS, a farm supply cooperative, officer and director 1979-Present
Mississippi State Senate, (1995-99)

6. Military Service: Have you had any military service? If so, give particulars, including the dates, branch of service, rank or rate, serial number and type of discharge received.

1968-1970, Army Reserves, E-4, ER14983115, Honorable
1970-1972, MS National Guard, E-5, ER14983115, Honorable
1972-1980, TN Air National Guard, TSGT, 426-92-8292, Honorable

7. Government Service: State (chronologically) your government service or public offices you have held, including the terms of service grade levels and whether such positions were elected or appointed.

Mississippi Soil and Water Conservation Commission, 1993-94, appointed
Mississippi Senate, 1995-1999, elected

8. Honors and Awards: List any scholarships, fellowships, honorary degrees, and honorary society memberships that you received and believe would be of interest to the Committee.

Mississippi State University Alumni Fellow
MS Network Farmer of the Year
Sunbelt Farmer of the Year for Mississippi
Mid-South Fair Farmer of the Year

9. Other Memberships: List all organizations to which you belong, excluding religious organizations.

Mississippi Family Council
Mississippi Economic Development Council
Delta Council
DeSoto Economic Development Council
Delta Wildlife Federation
Mississippi Farm Bureau Federation
Mississippi Soybean Association
Mississippi Corn Growers Association
Federal Land Bank Association
DeSoto County Farm Bureau
National Rifle Association
National Federation of Independent Businesses
Sons of Confederate Veterans
Mississippi Forestry Association
DeSoto County Soil and Water Conservation District
Mississippi Cattlemen's Association
Hernando Chamber of Commerce

10. Published Writings: List the titles, publishers, and dates of books, articles, reports, or other published materials (including published speeches) you have written. Please include on this list published materials on which you are listed as the principal editor. It would be helpful to the Committee if you could provide one copy of all published material that may not be readily available. Also, to the maximum extent practicable, please supply a copy of all unpublished speeches you made during the past five years on issues involving agriculture, nutrition, forestry or commodity futures policy or related matters.

N/A

11. Health: What is the present state of your health?

Good.

FINANCIAL DATA AND CONFLICT OF INTEREST (PUBLIC)

1. Have you severed all connections with your immediate past private sector employers, business firms, associations, and/or organizations?

No. However, I have agreed to resign any and all management positions, do discontinue any employment, and to implement certain procedures for divestiture and safeguards to prohibit any conflicts of interest, if confirmed.

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, incompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services, firm memberships, former employers, clients, or customers.

Deferred compensation from the Mississippi Senate cannot be accessed until 2005.

3. Do you, or does any partnership or closely held corporation in which you have an interest, own or operate a farm or ranch? (If yes, please give a brief description including location, size and type of operation.)

Currently, I own stock in three corporations that comprise Hawks Farming, a Mississippi general partnership. Hawks Farming produces corn, wheat and soybeans on approximately eight thousand leasedacres in DeSoto, Tate and Marshall counties in northwest Mississippi.

4. Have you, or any partnership or closely held corporation in which you have an interest, ever participated in Federal commodity price support programs? (If yes, provide all details including amounts of direct government payments and loans received or forfeited by crop and farm, etc. during the past five years.)

Hawks Farming generates payments as a result of participation in the farm programs. In Tate County in 1996 we repaid advance deficiency payments of $8,388 and received Production Flexibility Contract payments of $27,116 for a net of $18,728. In 1997 we repaid advance deficiency payments of $1,038. In DeSoto County in 1996 we repaid advance deficiency payments of $60,056. We received Production Flexibility Contract payments of $211,594. In 1997 we repaid advance deficiency payments of $17,414 and received Production Flexibility Contract payments of $189,566. In 1998 Hawks Farming received loan deficiency payments of $88,415.05, Production Flexibility Contract payments of $111,137 and Market Loss Assistance payments of $55,256. In 1999 we received Loan Deficiency payments of $364,125.79,Production Flexibility Payments of $120,000 and Market Loss Assistance payments of $120,000. Also, in 1999 we received Crop Loss Disaster Assistance

payments of $11,152. In 2000 Hawks Farming received $249,859.73 in Loan Deficiency payments, Production Flexibility Contract payments of $120,000, Market Loss Assistance payments of $120,000 and $29,355 in Oilseed Program payments. In Marshall County in 1996 Hawks Farming repaid $1,284 in advance deficiency payments and received Production Flexibility Contract payments of $8,932. In 1997 we received Production Flexibility Contract payments of $8,924. In 1998 we received $8,863 in Production Flexibility Contracts and $4,404 in Market Loss Assistance payments. In 1999 we received $6,598 in Loan Deficiency payments. In 2000 we received $4,528.97 in Loan Deficiency payments.

5. Have you, or any partnership or closely held corporation in which you have an interest, ever received a direct or guaranteed loan from or cosigned a note to the Rural Business-Cooperative Service, Rural Housing Service, the Rural Utilities Service or their predecessor agencies, the Farmers Home Administration, the Rural Development Administration, the Rural Housing and Cooperative Development Service or the Rural Electrification Administration? (If yes, give details of any such loan activity during the past 5 years.)

Yes, disaster loans with the Farmers Home Administration were paid in full in March of 1996.

6. Have you, or any partnership or closely held corporation in which you have an interest, ever received payments for crop losses from the Federal Crop Insurance program? (If yes, give details.)

Yes, crop insurance proceeds were collected for the soybean crop losses in 2001 for the 2000 soybean crop in the amount of $27,518.

7. If confirmed, do you have any plans, commitments, or agreements to pursue outside employment or engage in any business or vocation, with or without compensation, during your service with the government? (If so, explain.)

No, I will engage in no outside employment (compensated or otherwise) and take no active role in the management of my properties during my government service.

8. Do you have any plans to resume employment, affiliation, or practice with your previous employers, business firms, associations, or organizations after completing government service? (If yes, give details.)

No.

9. Has anyone made a commitment to employ you or retain your services in any capacity after you leave government service? (If yes, please specify.)

No.

10. Identify all investments, obligations, liabilities, or other relationships which involve potential conflicts of interest in the position to which you have been nominated.

Hawks Farming is a farm operating company that leases approximately 8,000 acres of land in DeSoto, Marshall and Tate counties in northwest Mississippi. Of this land approximately 1,660 are leased from me and my wife on a cash lease basis. Hawks Farming is comprised of three corporations and the ownership of each is as follows: Alphaba Farm No. 1, owned by me and my adult daughter; Alphaba Farm No. 2, owned by me and my adult son; and Alphaba Farm No. 3, owned by me and my wife.

My wife and I also own 40 acres of farm land in Marshall county which is cash leased to an unrelated producer.

DeSoto East, Inc., which is owned by me and my wife, owns 280 acres of farm land which is cash leased to Hawks Farming.

I currently sit on the board of directors of DeSoto County Cooperative, a farm supply cooperative and have accrued approximately $70,000 of equity through patronage.

By virtue of having served in the Mississippi Senate, I am vested in and will receive a small pension from a defined retirement program administered by the State of Mississippi.

My wife and I have mortgages with Lend Lease Agribusiness, the Federal Land Bank of North Mississippi, and Community Bank DeSoto County for farm real estate.

11. Have you ever received a government guaranteed student loan? If so, has it been repaid?

No.

12. If confirmed, explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items.

If confirmed, my wife and I will divest ownership in Hawks Farming and each of the parent corporations of Alphaba Farm Nos. 1-3. Also, I will resign my position as farm manager of Hawks Farming and no longer receive any compensation from Hawks Farming. I will resign as president of each of the three Alphaba corporations and will take no further actions on behalf of them.

In reference to the farm land which Hawks Farming leases from me and my wife and also from DeSoto East, Inc. (which my wife and I jointly own), I will negotiate written cash leases which are comparable to other cash leases for our area, and which will not be related to the productivity of the land or the value of the crop grown.

In DeSoto East, if confirmed, I plan to retain my equity interest but resign as President and will thereafter take no further action on behalf of DeSoto East. My income from DeSoto East at this point will be only passive income.

My wife and I will continue to own the 40 acre parcel in Marshall county and continue to cash lease the property to the current tenant.

If confirmed, I will resign my position on the board of directors of DeSoto County Cooperative and take no further action with this cooperative.

If confirmed, I will not participate in any particular matter in which the State of Mississippi is a specific party that would affect my retirement. In reference to the liabilities which I have on farm real estate, I will disqualify myself from any participation which would have a direct effect on these lending institutions, until such time as these debts are extinguished.

United States
Office of Government Ethics
1201 New York Avenue, NW., Suite 500
Washington, DC 20005-3917

May 2, 2001

The Honorable Richard G. Lugar
Chairman
Committee on Agriculture, Nutrition,
and Forestry
United States Senate
Washington, DC 20510-6000

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by William T. Hawks, who has been nominated by President Bush for the position of Under Secretary for Marketing and Regulatory Programs, Department of Agriculture.

We have reviewed the report and have also obtained advice from the Department of Agriculture concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is a letter dated April 13, 2001, from Mr. Hawks to the Department's ethics official, which discusses Mr. Hawks' ethics commitments and outlines the steps that he will take to avoid conflicts of interest. Unless a specific date has been agreed to, the nominee must fully comply within three months of his confirmation date with the actions he agreed to take in his ethics agreement.

Based thereon, we believe that Mr. Hawks is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Marilyn L. Glynn
General Counsel

Enclosures

Mr. John Surina
Director
Office of Ethics
U.S. Department of Agriculture
Washington, D.C. 20250-0122

Dear Mr. Surina:

The purpose of this letter is to explain the steps which I intend to take, if confirmed to serve as the Under Secretary for Marketing and Regulatory Programs (MRP), in order to avoid any potential conflict of interest and any appearance thereof between my financial interests on the one hand and the duties I will perform if appointed on the other. Holding the position of Under Secretary for MRP also generally entails a membership on the Board of Directors of the Commodity Credit Corporation. The steps noted below take into account any potential conflicts or appearance thereof associated with that position also.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any other person whose interests are imputed to me, unless I first obtain a written waiver, pursuant to section 208(b)(1), or qualify for a regulatory exemption, pursuant to section 208(b)(2). I understand that the interests of the following persons are imputed to me: my spouse, minor children, or any general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

Hawks Farming

I am the farm manager of Hawks Farming, a farm operating company that leases approximately 8,000 acres of farm land in DeSoto County, Mississippi, from 34 property holders including approximately 2,000 held directly or indirectly by my wife and myself. Hawks Farming raises corn, wheat and soybeans on this land. All the land that my wife and I own, and all but three of the leases from other persons, are farmed by Hawks Farming on a fixed cash-lease basis. Hawks Farming itself has no land, but does have some farm equipment. Three Sub Chapter S corporations own Hawks Farming and I currently have an interest in each; these are: Alphaba 1 (which is jointly held with my adult daughter, Jennifer Hawks and has no assets); Alphaba 2 (which is jointly held with my adult son, Thomas Allen Hawks, and has no assets); and Alphaba 3 (which serves as general partner over Hawks Farming, is jointly held with my wife, Diane, and has some equipment which is leased to Hawks Farming). If confirmed to serve as Under Secretary for MRP, my wife and I will, within 90 days of confirmation, divest all our ownership interests in Hawks Farming and its parent corporations (Alphaba 1, 2, and 3) by surrendering our interests to our adult children. Furthermore, upon confirmation, I will resign my position as Farm Manager of Hawks Farming, forego any compensation therefrom, resign from the positions that I currently hold as president of the three parent corporations, and take no further actions on behalf of those entities. Furthermore, in view of the fact that ownership thereafter will rest with my son and daughter, I will, if confirmed, disqualify myself from

participating in any or all particular matters involving specific parties in which either Hawks Farming or any of its parent corporations is, or represents, a party.

Farm Land Owned in DeSoto County

My wife and I jointly own seven parcels, totaling 1,660 acres of farmland in DeSoto County, Mississippi, leased to Hawks Farming. This land is currently cash-leased to Hawks Farming and will continue to be so leased. Should I be confirmed, any negotiated cash lease of this property will be on written terms comparable to other cash leases for similar purposes within DeSoto County. Payments on the cash lease will not be determined either by the productivity of the land or by the value of the crops sold from the land. I will also disqualify myself from personally and substantially participating in any particular matter that will have a direct and predictable effect on this land.

DeSoto East Inc.

DeSoto East is a Sub Chapter S corporation jointly held with my wife, Diane. This corporation was formed to create and manage a residential subdivision in DeSoto County, Mississippi. In addition to the parcels sold for residential purposes, the corporation owns 280 acres of farm land that are cash-leased to Hawks Farming. The Corporation holds the mortgages on two of the residential parcels; DeSoto East, Inc., however, financed none of the other lots sold. If confirmed, I will retain my equity interest in DeSoto East, Inc., and receive only passive income therefrom. I will surrender my position as President of DeSoto East, Inc. to my wife, Diane, and take no further action on behalf of DeSoto East Inc. I will assure that the terms of the cash lease of the aforementioned farmland to Hawks Farming will continue to be on arms-length terms comparable to other cash leases for similar purposes in DeSoto County. Further, I will disqualify myself from personally and substantially participating in any particular matter that will have a direct and predictable effect on DeSoto East, Inc.

Farmland In Marshall County

My wife and I own 40 acres of farmland in Marshall County that is cash-leased to a local farmer. If confirmed, we will retain our equity interest in this property and will retain the cash-lease basis of its lease to the operator. I will disqualify myself from personally and substantially participating in any particular matter that will have a direct and predictable effect on this land.

DeSoto County Cooperative

I have approximately $70,000 equity obtained through patronage in this equipment and supply cooperative and sit on its board of directors. If confirmed, I will resign my position on the board and take no further action on behalf of the cooperative. Further, I will disqualify myself from personally and substantially participating in any particular matter that will have a direct and predictable effect on the DeSoto County Cooperative.

Mississippi Public Employees Retirement

I am vested in and will, when reaching the prescribed age, receive a small pension from a defined benefit retirement program administered by the State of Mississippi by virtue of my service in the Mississippi State Senate. If confirmed, I will not participate in any particular matter in which the State of Mississippi is a specific party that could affect the state's ability or willingness to honor its obligation to pay those benefits.

Liabilities

My wife, Diane, and I have mortgages with Lend Lease Agribusiness Inc., the Federal Land Bank of Northern Mississippi, and the Community Bank of DeSoto County for farm real estate in DeSoto County, Mississippi. I will disqualify myself from participating personally and substantially in any particular matter that will have a direct and predictable effect on these lending institutions, until such time as those debts are extinguished.

I believe that the steps I have agreed to take, as outlined above, will assure that no conflict of interest or appearance thereof will exist between my personal financial interests on the one hand, and the duties I will perform as Under Secretary of Agriculture for Marketing and Regulatory Programs and as a member of the Board of Directors of the Commodity Credit Corporation on the other.

Sincerely,

William T. Hawks 4-13-2001

William T. Hawks
Designee for Under Secretary for
Marketing and Regulatory Programs

SF278 (Rev. 03/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

Executive Branch Personnel PUBLIC FINANCIAL DISCLOSURE REPORT

Form Approved
OMB No. 3209-0001

Date of Appointment, Candidacy, Election or Nomination (*Month, Day, Year*)	Reporting Status (*Check appropriate boxes*)	Incumbent [ ]	Calendar Year Covered by Report	New Entrant, Nominee, [X] or Candidate; Termination Filer [ ]; Termination Date (*If Applicable*) (*Month, Day, Year*)
Reporting Individual's Name	Last Name: Hawks	First Name and Middle Initial: William T.		
Position for Which Filing	Title of Position: Under Secy Marketing & Regulatory Programs	Department or Agency (*If Applicable*): USDA		
Location of Present Office (or forwarding address)	Address (*Number, Street, City, State, and ZIP Code*): P. O. Box 446, Hernando, MS 38632	Telephone No. (*Include Area Code*): 662-429-8854		
Position(s) Held with the Federal Government During the Preceding 12 Months (If Not Same as Above)	Title of Position(s) and Date(s) Held: None			
Presidential Nominees Subject to Senate Confirmation	Name of Congressional Committee Considering Nomination: Committee on Agriculture, Nutrition & Forestry	Do You Intend to Create a Qualified Diversified Trust? [ ] Yes [X] No		
Certification: I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge.	Signature of Reporting Individual: William T Hawks	Date (*Month, Day, Year*): 4-13-2001		
Other Review (If desired by agency)	Signature of Other Reviewer:	Date (*Month, Day, Year*):		
Agency Ethics Official's Opinion: On the basis of information contained in this report, I conclude that the filer is in compliance with applicable laws and regulations (subject to any comments in the box below).	Signature of Designated Agency Ethics Official/Reviewing Official: John Jarvis	Date (*Month, Day, Year*): 4/16/2001		
Office of Government Ethics Use Only: 5/1/01	Signature: Mandy J. Fly	Date (*Month, Day, Year*): 5/2/01		

Comments of Reviewing Officials (*If additional space is required, use the reverse side of this sheet*)

(*Check box if filing extension granted & indicate number of days* _____) [ ]

(*Check box if comments are continued on the reverse side*) [ ]

Fee for Late Filing

Any individual who is required to file this report and does so more than 30 days after the date the report is required to be filed, or, if an extension is granted, more than 30 days after the last day of the filing extension period shall be subject to a $200 fee.

Reporting Periods

Incumbents: The reporting period is the preceding calendar year except Part II of Schedule C and Part I of Schedule D where you must also include the filing year up to the date you file. Part II of Schedule D is not applicable.

Termination Filers: The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination. Part II of Schedule D is not applicable.

Nominees, New Entrants and Candidates for President and Vice President:

Schedule A--The reporting period for income (BLOCK C) is the preceding calendar year and the current calendar year up to the date of filing. Value assets as of any date you choose that is within 31 days of the date of filing.

Schedule B--Not applicable.

Schedule C, Part I (Liabilities)--The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.

Schedule C, Part II (Agreements or Arrangements)-- Show any agreements or arrangements as of the date of filing.

Schedule D--The reporting period is the preceding two calendar years and the current calendar year up to the date of filing.

Agency Use Only

OGE Use Only

APR 17 2001

SF278 (Rev. 03/2000)
5 C.F.R. Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: William T. Hawks

SCHEDULE A

Page Number: 1

Assets and Income — BLOCK A

For you, your spouse, and dependent children, report each asset held for investment or the production of income which had a fair market value exceeding $1,000 at the close of the reporting period, or which generated more than $200 in income during the reporting period, together with such income.

For yourself, also report the source and actual amount of earned income exceeding $200 (other than from the U.S. Government). For your spouse report the source but not the amount of earned income of more than $1,000 (except report the actual acount of any honoraria over $200 of your spouse).

None ☐

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

	Assets and Income	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
Examples	Central Airlines Common				X												X						X										
	Doe Jones & Smith, Hometown, State			X																												Law Partnership Income $140,000	
	Kempstone Equity Fund					X								X																			
	IRA: Heartland 500 Index Fund							X						X										X									
1 J	Trustmark Corporation (common) 248 E. Capitol St. Jackson, MS 39201 (bank)		X														X					X											
2 S	Community Bank DeSoto County P. O. Box 129 (common) Southaven MS 38671					X											X				X												
3 J	Marshall Financial Corp. (common) P. O. Box 667 Byhalia, MS 38611 (bank)		X														X				X												
4	MS Public Employees Retirement 429 Mississippi St. (defined benefit) Jackson, MS 39201			X																	X												
5 J	Citizens, Inc (common) P. O. Box 149151 (Insurance Holding Austin, TX 78714-9151 Company)		X														X					X											
6	J & R Southaven Investors Inc. P. O. Box 16705 (Common-- 1 Outback Jackson, MS 39236 Steakhouse in Ms)			X																	X											Subchapter S Income (-$4,007)	

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, mark the other higher categories of value, as appropriate.

Prior Editions Cannot be Used.

SF278 (Rev. 03/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: William T. Hawks

SCHEDULE A continued

(Use only if needed)

Page Number: 2

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

#	Assets and Income (BLOCK A)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1 J	DeSoto East Inc (Sub-S Corp) P. O. Box 446 Hernando, DeSoto Cty, MS 38632									X																						Sub S Corp-net distributed share $163,270	
2	income from the following properties in Desoto County, MS: a) cash rent 280 acres of farmland																																
3	b)lot sales in residential subdivision c) mortgages on two lots in the subdivision																																
4 J	Farm land, DeSoto Cty, MS -1660 acres Cash leased to Hawks Farms at flat Rate										X							X									X						
5 J	Columbus Life Ins.(fixed annuity IRA) P.O. Box 5737 Cincinnati, OH 45201-5737			X															X			X											
6 J	IRA-Citizens Bank (CD) P. O. Box 667 Byhalia, MS 38611		X																X			X											
7	MS Deferred Compensation Plan Fidelity Asset Manager		X											X							X												
	T Rowe Price International Fund		X											X							X												
8 J	Farm land, Marshall County, MS 40 acres			X														X				X											
9 J	Commercial Office Bldg, Hernando, MS					X												X							X								

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, mark the other higher categories of value, as appropriate.

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Reporting Individual's Name: William T. Hawks

SCHEDULE A continued

(Use only if needed)

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

None ☐

#	Assets and Income (BLOCK A)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1	Alphaba Farm #1, DeSoto County, MS No assets owned by corporation	x																														Subchapter S income $245	
2	Alphaba Farm #2, DeSoto County, MS No assets owned by corporation	x																														Subchapter S income $245	
3	Alphaba Farm #3, Desoto County, MS Corporation owns old equipment					X																										Subchapter S income $57,500	
4 S	Alphaba Farm #3, Desoto County, MS Corporation owns old equipment					X																										Subchapter S income $57,500	
5	Hawks Farming - DeSoto, MS Alphaba Nos. 1, 2 & 3 are partners Alphaba # 3 is general partner																															Salary $28,330 Mgmt Fee $21,250	
6 S	Hawks Farming - Farm Partnership Earned Income as Bookeeper																															Salary	
7	DeSoto County Farm Supply Coop Hernando, MS				x																x												
8 S	Columbus Life Insurance (Universal Life policy surrender value)			X															x		x												
9	Equitable Life Insurance (Universal Life policy surrender value)			X															x		x												

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, mark the other higher categ

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Do not Complete Schedule B if you are a new entrant, nominee, Vice Presidential or Presidential Candidate

Reporting Individual's Name

SCHEDULE B

Page Number

Part I: Transactions

None ☐

Report any purchase, sale, or exchange by you, your spouse, or dependent children during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction solely between you, your spouse, or dependent child. Check the "Certificate of divestiture" block to indicate sales made pursuant to a certificate of divestiture from OGE.

	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000*	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Certificate of divestiture
	Example: Central Airlines Common	x			2/1/99			x									
1																	
2																	
3																	
4																	
5																	

* This category applies only if the underlying asset is solely that of the filer's spouse or dependent children. If the underlying asset is either held by the filer or jointly held by the filer with the spouse or dependent children, use the other higher categories of value, as appropriate.

Part II: Gifts, Reimbursements, and Travel Expenses

For you, your spouse and dependent children, report the source, a brief description, and the value of: (1) gifts (such as tangible items, transportation, lodging, food, or entertainment) received from one source totaling more than $260; and (2) travel-related cash reimbursements received from one source totaling more than $260. For conflicts analysis, it is helpful to indicate a basis for receipt, such as personal friend, agency approval under 5 U.S.C. § 4111 or other statutory authority, etc. For travel-related gifts and reimbursements, include travel itinerary, dates, and the nature of expenses provided. **Exclude** anything given to you by the U.S. Government; given to your agency in connection with official travel; received from relatives; received by your spouse or dependent child totally independent of their relationship to you; or provided as personal hospitality at the donor's residence. Also, for purposes of aggregating gifts to determine the total value from one source, exclude items worth $104 or less. See instructions for other exclusions.

None ☐

	Source (Name and Address)	Brief Description	Value
Examples:	Nat'l Assn. of Rock Collectors, NY, NY	Airline ticket, hotel room & meals incident to national conference 6/15/99 (personal activity unrelated to duty)	$500
	Frank Jones, San Francisco, CA	Leather briefcase (personal friend)	$300
1			
2			
3			
4			
5			

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orting Individual's Name: liam T. Hawks

SCHEDULE C

Page Number: 1

irt I: Liabilities

port liabilities over $10,000 owed to any one creditor at y time during the reporting period by you, your spouse, dependent children. Check the highest amount owed ring the reporting period. Exclude a mortgage on your personal residence unless it is rented out; loans secured by automobiles, household furniture or appliances; and liabilities owed to certain relatives listed in instructions. See instructions for revolving charge accounts.

None ☐

	Creditors (Name and Address)	Type of Liability	Date Incurred	Interest Rate	Term if applicable	Category of Amount or Value (x): $10,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
xamples:	First District Bank, Washington, DC	Mortgage on rental property, Delaware	1991	8%	25 yrs.			x								
	John Jones, 123 J St., Washington, DC	Promissory note	1999	10%	on demand					x						
	Lend Lease Agribusiness Inc. P. O. Box 411995, St. Louis, MO 63141	mortgage on farm real estate	1989	7.15	15 yr.						x					
	Federal Land Bank of No. MS P. O. Box 667, Senatobia, MS 38668	mortgage on farm real estate	1996	7.45%	20 yr.						x					
	Community Bank DeSoto County P. O. Box 129, Southaven, MS 38671	mortgage on farm real estate	1998	7.5%	3 yr.					x						

This category applies only if the liability is solely that of the filer's spouse or dependent children. If the liability is that of the filer or a joint liability of the filer ith the spouse or dependent children, mark the other higher categories, as appropriate.

'art II: Agreements or Arrangements

eport your agreements or arrangements for: continuing participation in an nployee benefit plan (e.g. 401k, deferred compensation; (2) continuation ıyment by a former employer (including severance payments); (3) leaves of absence; and (4) future employment. See instructions regarding the reporting of negotiations for any of these arrangements or benefits.

None ☐

	Status and Terms of any Agreement or Arrangement	Parties	Date
Example:	Pursuant to partnership agreement, will receive lump sum payment of capital account & partnership share calculated on service performed through 1/00.	Doe Jones & Smith, Hometown, State	7/85
	Mississippi Public Employees Retirement, a defined benefit plan based on service as a State employee. Not eligible for payments until age 60	State of Mississippi, 429 Mississippi Street Jackson, MS 39201	Jan 95
	Mississippi Deferred Compensation Plan, a defined contribution plan for employees of the State of Mississippi. No further contributions will be made to the plan by the State. Eligible to commence payments in January, 2005	State of Mississippi, 429 Mississippi Street Jackson, MS 39201	Jan 95

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Reporting Individual's Name	SCHEDULE D	Page Number
William T. Hawks		1

Part I: Positions Held Outside U.S. Government

Report any positions held during the applicable reporting period, whether compensated or not. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. **Exclude** positions with religious, social, fraternal, or political entities and those solely of an honorary nature.

None ☐

	Organization (*Name and Address*)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Examples:	Nat'l Assn. of Rock Collectors, NY, NY	Non-profit education	President	6/92	Present
	Doe Jones & Smith, Hometown, State	Law firm	Partner	7/85	1/00
1	Alphaba Farm No. 1, Inc., P. O. Box 446, Hernando, MS 38632	Farming Corporation	President	1986	Present
	Alphaba Farm No. 2, Inc., P. O. Box 446, Hernando, MS 38632	Farming Corporation	President	1997	Present
2	Alphaba Farm No. 3, Inc., P. O. Box 446, Hernando, MS 38632	Farming Corporation	President	1997	Present
	DeSoto East, Inc., P. O. Box 446, Hernando, MS 38632	Residential development Corp.	President	1989	Present
3	DeSoto County Cooperative, 2425 Mt. Pleasant Rd., Hernando, MS 3863	Farm Supply Cooperative	Board of Directors	1979	Present
	Senator, Mississippi District #1	State Legislature	Senator	1/1995	12/1999
4	Hawks Farming, P.O. Box 446, Hernando, MS 38632	Farm Operation	Farm Manager	1986	Present
5					
6					

Part II: Compensation In Excess Of $5,000 Paid by One Source

Report sources of more than $5,000 compensation received by you or your business affiliation for services provided directly by you during any one year of the reporting period. This includes the names of clients and customers of any corporation, firm, partnership, or other business enterprise, or any other non-profit organization when you directly provided the services generating a fee or payment of more than $5,000. You need not report the U.S. Government as a source.

Do not complete this part if you are an Incumbent, Termination Filer, or Vice Presidential or Presidential Candidate

None ☐

	Source (*Name and Address*)	Brief Description of Duties
Examples:	Doe Jones & Smith, Hometown, State	Legal services
	Metro University (client of Doe Jones & Smith), Moneytown, State	Legal services in connection with university construction
1	Hawks Farming, P. O. Box 446, Hernando, MS 38632	Farm management
	Mississippi State Senate, P. O. Box 1018, Jackson, MS 39215-1018	Senator, Mississippi District #1
2		
3		
4		
5		
6		

Prior Editions Cannot Be Used.

May 14, 2001

Honorable Richard G. Lugar
Chairman
Committee on Agriculture, Nutrition,
and Forestry
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

On April 27, 2001, a copy of my SF 278, Executive Branch Public Financial Disclosure Report, required in connection with my nomination to serve as Under Secretary of Agriculture for Food, Nutrition and Consumer Services was submitted to the U.S. Office of Government Ethics. That report contained all required financial information for calendar year 2000 and for the current calendar year through April 27, 2001.

The Ethics in Government Act of 1978, as amended, also requires that I update certain of the information reported on the SF 278, i.e., that required by section 102(a)(1)(A) of the Act, respecting income (other than my federal salary and dividends, interest, rents, and capital gains) and honoraria, to a date which occurs not more than five days before the date of the hearing to be held by your Committee to consider my nomination. The hearing to be held on my nomination is scheduled for Wednesday, May 16, 2001. The purpose of this letter is to report that from the date on which I filed my Financial Disclosure Report through today, I have accrued a total of $6,900 as Commissioner of Human Services for the State of Texas and $6,132 as a consultant to USDA.

I trust that this letter satisfies the additional applicable reporting requirements contained in the Ethics in Government Act.

Sincerely,

Eric M. Bost
Nominee for Under Secretary of Agriculture
for Food, Nutrition and Consumer Services

cc: Hon. Amy Comstock, Director, US Office of Government Ethics
John Surina, USDA Designated Agency Ethics Officer

QUESTIONNAIRE FOR UNITED STATES DEPARTMENT OF AGRICULTURE NOMINEES
BIOGRAPHICAL INFORMATION (PUBLIC)

1. **Full name, (include any former names used), and City and State where you currently reside.**
   Eric Michael Bost
   Austin, Texas

2. **Date and place of birth.**
   08/08/53, Concord, N.C.

3. **Marital Status (include maiden name of wife or husband's name). List spouse's occupation, employer's name and business address(es).**
   Married
   Rose Mary Vaughn Brownridge
   Physician
   Texas Department of Health
   1100 W. 45th Street
   Austin, Texas 78751

4. **Education: List each college and graduate or professional school you have attended, including dates of attendance, degrees received, and dates degrees were granted.**
   University of South Florida
   Tampa, Florida
   01/83 to 12/85
   MA Special Education - 12/85

   University of North Carolina
   Chapel Hill, N.C.
   06/71 to 12/74
   BA - 12/74

5. **Employment Record: List (by year) all business or professional corporations, companies, firms, or other enterprises, partnerships, institutions and organizations, nonprofit or otherwise, including farms, with which you were connected as an officer, director, partner, proprietor, or employee since graduation from college; include a title and brief job description.**
   My entire employment history has been in government service positions - see response to question 7.

6. Military Service: **Have you had any military service? If so, give particulars, including the dates, branch of service, rank or rate, serial number and type of discharge received.**
None.

7. Government Service: **State (chronologically) your government service or public offices you have held, including the terms of service grade levels and whether such positions were elected or appointed.**
Commissioner - appointed 08/97 - Present
Texas Department of Human Services
Austin, Texas
Chief executive and administrative officer of DHS, one of the largest human services agencies in the nation with 15,000 employees in over 500 offices statewide, with an annual budget of $5 billion. Administer state and federal programs for more than 2 million Texans. Programs include Temporary Assistance to Needy Families, Food Stamps and Special Nutrition Programs, Medicaid eligibility, nursing home and community based care for aged and disabled persons, regulation of long term care facilities, and programs which assist victims of family violence, natural disasters and refugee resettlement.

Deputy Director - appointed 01/94 to 08/97
Arizona Department of Economic Security
Phoenix, AZ
DES is a human services agency with a budget of $2.4 billion and 9,400 employees. Responsible for adult and child protective services, shelter for the homeless, adoptive, in-home family services, aging and community services, long term care, child care, foster care, residential, and services to persons with developmental disabilities.

Assistant Director 10/93 to 01/94
Arizona Department of Economic Security
Phoenix, AZ
Responsible for the management of statewide programs for children and adults with developmental disabilities.

Director/Administrator 12/92 to 10/93
Department of Human Services
MR/DD Administration
Washington, D.C.
Directly responsible for planning, developing, directing, and coordinating the delivery of mental retardation and/or developmental disability services throughout the District of Columbia.

Facility Director 07/89 to 12/92
Western Center
Canonsburg, PA
Responsible for the efficient and effective operations of all functions in a regional state residential facility serving 425 persons with MR/DD.

Emergency/Interim Executive Director 09/91 to 04/92
Bensalem Youth Development Center
Bensalem, PA
Director of a youth detention center serving 200 youth ages 12 to 19.

Interim Facility Director 01/91 to 08/91
Embreeville Center
Coatesville, PA
Directed a regional state MR residential facility serving 400 person.

Superintendent 05/88 to 07/89
Rainer School
Buckley, WA
Administrative officer for a regional state MR/DD facility serving 1000 persons.

DD/MR Director 05/86 to 05/88
Utah State Training School
American Fork, UT
Unit Director for 125 persons with MR/DD. Supervised 100 employees.

Residential Services Director 02/82 to 05/86
Gulf Coast Center
Ft. Myers, FL
Quality assurance director for a regional state MR/DD facility serving 500 persons.

Program Director MR Services 10/80 to 02/82
Cherry Hospital
Goldsboro, N.C.
Director of the MR unit at a state psychiatric hospital.

Mental Retardation Unit Director 05/80 to 10/80
Caswell Center
Kinston, N.C.
Unit Director for a regional state MR facility serving 1500 persons.

MR Habilitation Coordinator 12/77 to 05/80
Murdoch Center
Butner, N.C.
Developed programs for 60 persons living in a regional state MR facility.

Social Worker II 12/74 to 12/77
Caswell Center
Kinston, N.C.
Social services provided to clients and families at a regional state MR facility.

8. **Honors and Awards: List any scholarships, fellowships, honorary degrees, and honorary society memberships that you received and believe would be of interest to the Committee.**
None

9. **Other Memberships: List all organizations to which you belong, excluding religious organizations.**
American Public Human Services Association, Board Member
Valley of the Sun YMCA, Former Board Member

10. **Published Writings: List the titles, publishers, and dates of books, articles, reports, or other published materials (including published speeches) you have written. Please include on this list published materials on which you are listed as the principal editor. It would be helpful to the Committee if you could provide one copy of all published material that may not be readily available. Also, to the maximum extent practicable, please supply a copy of all unpublished speeches you made during the past five years on issues involving agriculture, nutrition, forestry or commodity futures policy or related matters.**
See Attached - Presentations

11. **Health: What is the present state of your health?**
Good to excellent.

Eric M. Bost
PRESENTATIONS

DATE	EVENT	PLACE	TOPIC
August 2000	APWA-ISM Conference (National Conference)	Sparks, Nevada	Service Integration
February 2000	Academic Health Centers Policy Seminar	Washington, D.C.	Welfare Reform Impact on Social Services and Health Care
November 2000	Welfare Reform/Faith Based Conference	New Orleans, Louisiana	Faith Based Organizations Role in Welfare Reform
July 1999	Health and Human Services	Washington, D.C.	Outcome Performance Measures
June 1999	Packard Foundation	Washington, D.C.	Welfare Reform and Child Outcomes
April 1999	Welfare Reform Promising Conference	Baltimore, Maryland	Changing Welfare Offices to Job Centers
February 1999	Welfare Reform Promising Practices	San Diego, California	Changing Welfare Offices to Job Centers
November 1998	Bridges Program	Los Angeles, California	Panel-Community Collaborations Government
November 1998	TIES APD	Washington, D.C.	TIES Presentation
October 1998	Welfare Reform Promising Practices	Atlanta, Georgia	Promising Practices
August 1998	APWA-ISM Conference (National Conference)	San Antonio, Texas	Information Technology in Welfare
June 1996	International Conference on Aging and Disabilities	Minot, North Dakota	Managed Care and Persons with Developmental Disabilities
March 1996	Community Forum Conference	Phoenix, Arizona	Block Grants: What Do We Know?
April 1995	YAI International Conference on MR/DD	New York, New York	Managed Care and Persons with Developmental Disabilities
March 1995	ACYF Annual Conference	Glendale, Arizona	Child Welfare in Arizona
April 1994	Persons with MR/DD	Washington, D.C.	Cultural Diversity and Services to Persons with Developmental Disabilities
April 1992	Developmental Disability Conference	Lexington, Kentucky	Motivating Employees During Difficult Economic Times
April 1986	National Associations for Developmental Disabilities Managers	New Orleans, Louisiana	The Development and Utilization of Quality Assurance Systems in Residential and Community Programs
June 1985	American Associations on Mental Deficiency	Tampa, Florida	Development of Management Review Systems in Residential Facilities and Community Facilities
March 1984	National Association for Developmental Disabilities Managers	Las Vegas, Nevada	Agency Self-Audits and Quality Assurance

FINANCIAL DATA AND CONFLICT OF INTEREST (PUBLIC)

1. Have you severed all connections with your immediate past private sector employers, business firms, associations, and/or organizations?
No. Connections will be severed upon confirmation.

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, incompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services, firm memberships, former employers, clients, or customers.
State of Texas. 60 days from date of resignation. Balance of annual leave - approximately $10,000.00 and Texsaver 401K - $30,000.00.

3. Do you, or does any partnership or closely held corporation in which you have an interest, own or operate a farm or ranch? (If yes, please give a brief description including location, size and type of operation.)
No.

4. Have you, or any partnership or closely held corporation in which you have an interest, ever participated in Federal commodity price support programs? (If yes, provide all details including amounts of direct government payments and loans received or forfeited by crop and farm, etc. during the past five years.)
No.

5. Have you, or any partnership or closely held corporation in which you have an interest, ever received a direct or guaranteed loan from or cosigned a note to the Rural Business-Cooperative Service, Rural Housing Service, the Rural Utilities Service or their predecessor agencies, the Farmers Home Administration, the Rural Development Administration, the Rural Housing and Cooperative Development Service or the Rural Electrification Administration? (If yes, give details of any such loan activity during the past 5 years.)
No.

6. Have you, or any partnership or closely held corporation in which you have an interest, ever received payments for crop losses from the Federal Crop Insurance program? (If yes, give details.)
No.

7. If confirmed, do you have any plans, commitments, or agreements to pursue outside employment or engage in any business or vocation, with or without compensation, during your service with the government? (If so, explain.)
No.

8. Do you have any plans to resume employment, affiliation, or practice with your previous employers, business firms, associations, or organizations after completing government

service? (If yes, give details.)
No.

9. Has anyone made a commitment to employ you or retain your services in any capacity after you leave government service? (If yes, please specify.)
No.

10. Identify all investments, obligations, liabilities, or other relationships which involve potential conflicts of interest in the position to which you have been nominated.
None.

11. Have you ever received a government guaranteed student loan?
Yes.
If so, has it been repaid?
Yes.

12. If confirmed, explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items.
No known potential conflicts.

United States
Office of Government Ethics
1201 New York Avenue, NW., Suite 500
Washington, DC 20005-3917

May 2, 2001

The Honorable Richard G. Lugar
Chairman
Committee on Agriculture, Nutrition,
and Forestry
United States Senate
Washington, DC 20510-6000

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Eric M. Bost, who has been nominated by President Bush for the position of Under Secretary for Food, Nutrition and Consumer Services, Department of Agriculture.

We have reviewed the report and have also obtained advice from the Department of Agriculture concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is a letter dated April 27, 2001, from Mr. Bost to the Department's ethics official, outlining the steps he will take to avoid conflicts of interest. Unless a specific date has been agreed to, the nominee must fully comply within three months of his confirmation date, with the actions he agreed to take in his ethics agreement.

Based thereon, we believe that Mr. Bost is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Marilyn L. Glynn
General Counsel

Enclosures

April 27, 2001

Mr. John Surina
Director
Office of Ethics
U.S. Department of Agriculture
Washington, D.C. 20250-0122

Dear Mr. Surina:

The purpose of this letter is to describe the steps that I intend to take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Under Secretary of Agriculture for Food, Nutrition, and Consumer Services, Department of Agriculture.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any other person whose interests are imputed to me, unless I first obtain a written waiver, pursuant to section 208(b)(1), or qualify for a regulatory exemption, pursuant to section 208(b)(2). I understand that the interests of the following persons are imputed to me: my spouse, minor children, or any general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

Upon confirmation, I will resign my position as Commissioner of the Department of Human Services of the State of Texas. Furthermore, pursuant to 5 C.F.R. § 2635.502, for one year after I terminate my position with Texas, I will not participate in any particular matter involving specific parties in which the Texas Department of Human Services is a party or represents a party, unless I am authorized to participate.

My spouse is employed as a physician by the Texas Department of Health, from which she receives a fixed annual salary. At present, matters that are assigned to the Texas Department of Health and that would be under my jurisdiction include only the Women, Infants, and Children (WIC) Program; however, my wife's employment duties do not involve WIC. Pursuant to 5 C.F.R. § 2635.502, I will not participate in any particular matter involving specific parties in which the Texas Department of Health is or represents a party, unless I am authorized to participate.

My wife retains two 401(k) investments that are administered by former employers, although neither employer currently contributes to the respective plans. Both plans contain stock in the sponsoring companies. The companies are Cigna and Phycor. These companies do not present a potential conflict of interest under section 208(a); nevertheless, I pledge that I will not participate personally and substantially in any particular matter that will have a direct and predictable effect on the financial interests of these entities, unless I first obtain a written waiver or qualify for a regulatory exemption.

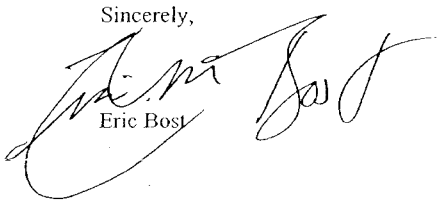
Ethics Agreement

Upon confirmation, I will resign my position on the National Human Service Administrators Board of the American Public Human Services Association (APHSA). Pursuant to 5 C.F.R. § 2635.502, for a period of one year after the termination of this position, I will not participate in any particular matter involving specific parties in which APHSA is a party or represents a party, unless I am authorized to participate.

I have a small Texsaver 401(k) account through my employment with the State of Texas. This is a defined contribution plan. The money in my account is split evenly between the Vanguard Growth Index Fund and the Vanguard U.S. Growth Fund. The State will not make any contribution to the plan after I resign, and it does not have any control over how the assets are invested by Vanguard.

I believe the steps I have here agreed to take will assure that no conflict of interest or appearance thereof will exist between my personal financial interests and the duties I will perform as Under Secretary for Food, Nutrition, and Consumer Services.

Sincerely,



Eric Bost

OF 278 (Rev. 03/2000)
O. Part 2634
...ice of Government Ethics

Executive Branch Personnel PUBLIC FINANCIAL DISCLOSURE REPORT

Form Approved:
OMB No. 3209 - 0001

Date of Appointment, Candidacy, Election, or Nomination *(Month, Day, Year)*	Reporting Status (Check Appropriate Boxes)	Incumbent ☐	Calendar Year Covered by Report	New Entrant, Nominee or Candidate ☑	Termination Filer ☐ Termination Date *(If Applicable) (Month, Day, Year)*
Reporting Individual's Name	Last Name: Bost			First Name and Middle Initial: Eric	
Position for Which Filing	Title of Position: Under Secretary for Food, Nutrition & Consumer Services			Department or Agency *(If Applicable)*: USDA	
Location of Present Office (or forwarding address)	Address *(Number, Street, City, State, and ZIP Code)*: 701 W. 51st Street, Austin, TX 78751			Telephone No. *(Include Area Code)*: (512) 438-3030	
Position(s) Held with the Federal Government During the Preceding 12 Months *(If Not Same as Above)*	Title of Position(s) and Date(s) Held: None				
Presidential Nominees Subject to Senate Confirmation	Name of Congressional Committee Considering Nomination: Committee on Agriculture, Nutrition, and Forestry			Do You Intend to Create a Qualified Diversified Trust? ☐ Yes ☑ No	
Certification: I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge.	Signature of Reporting Individual: [signature]			Date *(Month, Day, Year)*: 4/27/01	
Other Review (If desired by agency)	Signature of Other Reviewer			Date *(Month, Day, Year)*	
Agency Ethics Official's Opinion: On the basis of information contained in this report, I conclude that the filer is in compliance with applicable laws and regulations (subject to any comments in the box below)	Signature of Designated Agency Ethics Official/ Reviewing Official: [signature]			Date *(Month, Day, Year)*: 4/27/01	
Office of Government Ethics Use Only	Signature: Marilyn L. Glynn			Date *(Month, Day, Year)*: 5/2/01	

Comments of Reviewing Officials *(If additional space is required, use the reverse side of this sheet)*

(Check box if filing extension granted & indicate number of days _____) ☐

(Check box if comments are continued on the reverse side) ☐

Fee for Late Filing
Any individual who is required to file this report and does so more than 30 days after the date the report is required to be filed, or, if an extension is granted, more than 30 days after the last day of the filing extension period, shall be subject to a $200 fee.

Reporting Periods

Incumbents: The reporting period is the preceding calendar year except Part II of Schedule C and Part I of Schedule D where you must also include the filing year up to the date you file. Part II of Schedule D is not applicable.

Termination Filers: The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination. Part II of Schedule D is not applicable.

Nominees, New Entrants and Candidates for President and Vice President:

Schedule A -- The reporting period for income (BLOCK C) is the preceding calendar year and the current calendar year up to the date of filing. Value assets as of any date you choose that is within 31 days of date of filing.

Schedule B -- Not applicable.

Schedule C, Part I (Liabilities)--The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.

Schedule C, Part II (Agreements or Arrangements)--Show any agreements or arrangements as of the date of filing.

Schedule D -- The reporting period is the preceding two calendar years and the current calendar year up to the date of filing.

Agency Use Only

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APR 27 2001

Supersedes Prior Editions, Which Cannot Be Used.

278-113

NSN 7540-01-070-8444
OGE Office Code ...

SF 278 (Rev. 03/2000)
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U.S. Office of Government Ethics

Reporting Individual's Name: Bost, Eric

SCHEDULE A

Assets and Income — BLOCK A

For you, your spouse, and dependent children, report each asset held for investment or the production of income which had a fair market value exceeding $1,000 at the close of the reporting period, or which generated more than $200 in income during the reporting period, together with such income.

For yourself, also report the source and actual amount of earned income exceeding $200 (other than from the U.S. Government). For your spouse, report the source but not the amount of earned income of more than $1,000 (except report the actual amount of any honoraria over $200 of your spouse).

None ☐

Valuation of Assets at close of reporting period. — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

	Assets and Income (Block A)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
Examples	Central Airlines Common				X												X						X										
	Doe Jones & Smith, Hometown, State			X																												Law Partnership Income $130,000	
	Kempstone Equity Fund					X								X										X									
	IRA: Heartland 500 Index Fund							X						X											X								
1	One Group Equity Index Fund Class B		✓											✓							✓												
2	One Group Mid Cap Growth Fund Class B		✓											✓						✓		✓											
3	Best Buy Co.			✓													✓				✓												
4	Dell Computer		✓														✓				✓												
5	Krispy Kreme Doughnuts		✓														✓				✓												
6	Home Depot		✓														✓				✓												

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, mark the other higher categories of value, as appropriate.

Prior Editions Cannot Be Used.

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Reporting Individual's Name: Bost, Eric

SCHEDULE A continued
(Use only if needed)

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period. — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

#	Assets and Income (BLOCK A)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
7	Sun Microsysteme Inc.		✓														✓				✓												
8	Triquint Semiconductor		✓														✓				✓												
9	Walmart Stores Inc.		✓														✓				✓												
10	Texas Department of Health Spouse																															Employment	
11	Texas Department of Human Services Self																															Employment $200,000	
12	Open Wave Systems		✓														✓				✓												
13	Texsaver 401k TX, Widely Diversified Defined Contribution- In funds a) and b) below.																																
14	a) Vanguard Growth Index Fund		✓											✓							✓												
15	b) Vanguard US Growth		✓											✓							✓												

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Reporting Individual's Name: Bost, Eric

SCHEDULE A continued
(Use only if needed)

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period. — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

#	Assets and Income (BLOCK A)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
16	Janus Mutual Funds Growth and Income		✓											✓						✓		✓											
17	Cigna 401k (Spouse) Assets reported on lines 18-19.																																
18	a) Cigna common stock			✓													✓				✓												
19	b) Guaranteed Long-Term Fund (TimesSquare Capital Management, Inc.) Fixed Income Fund			✓										✓							✓												
20	Phycor 401k (Spouse) Assets reported on lines 21-31. Value & income for individual assets		✓																		✓												
21	not readily available. i) Phycor Stock Fund																				✓												
22	ii) Combination Life-Cycle Fund: Moderate Portfolio													✓							✓												
23	iii) Combination Life-Cycle Fund: Aggressive Portfolio													✓							✓												
24	iv) Stable Value Fund													✓							✓												

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Reporting Individual's Name: Bost, Eric

SCHEDULE A continued
(Use only if needed)

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period. — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

#	Assets and Income (BLOCK A)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
25	v) Fixed Income Fund													✓							✓												
26	vi) S& P 500 Equity Index Fund													✓							✓												
27	vii) Value Equity Fund													✓							✓												
28	viii) Growth Equity Fund													✓							✓												
29	ix) Foreign Equity Fund													✓							✓												
30	x) Aggressive Growth Equity Fund													✓							✓												
31	xi) Combination Life-Cycle Fund: Conservative Portfolio													✓							✓												
32																																	
33																																	

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, mark the other higher categories of value, as appropriate.

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Reporting Individual's Name: Bost, Eric

SCHEDULE A continued
(Use only if needed)

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period. — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

#	Assets and Income (BLOCK A)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
34	Texsaver 401k (Spouse). Defined contribution plan. Assets reported below in 35-39:		✓																		✓												
35	a) Dell Computer Corporation common	✓																			✓												
36	b) Krispy Kreme Doughnut common		✓																		✓												
37	c) Sun Microsystems Inc. common		✓																		✓												
38	d) Triquint Semiconductor common	✓																			✓												
39	e) Schwab Government Money Fund		✓																		✓												
40																																	
41																																	
42																																	

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, mark the other higher categories of value, as appropriate.

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Do not complete Schedule B if you are a new entrant, nominee, or Vice Presidential or Presidential Candidate

Reporting Individual's Name: Bost, Eric

SCHEDULE B

Part I: Transactions

Report any purchase, sale, or exchange by you, your spouse, or dependent children during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss.

Do not report a transaction involving property used solely as your personal residence, or a transaction solely between you, your spouse, or dependent child. Check the "Certificate of divestiture" block to indicate sales made pursuant to a certificate of divestiture from OGE.

None ☐

	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000.00*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Certificate of divestiture
Example	Central Airlines Common	X			2/1/99			X									
1																	
2																	
3																	
4																	
5																	

* This category applies only if the underlying asset is solely that of the filer's spouse or dependent children. If the underlying asset is either held by the filer or jointly held by the filer with the spouse or dependent children, use the other higher categories of value, as appropriate.

Part II: Gifts, Reimbursements, and Travel Expenses

For you, your spouse and dependent children, report the source, a brief description, and the value of: (1) gifts (such as tangible items, transportation, lodging, food, or entertainment) received from one source totaling more than $260, and (2) travel-related cash reimbursements received from one source totaling more than $260. For conflicts analysis, it is helpful to indicate a basis for receipt, such as personal friend, agency approval under 5 U.S.C. § 4111 or other statutory authority, etc. For travel-related gifts and reimbursements, include travel itinerary, dates, and the nature of expenses provided. **Exclude** anything given to you by the U.S. Government; given to your agency in connection with official travel; received from relatives; received by your spouse or dependent child totally independent of their relationship to you; or provided as personal hospitality at the donor's residence. Also, for purposes of aggregating gifts to determine the total value from one source, exclude items worth $104 or less. See instructions for other exclusions.

None ☐

	Source (Name and Address)	Brief Description	Value
Examples	Nat'l Assn. of Rock Collectors, NY, NY	Airline ticket, hotel room & meals incident to national conference 6/15/99 (personal activity unrelated to duty)	$500
	Frank Jones, San Francisco, CA	Leather briefcase (personal friend)	$300
1			
2			
3			
4			
5			

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Reporting Individual's Name: Bost, Eric

SCHEDULE C

Part I: Liabilities

Report liabilities over $10,000 owed to any one creditor at **any time** during the reporting period by you, your spouse, or dependent children. Check the highest amount owed during the reporting period. **Exclude** a mortgage on your personal residence unless it is rented out; loans secured by automobiles, household furniture or appliances; and liabilities owed to certain relatives listed in instructions. See instructions for revolving charge accounts.

None ☐

	Creditors (Name and Address)	Type of Liability	Date incurred	Interest Rate	Term if applicable	$10,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
Examples	First District Bank, Washington, DC	Mortgage on rental property, Delaware	1991	8%	25 yrs.			X								
	John Jones, 123 JSt., Washington, DC	Promissory note	1999	10%	on demand					X						
1	First USA	Revolving Charge	1998	15%	Open Ended	☑	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
2	Citibank	Revolving Charge	1997	20%	Open Ended	☑	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
3						☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
4						☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
5						☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

* This category applies only if the underlying liability is solely that of the filer's spouse or dependent children. If the liability is that of the filer or a joint liability of the filer with the spouse or dependent children, mark the other higher categories, as appropriate.

Part II: Agreements or Arrangements

Report your agreements or arrangements for: (1) continuing participation in an employee benefit plan (e.g. pension, 401k, deferred compensation); (2) continuation of payment by a former employer (including severance payments); (3) leaves of absence; and (4) future employment. See instructions regarding the reporting of negotiations for any of these arrangements or benefits.

None ☐

	Status and Terms of any Agreement or Arrangement	Parties	Date
Example	Pursuant to partnership agreement, will recieve lump sum payment of capital account & partnership share calculated on service performed through 1/00.	Doe Jones & Smith, Hometown, State	7/85
1	Texsaver 401k account with State of Texas, described in Schedule A, Page 3, items 13- 15. This is a define contribution plan. No control over how Vanguard administers the funds. No additional payments will be made by the State of Texas.	Texas	08/97
2			
3			
4			
5			
6			

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Reporting Individual's Name	SCHEDULE D	Page Number
Bost, Eric		9 / 9

Part I: Positions Held Outside U.S. Government

Report any positions held during the applicable reporting period, whether compensated or not. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. **Exclude** positions with religious, social, fraternal, or political entities and those solely of an honorary nature.

None ☐

	Organization *(Name and Address)*	Type of Organization	Position Held	From *(Mo., Yr.)*	To *(Mo., Yr.)*
Examples	Nat'l Assn. of Rock Collectors, NY, NY	Non-profit education	President	6/92	Present
	Doe Jones & Smith, Hometown, State	Law firm	Partner	7/85	1/00
1	Texas Department of Human Services	State Government	Commissioner	08/97	Present
2	American Public Human Services Association (APHSA), National Human Services Administrators Board	Professional Association	Board Member	01/99	Present
3					
4					
5					
6					

Part II: Compensation in Excess of $5,000 Paid by One Source

Report sources of more than $5,000 compensation received by you or your business affiliation for services provided directly by you during any one year of the reporting period. This includes the names of clients and customers of any corporation, firm, partnership, or other business enterprise, or any other non-profit organization when you directly provided the services generating a fee or payment of more than $5,000. You need not report the U.S. Government as a source.

Do not complete this part if you are an Incumbent, Termination Filer, or Vice Presidential or Presidential Candidate.

None ☐

	Source *(Name and Address)*	Brief Description of Duties
Examples	Doe Jones & Smith, Hometown, State	Legal services
	Metro University (Client of Doe Jones & Smith), Moneytown, State	Legal services in connection with university construction
1	Texas Department of Human Services	Employer
2		
3		
4		
5		
6		

Prior Editions Cannot Be Used.

QUESTIONS AND ANSWERS

MAY 16, 2001

**QUESTION SUBMITTED BY SENATOR HARKIN
TO WILLIAM T. "BILL" HAWKS**

Question: In 1996, the Mississippi State Senate debated a bill to prohibit poultry companies from engaging in unfair and deceptive trade practices, and to create a committee to provide recommendations to the Commissioner of Agriculture regarding fair business practice guidelines. You voted against this legislation, which was later vetoed by the Governor.

The job you have been nominated for would involve enforcing the Packers and Stockyards Act, with regard to unfair and deceptive trade practices by packers and processors against agricultural producers. Therefore, I am concerned by your opposition in Mississippi to the efforts to establish basic protections in this regard.

It would be my hope that in the position for which you are nominated you would be a strong advocate for fairness when it comes to processor-producers transactions.

Would you tell the Committee why you opposed the legislation in Mississippi?

Would you explain whether your opposition to that legislation is consistent with your assurances at your nomination hearing that you will enforce the Packers and Stockyards Act to its fullest extent?

How will your views on that legislation affect your fully enforcing the Packers and Stockyards Act?

Answer: In 1996 as a State Senator I did vote against a piece of legislation, which was drafted to specifically proscribe how poultry contracts were to be written. A large number of poultry producers in my state did not support the legislation. In addition, the constituents I represented overwhelmingly did not support the provision of the legislation dictating contract specifications. I did work to ensure that the provision creating a committee to address producer concerns was retained and implemented, despite the Governor's veto. As you know representing a state is very different than accepting a Presidential appointment. As I stated in my nomination hearing, I am fully committed to upholding the provisions of the Packers and Stockyards Act to their fullest extent.

QUESTIONS SUBMITTED BY SENATOR HARKIN

TO ERIC M. BOST

Question: The food stamp quality control (QC) system currently measures only some limited aspects of states' administration of the Food Stamp Program: over-issuances and some under-issuances. It does not reflect other important areas of state responsibility, such as support for the working poor, timely application processing, and nutrition education. Do you support the development of a more balanced scorecard with which the Department can evaluate states' performance?

Answer: I recognize the importance of both accountability and access to the success of the program. In fact, in Texas, we have shown that the two can work in tandem as we continue to reflect high accuracy rates while implementing a statewide effort to outreach potentially eligible individuals and families. Our outreach efforts, in Texas, include working with community organizations to educate and provide information on the Food Stamp Program, PSAs, a food stamp application hotline, and extended office hours to accommodate the working poor. I agree that the quality control measure is limited and the additional measures give a more complete picture of how successful a state is in its overall administration of the food stamp program. I believe that the reauthorization debate will provide a good opportunity to discuss how best to evaluate States' performances and, if confirmed, I look forward to working with you and the Committee on this matter. Input from States and the advocate community will also be important as consideration of additional measures of program performance are considered during the reauthorization process.

Question: For fiscal years 1998 and 1999, the Department adjusted states' food stamp quality control (QC) liabilities to reflect the impact of high or increasing numbers of working poor families, and high or rising numbers of immigrants, on states' error rates. In 1998, USDA found that all but $10,000 of my State of Iowa's $735,000 sanction resulted from the unusually large number of working poor families we were serving. These adjustments have been well-received by the states as a recognition of their efforts to help vulnerable but potentially error-prone families. I was pleased to see the Department continued those adjustments last month when it calculated liabilities for fiscal year 2000. Do you support continuing and improving this important policy?

Answer: I support the Department's decision to recognize the impact of working poor families and immigrants in deciding the FY 2000 sanctions, I have not had an opportunity to review the specific adjustment formula nor was I privy to the policy discussions which resulted in the adjustments. I promise you that, if confirmed, I will seriously consider your recommendation once I have had the opportunity to review all the relevant facts.

QUESTION SUBMITTED BY SENATOR CONRAD

WILLIAM T. "BILL" HAWKS

Question: (Regarding actions to further prevent the spread of foreign animal diseases to the United States), I have been told that proposals were made at either the staff level or by credible outside groups that have been rejected. I would like to have a list of all the proposals that have been made by staff and outside groups. I would like to have a list of all the proposals that have been made by staff and outside groups, a list of the recommendations for the disposition of each proposal and the rationale for the decision on each proposal.

Answer: Senator Conrad, I conveyed your request to appropriate USDA agencies and they have identified two letters that meet the criteria in your question. Both essentially proposed a moratorium on all imports of cattle, sheep, hogs and meat products from all countries until certain conditions are met. USDA/APHIS declined to implement those proposals at this time. The Agency believes that closing our borders without sound scientific justification would violate our sanitary and phytosanitary obligations under both the North American Free Trade Agreement and the World Trade Organization. In addition, the Agency states we already have rigid criteria in place for determining the disease-free status of areas that might be infected with FMD, and foreign countries must meet these criteria before we allow their meat or meat products into the United States. The agencies can forward this correspondence to you under separate cover if you wish.

I have not been informed of any other proposals that fit the description in your question but if you have information on any other such proposal please let me know. Should I be confirmed, the prevention of the spread of foreign animal diseases into the United States will have the highest priority in the agencies that I would supervise. I share your concerns and believe that we should consider any steps necessary to protect the interests of our farmers, ranchers and consumers. If confirmed, I assure you that I will continue the Department's top to bottom review of all aspects of animal and plant diseases.

QUESTION SUBMITTED BY SENATOR MARK DAYTON TO WILLIAM T. "BILL" HAWKS

Question: Earlier this year, I co-sponsored S. 20, a bill to enhance fair and open competition in the production and sale of agricultural commodities. Do you agree that more needs to be done to protect the interests of independent agricultural producers? If confirmed, would you press for legislative changes in the Packers and Stockyards Act or other competition laws?

Answer: As with many industries, agriculture has experienced increased consolidation and concentration in recent years. This has occurred throughout the industry from farm machinery manufacturers to seed suppliers to transportation providers to processors to retailers. As a farmer, I have experienced this change first hand. In this environment of increased concentration and competition, we must protect the interests of all agricultural producers. If confirmed as Undersecretary for Marketing and Regulatory Programs, I will enforce the provisions of the Packers and Stockyards Act to promote fair and open competition and protect against unfair, deceptive, fraudulent, and anti-competitive practices by livestock, poultry and meatpacking firms. I will review and assess the adequacy of the Packers and Stockyards Act and other laws, and recommend any changes that may be needed to enhance competitiveness in U.S. agriculture.

QUESTIONS SUBMITTED BY SENATOR DAYTON TO WILLIAM T. "BILL" HAWKS

Question: In response to the recent outbreaks of foot-and-mouth disease (FMD), I wrote to Secretary Veneman, urging that the Department err on the side of caution in the measures taken to keep FMD out of the United States. Do you agree that extreme caution ought to underlie the Department of Agriculture's approach toward protecting American Agriculture from this devastating disease?

Answer: As I stated in my confirmation hearing, one of USDA's foremost priorities is preventing foreign animal diseases such as FMD from entering the United States. I am committed to maintaining and strengthening our precautions in the face of the recent FMD outbreaks. I understand that USDA has taken many preventive measures to keep FMD from spreading to the United States. In addition, USDA increased the inspection and cleaning of all used farm equipment entering the United States from countries or regions under FMD import restrictions. We then implemented a certification system to ensure that only clean equipment is presented for entry. If confirmed, I can assure you that I will ensure USDA remains vigilant about the threat that FMD poses to U.S. agriculture and continue to review all programs and procedures to ensure ongoing prevention and readiness against FMD.

QUESTIONS SUBMITTED BY SENATOR DAYTON TO WILLIAM T. "BILL" HAWKS

Question: Regarding FMD, I am concerned in particular about USDA regulations that currently allow certain dairy products to be imported from the European Union and other countries where FMD is present. I understand that USDA is considering publishing a *proposed* rule that would tighten the restrictions on dairy product imports from FMD-infected countries. If the Department sees any merit in restricting imports of additional products to prevent the spread of FMD to this country, wouldn't it make sense to issue an *interim final rule*? An interim final rule would take effect immediately whereas a proposed final rule would not take effect until a final rule is published.

Answer: As you state, the Animal and Plant Health Inspection Service (APHIS) is examining our restrictions on dairy products from countries affected by FMD. As I understand, APHIS currently allows milk protein concentrates and other condensed milk products from FMD countries to enter the United States only under permit. If the product is intended for animal use, we require a health certificate from the exporting country stating that the product has been heat treated to inactivate the FMD virus. If the product has not been treated in the exporting country, it must go directly under seal to a USDA-approved facility for heat treatment in this country. Products intended for human or industrial use are not currently required to undergo heat treatment. If confirmed, one of the first actions I will take is to review the decision as to whether this rule should be an interim final or proposed.

QUESTIONS SUBMITTED BY SENATOR MARK DAYTON TO WILLIAM T. "BILL" HAWKS

Question: Minnesota has been a leader in promoting the development of markets for organic commodities. It was the first state to develop standards for certified organic products, which served as a model in many respects for the federal organic standards issued by USDA last year. Do you support the federal organic standards? If confirmed, what additional steps would you take to facilitate marketing of organic food products?

Answer: Yes, I support federal organic standards. As a growing market, the production of organic products represents an important opportunity for many producers. If confirmed, I will work to ensure that the program is fully implemented during the 18-month implementation period that began on April 21, 2001. If confirmed, I will also ensure that the Department works with the organic industry to address issues that may arise with the standards during and after program implementation.

QUESTIONS SUBMITTED BY SENATOR MARK DAYTON TO WILLIAM T. "BILL" HAWKS

Question: As you know, dairy policy has been mired in regional conflicts for decades. In my area of the country, dairy farmers have long suffered under federal pricing policies that put them at a disadvantage relative to farmers in other regions.

It is my view that Congress and the Administration should be working together toward a sound national dairy policy that works for the benefit of producers in all regions, without devolving to further regional warfare. If confirmed, would you agree to work with me and other Members of the Committee to assist in crafting dairy legislation that can work to the benefit of farmers in all regions?

Answer: Yes, if confirmed I will work with you and all members of Congress to develop dairy programs that address the price and income concerns of dairy farmers throughout the country. As you know dairy policy is very complex. I recognize that the dairy industry has changed more rapidly than dairy policies. If confirmed, I am committed to working with you and all constituents to review all policies to ensure that they are consistent with the industry and do not limit or hurt dairy producers in any way.

QUESTION SUBMITTED BY SENATOR DAYTON

TO ERIC M. BOST

Question: Minnesota has more child care homes than any other state. I am concerned about recent statistics that show the number of child care homes participating in the Child and Adult Care Food Program (CACFP) has dropped by 20,000. As Under Secretary, what steps will you take to reverse this decline?

Answer: I understand that there has been a decline in the number of child care homes participating in CACFP over the past few years. I am committed to ensuring that this valuable nutrition assistance program is available to all eligible child care homes, and if confirmed, I will ask FNS staff, the States, and the provider and advocate communities to assist me in identifying ways to achieve this goal.

Question: Minnesota has also taken the lead in the expansion and successful implementation of a universal School Breakfast Program. I'm aware that Texas also ranks high in school breakfast program participation. The school breakfast program's benefits for low-income school children have been well documented. In light of the program's commendable results, as Under Secretary, what will you do during your tenure to support the expansion of the School Breakfast Program so that all schools and all children could benefit from their participation? Would you support an expansion of the universal school breakfast pilot program?

Answer: The School Breakfast Program is indeed an important program for children. If confirmed, I look forward to reviewing the results of the universal School Breakfast Pilot Program as soon as they become available. Preliminary results from this project may be available to assist our deliberations as we prepare for the reauthorization of Child Nutrition programs in Fiscal Year 2003.

Question: I am concerned that the WIC participation rates projected in President Bush's budget are inaccurate and understate the funding needs for the WIC program. Further more, recent data suggests that the WIC carryover funding balance will be much lower than the budget anticipates, which could result in a serious funding shortfall for WIC. As Under Secretary, how will you address this? Will you support additional funding for WIC, if, in fact, participation rates are higher than anticipated or if carryover funds are lower than expected?

Answer: As I understand it, the President's FY 2002 Budget request supports an average monthly participation of 7.25 million. I know that, as a program which provides important nutritional support at key developmental stages for children, it is critical that planning is precise as possible for expected participation in the program. If confirmed, I plan to closely monitor the Program's participation over the next several months and promise to keep the Congress apprised of any developments.

Question: Texas has very admirable Food Stamp quality control (QC) payment accuracy rating, and I commend you for your role in that achievement. Given your success in Texas, I would appreciate your views on whether the quality control assessment criteria provide a fair assessment of program success. Should they include other factors as well, for instance, measuring a State's success at increasing the rate of participation by all eligible food stamp recipients?

Answer: I am very proud of Texas' success in its payment accuracy rating. However, I am well aware that payment accuracy is only one measure of a state's food stamp program success. I have always felt that it is important to look at a variety of measures when judging how well the program delivers its services. If confirmed, I look forward to working with the Congress on Food Stamp Reauthorization which will give the opportunity to consider options related to the quality control system.

QUESTIONS SUBMITTED BY SENATOR BAUCUS TO WILLIAM T. "BILL" HAWKS

Question: Agriculture is the largest industry in my home State. Montana's livestock industry is a critical part of our State's economy. We must take every precaution to safeguard our livestock industry and our citizens. What else do you believe we should be doing in our effort to prevent foot-and-mouth disease (FMD) in the United States?

Answer: I assure you that we are committed to taking all appropriate prevention measures to mitigate the risk of FMD or another harmful foreign animal disease entering our country. In response to the recent FMD outbreaks in Europe, South America, and other areas of the world, we have strengthened our longstanding precautions against this disease. As always, APHIS' exclusion efforts focus on prohibiting imports of specific animals and animal products from FMD-affected countries, conducting port-of-entry inspections, cooperating with our animal health partners in other countries, and disseminating vital information on the protective measures in place against FMD to State officials, concerned members of the public, and international travelers. The Secretary has enhanced these activities as a direct result of the FMD crisis in parts of Europe.

All of our cooperative safeguarding efforts with other Federal agencies, State officials, industry representatives and our foreign counterparts, in conjunction with APHIS' strong animal disease surveillance program, reassure us that USDA is following the proper procedures to safeguard the United States from FMD. Nevertheless, we will continue to look for ways to further improve this strong safeguarding system. Because the United Kingdom maintains technologically advanced agricultural and animal health systems similar to those in the United States, the FMD outbreak there is providing USDA important lessons regarding our own ability to respond to this disease and will help us identify new needs to strengthen our capabilities. If confirmed, I assure you that I will make whatever adjustments are necessary to ensure that our FMD response capabilities are as scientifically up-to-date and effective as possible.

QUESTION SUBMITTED BY SENATOR MAX BAUCUS TO WILLIAM T. "BILL" HAWKS

Question: Many producers cannot obtain the data needed to quickly and easily compare bids from different packers and to negotiate the best possible price for their livestock. Are you committed to working to see that mandatory price reporting is operating and functioning as intended?

Answer: As a producer, myself, I fully appreciate the importance of timely and accurate market information. I also know that this was sweeping legislation for both the industry and AMS. I am aware that there are technical problems with some of the reports. I am not willing to rush to judgment against this legislation, rather if confirmed, I want to rapidly pull together the people and any need resources to ensure that all the technical problems are resolved. In addition, I would want to work with Congress to ensure that any unintended consequences created by this legislation are mitigated

QUESTIONS SUBMITTED BY SENATOR BAUCUS

TO ERIC M. BOST

Question: States and advocates alike have criticized the current food stamp quality control (QC) system for its exclusive focus on payment accuracy to the exclusion of all other measures of states' performance, such as support for work, service in remote areas such as Indian reservations, and nutrition education. The present food stamp QC system, however, looks only at overpayments and certain underpayments. Are you prepared to work with this Committee to find ways to improve the food stamp performance monitoring system to provide a more complete evaluation of states' administration of the Food Stamp Program?

Answer: I agree that more balanced measures of program performance would be good and, if confirmed, I look forward to working with the Committee on this matter as part of the reauthorization process. Input from States and the advocate community will also be important as consideration of additional measures of program performance are reviewed during the reauthorization process.

Question: The Montana State Advisory Council on Food and Nutrition released a report in December 2000 that Montana increase the proportion of Montana low-income students who receive both free or reduced price lunch and breakfast. Currently 31% of Montana's low-income students fall into this category while nationwide over 40% of low-income students receive both free or reduced price breakfast and lunch. What are your ideas to increase participation in these programs in rural states like Montana?

Answer: I am very concerned about improving access to all USDA nutrition assistance programs, particularly in rural States like Montana. FNS staff has recently obtained a copy of *The State of Food and Nutrition in Montana: Report of the Montana State Advisory Council on Food and Nutrition* that you referenced. If confirmed, I will ask staff for an assessment of the report's recommendations and how we might effectively assist the State to increase program participation. In addition, if confirmed, I would be happy to visit Montana and other rural States to meet with officials on this issue.

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